Ard-Reachtaire Cuntas agus Ciste

Comptroller and Auditor General

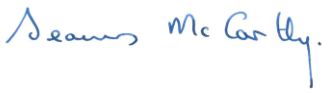
Appropriation Accounts 2021

30 September 2022

Appropriation Accounts 2021

Section 3 (11) of the Comptroller and Auditor General (Amendment) Act 1993 requires me, upon the completion of my audit of the appropriation accounts, to present to Dáil Éireann a copy of each such account together with my certificate thereon.

I hereby present, pursuant to the foregoing provision, the said accounts and certificates for the year ended 31 December 2021.



Seamus McCarthy
Comptroller and Auditor General

30 September 2022

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Preface

Dáil Éireann provides money for the ordinary services of Government departments and offices, both capital and non-capital, by

- approving estimates of expenditure for those services in the course of each year
- giving statutory effect to the estimates in an annual Appropriation Act.

Expenditure is provided for under a series of votes, with one or more covering the functions of each department or office.

The first part of the estimate for each vote is referred to as the **ambit**. This provides an outline of the services to be financed. The ambit of each vote is incorporated in the annual Appropriation Act, and so represents the purposes for which funds have been authorised by Dáil Éireann.

At the end of every financial year, each department or office is required to prepare an account, known as the **appropriation account**, for each voted service administered by it. The statutory requirement is for the appropriation account to provide details of the outturn for the year against the amount provided by Dáil Éireann, based on the cash amounts of payments and receipts. The prior-year outturn is also shown for comparison purposes.

In addition to providing the statutory financial information on a cash-accounting basis, each appropriation account sets out some accrual-based information in notes to the account.

- Note 1 presents an **operating cost statement** that gives information on the cost of the service for the year.
- Note 2 presents a **statement of financial position**, with related explanatory notes, giving information on the financial position in respect of the service at year-end. This includes information on expenditure commitments and on the actual position of the voted service *vis-à-vis* the Exchequer at year-end i.e. the net liability to the Exchequer, or amount due from the Exchequer.
- Other notes to the account provide standard information on: expenditure by programme and subhead (Note 3); receipts (Note 4); and staff numbers and pay (Note 5). Information on any other relevant matters is presented in Note 6 (miscellaneous and fund accounts).
- Many departmental votes include an appendix that lists the State bodies and funds that operate under the aegis of the relevant department, and that provides information on the timeliness of financial reporting by those bodies.

Statement of Accounting Policies and Principles[1]

Basis of accounts

Appropriation accounts showing the financial transactions of Government departments,[2] are prepared in accordance with the Exchequer and Audit Departments Act 1866 (as amended by the Comptroller and Auditor General (Amendment) Act 1993) and with accounting rules and procedures laid down by the Minister for Public Expenditure and Reform.

The accounts are a cash-based record of the receipts and payments in the year compared with the amounts provided under the Appropriation Act. The accounts also show prior year figures for comparison purposes. Some information of an accruals nature is included in the notes to the accounts.

Departments should obtain prior approval from the Department of Public Expenditure and Reform for any departures, changes or additions to the standard accounting policies. Information regarding divergence from the standard accounting policies should be included in the Accounting Officer's introduction to the appropriation account.

Reporting period

The reporting period is the year ended 31 December 2021.

Receipts

As a general rule, all revenues of the State are paid into the Exchequer.

Subject to the express approval of the Department of Public Expenditure and Reform, certain Departmental receipts may be appropriated in aid of expenditure borne on a vote. Without such sanction, receipts must be surrendered directly to the Central Fund as Exchequer 'extra' receipts.

Appropriations-in-aid are receipts that, under section 2 of the Public Accounts and Charges Act 1891, may be used to meet expenditure to the extent authorised by the annual Appropriation Act. In general, these are receipts arising in the normal course of a department's business under the vote and can include such items as:

- charges for services [3]
- pension contributions
- rent and proceeds from certain sales
- with the prior agreement of the Minister for Public Expenditure and Reform, the proceeds from the sale of assets for the funding of high-priority capital programmes or projects
- fines, forfeitures or costs recovered.

In general, receipts of departments to be credited directly to the Exchequer as 'extra' receipts are those that have no direct connection with the vote expenditure or are 'windfall' receipts. Such extra receipts may not be used to meet expenditure from the vote. Where they arise, they are reported in a note to the appropriation account. They include items such as:

- receipts on foot of surplus income or profits of State companies
- interest, dividends or capital repayments
- compensation.

1 The Department of Public Expenditure and Reform sets the standard accounting policies and principles applied in the preparation of appropriation accounts. These are stated in the Department's circulars 1 and 9 of 2022.

2 In this statement, the term 'department' includes central Government departments, offices and agencies responsible for Vote management and accounting.

3 Some offices, such as the Office of Public Works and the Office of the Attorney General, receive expenses in the course of carrying out their functions. These expenses should also be taken in as appropriations-in-aid.

Where Exchequer extra receipts arise, they are reported in a note to the appropriation account (Note 4). Departments are required to provide a breakdown of such receipts and an explanation where the amounts are material in nature. In addition, departments are required to disclose both the amounts lodged to the Exchequer (via the Sundry Moneys Deposit Account) and the amounts payable (amounts not yet transferred over), where the amounts are not the same.

Departments are also required to present the breakdown of the Exchequer extra receipts on an opening balance/closing balance basis.

Payments

Payments consist of those sums which have come in course of payment during the year. Sums are deemed to have come in course of payment where the liability has been incurred, payment is due and the instruction for the payment has been executed.

Where a liability has been incurred and payment is due (i.e. the liability has matured), payment should be completed before the year end to ensure the integrity of the appropriation account. In cases where payment has not been effected and matured liabilities are outstanding at year end, the amount of such liabilities should be given in a note to the account (Note 2).

An exception to this general principle is where a department is acting as an agent for another Government department (the principal) resulting in financial transactions between the principal and agent, the general rule is that the agent should put the transactions through suspense, the service being a final charge in the principal's appropriation account.

In situations where the agent requires the principal to provide advance funding to enable payment to be made, only amounts certified by the agent as having been disbursed by it in the year of account should be charged to the principal's appropriation account.

As a general principle, Government accounting is on a gross basis, i.e. receipts are not netted off against payments. Government departments, offices and vote holders should obtain prior approval from the Department of Public Expenditure and Reform for any proposed netting off.

Net allied services

Allied services are services provided centrally to, or on behalf of, department votes on the basis that, as specialists, the supplying department (whose primary function is the provision of these central services) is able to perform the services more efficiently than the vote holder. This includes shared services.

The net allied services note (in Note 1) details the expenditure amount in relation to the department which is borne elsewhere. There are various measurement bases for the calculation of the allied services expenditure figures.

Accruals

Each appropriation account incorporates information of an accruals nature in the notes to the account, including

- an operating cost statement (Note 1), showing the total amount of resources consumed by a vote in the year
- a statement of financial position showing the vote's assets and liabilities at year end (Note 2), and

- explanatory notes providing details regarding capital assets, the net funding due to the Exchequer, and any commitments.

The statement of financial position includes the position at year-end in relation to the following

- **Accrued expenses** — these represent all liabilities at the year end, with the exception of liabilities in regard to remuneration and pensions. In the case of goods and services, an accrued liability is recognised when the payee has met the contractual requirement to provide the goods or services ordered. Amounts due for goods delivered but not yet paid for, even if un-inspected and not taken to stock, are treated as a liability. In the case of grants, a liability is recognised when the grantee has met all the requirements of the grant scheme but has yet to receive payment. Travel and subsistence liabilities are recognised when travel has been completed.
- **Prepayments** — these are payments made during the year of account to meet expenses which will arise in a subsequent financial year.
- **Accrued income** — this is income due to the vote at the end of the year of account which has yet to be received.
- **Deferred income** — this represents income received by the vote during the year of account for goods/services which it has yet to provide.

Capital assets

The opening and closing values of capital assets on a department's asset register and details of depreciation are shown by way of note to the statement of financial position (Note 2).

Capital assets under development should be included within capital assets in the statement of financial position, showing expenditure on assets being developed within the department e.g. software development or construction projects.

The following are not included in the statement of capital assets

- assets that are not yet available for use
- assets that cost less than €10,000 and/or [1]
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in the statement.)

Valuation of assets

Land and buildings

All lands and buildings owned by the State and controlled or managed by a department are included in the statement of financial position (and capital assets note). Where relevant, the basis of valuation of land and buildings is explained in the Accounting Officer's introduction to the appropriation account.

Where ownership of land and buildings is (a) vested in the Office of Public Works or (b) vested in a Minister but in fact controlled/managed by the Office of Public Works, they are included in the account for the Office of Public Works.

Where lands or buildings are vested in a Minister but are, in fact, controlled/managed by an outside body, they are not included as assets of the department's vote, but the ownership of the asset is noted in the department's account. Otherwise, land and buildings vested in a Minister are included on the account for the relevant vote.

1 The threshold for inclusion of all new capital assets on the statement of capital assets has increased to €10,000 for an individual asset, with effect from 2021 appropriation accounts. Refer to the DPER issued *circular 21/2020; Increase in Value Threshold for Inclusion of Assets in Asset Registers.*

Government departments/offices that for technical reasons cannot provide valuations for State-owned lands and buildings controlled or managed by them should append to the appropriation account a schedule of these assets.

Equipment, furniture and fittings

Equipment, furniture and fittings are valued at cost.

Other assets

Where required, accounting policies in respect of valuation of other assets (e.g. specialised vehicles) are set out in the Accounting Officer's introduction to the appropriation account.

Depreciation policy

The policy on the depreciation method to be applied is that depreciation is calculated and charged on a monthly basis from the month of acquisition/commissioning until the month of disposal [1].

Departmental assets fall into different categories for depreciation purposes. Depreciation is on a straight line basis. The principal categories which will apply are set out in the following table.

	Depreciation rate
Category A – Items depreciated to a nil value over 10 years	
Furniture and fittings	10%
Plant and machinery	10%
Major IT operational software systems	10%
Category B – Items depreciated to a nil value over 5 years	
IT equipment, hardware and software	20%
Office equipment	20%
Other specialist equipment	20%
Motor vehicles	20%
Category C – Other items	
Land	0%
Buildings	0% to 5%
Military assets	3% to 20%

There is some discretion for Accounting Officers to depart from the standard accounting policies set out below.

Bank and cash

'Bank and cash' should include all commercial bank account balances (payroll and other vote related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or that contain receipts liable to be paid to the Exchequer. The note should separately identify Paymaster General (PMG) bank accounts from other commercial bank accounts.

1 Starting with the 2020 appropriation accounts, to accommodate the transition to the Financial Management Shared Services (FMSS) system, depreciation will be calculated on a monthly basis. Depreciation should be charged from the date the asset is place into service and run until the month of disposal. As an interim arrangement pending the roll out of FMSS, departments can calculate depreciation on a monthly or annual basis. All appropriation accounts must state the depreciation method used.

Details of any other commercial bank accounts not funded by or liable to be paid to the Exchequer are disclosed by way of a note to the account. This includes non-vote balances that are not recorded/accounted for in another set of accounts that are audited.

Stocks

Consumables are stated at the lower of cost or departmental valuations.

Net Exchequer funding

The net Exchequer funding note shows the funding position of the vote at the year end, taking account of the surplus and issues from the Exchequer on a cumulative/rolling basis. The breakdown of that figure in terms of bank/cash balances, debtors' receipts due and current liabilities is also shown.

Commitments

A commitment is a contractual obligation to pay on delivery for goods or services (including capital projects) which have yet to be supplied at year-end. In the case of grant schemes, a commitment is recognised when the grant is approved but the grantee has yet to fulfil the requirements of the scheme.

Global contractual commitments (in excess of €10,000) likely to materialise in subsequent years, are disclosed by way of note, under the headings: procurement of goods and services, non-capital grant programmes, capital grant programmes, capital projects and public private partnership projects, to the account.

Details of all major capital projects and public private partnership projects, where the project value exceeds €10,000,000, are separately disclosed.

Where the reported commitment level or projected project cost has varied by more than €500,000 compared with the previous year, the reason for the movement should be explained.

Contingent liabilities

A contingent liability arises in any situation where past or current actions or events create a risk of a call on Exchequer funds in the future. Contingent liabilities are disclosed by way of a note, unless the possibility of an outflow of resources is remote.

Liabilities may arise from ongoing legal cases which can give rise to a contingent liability. Except in cases involving potential litigation or where disclosure would prejudice the Exchequer position and/or future negotiations with third parties contingent liabilities relating to court cases should be disclosed in the appropriation account.

Other arrangements with the potential to give rise to contingent liabilities should only be entered into where necessary and, then, only after the potential expenditure implications have been evaluated and assessed in the light of the possible scenarios that could arise on foot of the contingent liability. The potential benefits should always be compared with the most likely cost and with the range of possible costs to ensure that the contingent liability is properly assessed.

Under no circumstances should a contingent liability be accepted where the risk being assumed has not been assessed and defined as clearly as possible. Where a Minister agrees to accept a contingent liability, it is essential that the decision-making process is properly documented, setting out: (i) the rationale for accepting the liability and (ii) the potential benefit and (iii) the potential costs. The sanction of the Minister for Public Expenditure and Reform should be sought for the creation of any contingent liabilities that could give rise to significant Exchequer expenditure

Judgement is required in determining whether and at what point in time, legally and/or non-legally binding obligations give rise to a liability. Information is material if its omission or misstatement could influence the discharge of accountability by the Department for that financial reporting period.

Materiality depends on both the nature and amount of the item judged in the particular circumstance relative to the Department and involves consideration of both qualitative and quantitative characteristics.

Assessments of materiality will be made in the context of the legislative, institutional and operating environment within which the Department operates and, in respect of prospective financial and non-financial information, the preparer's knowledge and expectations about the future.

Superannuation

Superannuation payments to retired civil servants are provided for in Vote 12 Superannuation and Retired Allowances. An estimate of the amount attributable to each vote is provided by the Department of Public Expenditure and Reform and shown under the net allied services note for the relevant votes.

Superannuation payments for gardaí, teachers, army personnel and Health Service Executive personnel are met on a pay-as-you-go basis from the relevant votes.

Foreign currency transactions

Transactions arising in foreign currencies are converted to euro values at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted at the year-end rates of exchange.

Other notes to the accounts

General principles

In general, the other notes to the appropriation accounts aim to draw the attention of Dáil Éireann and of the Committee of Public Accounts to matters bearing on parliamentary control, or to provide fuller information about material transactions of an unusual nature recorded in the account e.g. losses, special or *ex gratia* payments (a payment not legally due under a contract or otherwise – e.g. compensation paid on grounds of hardship) and extra remuneration.

Except in the cases outlined below, notes are provided where an individual transaction, or a category of transactions taken together, involves a sum of €50,000 or more.

Where amounts lower than the threshold values are involved, notes are also provided where a serious issue of principle arises or where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a note should be given.

Variations from estimate provision

Note 3 provides explanations of variations on outturn versus original estimate provision.

A note is provided where the variation (±) relative to the original estimate provision (including any deferred capital funding) is:

- €100,000 or more, and
- represents 5% or more of the subhead (25% in the case of administration subheads), or
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Notes in relation to variations in appropriations-in-aid are included on a similar basis.

Allowance and overtime payments

In the case of allowance and overtime payments, the details given in Note 5 include the total number of recipients of allowance and overtime payments in more than one category, the number of individuals that received €10,000 or more, and the highest payment to an individual, if over €10,000.

The aggregate amount paid to an individual under the various headings is set out in 'highest individual payment'.

Severance and redundancy payments

Severance and redundancy payments (in excess of €10,000) are required to be disclosed by way of a note.

Compensation and legal costs

The components of the legal costs in respect of cases in which the department is or was involved should be disclosed (this does not include the cost of legal advice provided outside of legal proceedings e.g. in context of development of policy or legislation). If the Department is represented in legal proceedings, the costs incurred in relation to these cases are included in the tables A and B. The note is broken-down into two distinct parts.

a) details of legal costs paid out by the vote/department directly or to reimburse the State Claims Agency
b) details of the cumulative total costs of legal cases finalised in the year of account.

Late payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations 2012, information is supplied in Note 6 where

- the total of interest and compensation payments due was €10,000 or more, or
- an individual payment was €10,000 or more.

Fraud or suspected fraud

In the case of losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where

- the total of losses during the accounting period were €10,000 or more, or
- an individual loss was €10,000 or more, or
- for losses under €10,000, a serious issue of principle arises, or
- where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a disclosure should be made.

Commissions and special inquiries

Where relevant, Note 6 should include a statement of expenditure on each commission or special inquiry financed from the vote. A distinction is made between permanent commissions, and those established on a temporary basis for a fixed purpose. In the former case, expenditure in the year of account and prior year is shown. In the latter case, the date of establishment and cumulative expenditure from the date of establishment is shown.

Grant funds and miscellaneous accounts

Where relevant, accounts of grant funds financed from the vote and of other miscellaneous accounts are presented in Note 6.

Appropriation Account 2021

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 2021 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 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €840,000 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, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account. From 1 January 2021, the method of depreciation changed from annual to monthly. Depreciation is charged on a straight line basis and the threshold for including assets was increased to €10,000. The following exception applied.

Heritage assets

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets include furniture and 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 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 Services Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for 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 service 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.

Internal audit and Audit Committee

The President's Establishment comes within 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 by the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were four meetings of the Audit Committee in 2021 and the audit work programme agreed in 2020 was implemented in 2021.

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.

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 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 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 2021, 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the President's Establishment. As a result, the President's Establishment introduced a number of procedural and control changes. Assessments of the impact of Covid-19 were carried out and the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Martin Fraser
Accounting Officer

31 March 2022

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 2021 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 2021, 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 appendix to this report. 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion my the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 1 President's Establishment

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	President's Establishment	3,043	2,289	2,419
B	Centenarians' Bounty	1,550	1,494	1,503
Gross expenditure		**4,593**	**3,783**	**3,922**
	Deduct			
C	**Appropriations-in-aid**	**82**	**112**	**81**
Net expenditure		**4,511**	**3,671**	**3,841**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**839,708**	**658,321**

Martin Fraser
Accounting Officer

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,442	1,452
Pay		1,878	1,884
Non pay		463	586
Gross expenditure		**3,783**	**3,922**
Deduct			
Appropriations-in-aid		**112**	**81**
Net expenditure		**3,671**	**3,841**
Changes in capital assets			
Depreciation	15		
Loss on disposal	3	18	(16)
Changes in net current assets			
Decrease in closing accruals	(43)		
Decrease in stock	4	(39)	(95)
Direct expenditure		**3,650**	**3,730**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,096	4,016
Net programme cost		**7,746**	**7,746**

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.

		2021 €000	2020 €000
Vote 7	Office of the Minister for Finance	28	22
Vote 12	Superannuation and Retired Allowances	665	716
Vote 13	Office of Public Works	1,776	1,686
Vote 18	National Shared Services Office	3	3
Vote 20	Garda Síochána	148	195
Vote 28	Foreign Affairs	34	16
Vote 36	Defence	448	432
Vote 43	Office of the Government Chief Information Officer	64	45
Central Fund (Emoluments and allowances of President and presidential pensions)		930	901
		4,096	**4,016**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	25	51
Current assets			
Bank and cash		28	(30)
Stocks	2.2	25	29
Prepayments	2.3	33	21
Other debit balances		7	6
Accrued income		3	5
Net Exchequer funding	2.5	19	82
Total current assets		**115**	**113**
Less current liabilities			
Accrued expenses		13	47
Other credit balances	2.4	54	58
Total current liabilities		**67**	**105**
Net current assets		48	9
Net assets		**73**	**60**
Represented by:			
State funding account	2.6	**73**	**60**

2.1 Capital assets

	IT equipment €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2021	383	15	398
Disposals	(78)	(7)	(85)
Adjustment [a]	(262)	(8)	(270)
Cost or valuation at 31 December 2021	43	—	43
Accumulated depreciation			
Opening balance at 1 January 2021	332	15	347
Depreciation for the year	15	—	15
Depreciation on disposals	(75)	(7)	(82)
Adjustment [a]	(254)	(8)	(262)
Cumulative depreciation at 31 December 2021	18	—	18
Net assets at 31 December 2021	**25**	—	**25**
Net assets at 31 December 2020	51	—	51

Note [a] These adjustments relate to the removal of individual items with values of under €10,000 from the assets register as per circular 21/2020 *Increase in the value threshold for inclusion of assets in the asset register*. It also reflects a correction of historical values to align with the fixed asset register.

2.2 Stocks

at 31 December	2021 €000	2020 €000
Centenarian medals	2	8
IT consumables and stationery	23	21
	25	**29**

2.3 Prepayments

at 31 December	2021 €000	2020 €000
Software support	7	7
Administration	3	4
Other prepayments	23	10
	33	**21**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	27	28
Pay related social insurance	11	10
Universal social charge	5	6
Pension contributions	3	5
Withholding Tax	1	0
	47	49
Payroll deductions held in suspense	7	9
	54	**58**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	840	658
Exchequer grant undrawn	(859)	(740)
Net Exchequer funding	**(19)**	**(82)**
Represented by:		
Debtors		
Bank and cash	28	(30)
Debit balances: suspense	7	6
	35	(24)
Creditors		
Due to the State	(47)	(49)
Credit balances: suspense	(7)	(9)
	(54)	(58)
	(19)	**(82)**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			60	(52)
Disbursements from the Vote				
Estimate provision	Account	4,511		
Surplus to be surrendered	Account	(840)		
Net vote			3,671	3,842
Expenditure (cash) borne elsewhere	1.1		4,096	4,016
Other non-cash items – capital assets adjustment	2.1		(8)	—
Net programme cost	1		(7,746)	(7,746)
Balance at 31 December			**73**	**60**

2.7 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	**374**	**228**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,983	1,878	1,884
ii	Travel and subsistence	310	42	76
iii	Training and development and incidental expenses	340	190	237
iv	Postal and telecommunications services	86	66	87
v	Office machinery and other office supplies and related services	390	165	187
		3,109	**2,341**	**2,471**

Significant variations

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

ii Travel and subsistence

Estimate provision €310,000; outturn €42,000

A shortfall in expenditure of €268,000 arose as domestic and international travel continued to be curtailed due to the public health emergency. As a result, expenditure in the year was significantly less than originally envisaged.

iii Training and development and incidental expenses

Estimate provision €340,000; outturn €190,000

The decrease in expenditure of €150,000 is as a result of the cancellation of in-house events in 2021 due to Covid-19 restrictions.

v Office machinery and other office supplies and related services

Estimate provision €390,000; outturn €165,000

There was a shortfall in expenditure of €225,000. The estimate provided for investment to replace the current Lotus Notes system. Progress on the project, which commenced in 2020, was delayed as a result of pandemic-related restrictions. The project is due to be finalised in 2022.

Programme A President's Establishment

		2021 Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
A.1	Administration − pay	1,932	1,828	1,835
A.2	Administration − non pay	1,111	461	584
		3,043	**2,289**	**2,419**

Programme B Centenarians' Bounty

		2021 Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
B.1	Administration − pay	51	50	49
B.2	Administration − non pay	15	2	2
B.3	Centenarians' bounty	1,484	1,442	1,452
		1,550	**1,494**	**1,503**

Note 4 Receipts

4.1 Appropriations-in-aid

			2021	2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	75	75	78
2	Miscellaneous	7	37	3
	Total	**82**	**112**	**81**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**23**	**26**

5.2 Pay

	2021 €000	2020 €000
Pay	1,715	1,699
Higher, special or additional duties allowances	49	58
Overtime	3	7
Employer's PRSI	111	120
Total pay	**1,878**	**1,884**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	6	2	20,161	19,174
Overtime	5	—	1,367	2,110
Extra remuneration in more than one category	—	—	—	—

5.4 Salary of Accounting Officer

The Accounting Officer for Vote 1 President's Establishment is also the Accounting Officer for Vote 2 Department of the Taoiseach. His salary level is disclosed in the Appropriation Account for Vote 2.

Appropriation Account 2021

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 2021 for the salaries and expenses of the Department of the Taoiseach, for certain services administered by the Department and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €12.157 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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

Processing of financial transactions is provided on a shared services basis by Financial Shared Services Centre in Killarney, which is part of the Department of Justice. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department of the Taoiseach and the Financial Shared Services for the provision of this shared service.

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

I rely on letters of assurance from the Accounting Officers of the National Shared Services Office and the Financial Shared Services Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

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 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.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plan, approved by me, are based on this analysis. This plan aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that 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 provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 regularly reviewed and updated in consultation with the Department's senior management. 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 responsibility for operation of controls assigned to specific business units.

Risk management is also a standing item on the agenda of the Department's Audit Committee.

The annual National Risk Assessment process, overseen by the Department of the Taoiseach, is also in place and provides an opportunity to identify and debate strategic risks facing Ireland over the short, medium and long term. Published in December 2021, the National Risk Assessment 2021/2022 sets out the most significant geopolitical, economic, social, environmental and technological risks facing the country. It also references emerging international views on lessons for risk governance from the Covid-19 experience, in particular an emphasis at EU level on improving resilience.

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 Advisory Committee, 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

An assessment of the impact of Covid-19 on the control environment was carried out and no changes to the control process were noted. I confirm that the existing controls continue to be effective.

Martin Fraser
Accounting Officer
Department of the Taoiseach

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

Opinion on the appropriation account

I have audited the appropriation account for Vote 2 Department of the Taoiseach for the year ended 31 December 2021 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 2 Department of the Taoiseach for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of the Taoiseach 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

28 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 2 Department of the Taoiseach

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Supporting the work of the Taoiseach and Government	51,094	38,719	42,808
Gross expenditure		**51,094**	**38,719**	**42,808**
	Deduct			
B	**Appropriations-in-aid**	**917**	**699**	**626**
Net expenditure		**50,177**	**38,020**	**42,182**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**12,156,604**	**11,831,030**

Martin Fraser
Accounting Officer
Department of the Taoiseach

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		18,177	23,860
Pay		17,218	15,667
Non pay		3,324	3,281
Gross expenditure		**38,719**	**42,808**
Deduct			
Appropriations-in-aid		**699**	**626**
Net expenditure		**38,020**	**42,182**
Changes in capital assets			
Purchases cash	(21)		
Depreciation	294	273	171
Changes in net current assets			
Decrease in closing accruals	(1,361)		
Increase in stock	(11)	(1,372)	1,158
Direct expenditure		**36,921**	**43,511**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,184	4,917
Notional rents		1,517	1,517
Net programme cost		**43,622**	**49,945**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 2 borne elsewhere, net of costs of shared services provided to other Votes.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	20	8
Vote 12	Superannuation and Retired Allowances	3,767	3,490
Vote 13	Office of Public Works	572	638
Vote 18	National Shared Services Office	25	25
Vote 20	Garda Síochána	168	205
Vote 24	Justice	58	55
Vote 36	Defence	88	85
Vote 43	Office of the Government Chief Information Officer	36	—
Central Fund - Taoisigh and Ministerial pensions		450	411
		5,184	**4,917**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	766	1,039
Current assets			
Bank and cash	2.2	262	400
Stocks	2.3	83	72
Prepayments	2.4	440	365
Other debit balances	2.5	96	335
Net Exchequer funding	2.8	401	—
Total current assets		**1,282**	**1,172**
Less current liabilities			
Accrued expenses	2.6	1,293	2,580
Other credit balances	2.7	759	675
Net Exchequer funding	2.8	—	59
Total current liabilities		**2,052**	**3,314**
Net current liabilities		(770)	(2,142)
Net liabilities		**(4)**	**(1,103)**
Represented by:			
State funding account	2.9	**(4)**	**(1,103)**

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	662	1,385	488	2,535
Additions	—	21	—	21
Brought into use	—	488	(488)	—
Disposals	—	(8)	—	(8)
Cost or valuation at 31 December 2021	662	1,886	—	2,548
Accumulated depreciation				
Opening balance at 1 January 2021	553	943	—	1,496
Depreciation for the year	18	276	—	294
Depreciation on disposals	—	(8)	—	(8)
Cumulative depreciation at 31 December 2021	571	1,211	—	1,782
Net assets at 31 December 2021	**91**	**675**	—	**766**
Net assets at 31 December 2020	109	442	488	1,039

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	262	399
Other bank account balance	—	1
	262	**400**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Official gift items	20	20
Stationery	51	40
Publications	1	1
Consumables	11	11
	83	**72**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
ICT prepayments	393	351
Programme prepayments	27	8
Other administration prepayments	20	6
	440	**365**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable salaries	—	5
Recoupable travel pass expenditure	35	2
Other debit suspense items	61	328
	96	**335**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Covid-19 public communications accruals	976	2,391
Other programme accruals	163	111
Administration accruals	154	78
	1,293	**2,580**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	344	303
Pay related social insurance	141	134
Professional services withholding tax	33	86
Value added tax	20	26
	538	549
Payroll deductions held in suspense	164	126
Other credit suspense items	57	—
	759	**675**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	12,157	11,831
Exchequer grant undrawn	(12,558)	(11,772)
Net Exchequer funding	**(401)**	**59**
Represented by:		
Debtors		
Bank and cash	262	399
Debit balances: suspense	96	335
	358	734
Creditors		
Due to the State	(538)	(549)
Credit balances: suspense	(221)	(126)
	(759)	(675)
	(401)	**59**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			(1,103)	225
Disbursements from the Vote				
Estimate provision	Account	50,177		
Surplus to be surrendered	Account	(12,157)		
Net vote			38,020	42,182
Expenditure (cash) borne elsewhere	1		5,184	4,917
Non cash items – adjustment			—	1
Non cash expenditure – notional rent	1		1,517	1,517
Net programme cost	1		(43,622)	(49,945)
Balance at 31 December			**(4)**	**(1,103)**

2.10 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services	**163**	**171**

2.11 Contingent liabilities

The two High Court cases relating to access to information on the environment requests which were noted as contingent liabilities on the 2020 appropriation account are still ongoing and may generate costs.

Costs were settled in December 2021 for €248,080 by the State Claims Agency in the High Court case relating to constitutional provisions governing meetings of the Seanad, which was noted as a contingent liability in the 2020 appropriation account. Reimbursement of these costs has not yet been sought from the Department.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been included in Programme A to present complete programme costings.

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	18,107	17,218	15,667
ii	Travel and subsistence	730	184	216
iii	Training and development and incidental expenses	2,826	1,389	1,074
iv	Postal and telecommunications services	360	217	290
v	Office equipment and external IT services	1,060	1,123	1,060
vi	Office premises expenses	376	411	641
vii	Consultancy and other services	18	—	—
		23,477	**20,542**	**18,948**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €730,000; outturn €184,000

The decrease of €546,000 on expenditure on travel and subsistence was due to the significant reduction in travel due to Covid-19. Savings in this subhead were offset against increased expenditure incurred in subhead v Office equipment and external IT services and subhead vi Office premises expenses.

iii Training and development and incidental expenses

Estimate provision €2.826 million; outturn €1.389 million

The decrease of €1.437 million on expenditure on training and development and incidental expenses was linked to the impact of Covid-19 resulting in lower than forecast expenditure across a range of areas including State events; staff training and development; and the gov.ie portal.

iv Postal and telecommunications services

Estimate provision €360,000; outturn €217,000

The decrease of €143,000 on expenditure on postal and telecommunications services was due to lower than anticipated postal costs and increased efficiencies in telecommunications.

Programme A Supporting the work of the Taoiseach and Government

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	18,107	17,218	15,667
A.2	Administration − non pay	5,370	3,324	3,281
A.3	National Economic and Social Council	2,113	1,973	1,761
A.4	Tribunals of Inquiry	4,209	793	1,422
A.5	Commissions of Investigation	4,430	2,690	3,044
A.6	Citizens' Assembly	1,865	594	732
A.7	Covid-19 public communications	15,000	12,127	16,901
		51,094	**38,719**	**25,188**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €12.375 million lower than (originally) provided. €2.935 million of this related to administration expenditure in respect of which significant variations have already been explained. The balance of the variance of €9.440 million was mainly due to the following:

A.3 National Economic and Social Council

Estimate provision €2.113 million; outturn €1.973 million

The shortfall in expenditure of €140,000 relative to the estimate provision was due to the delay in filling staff posts in the first four months of 2021.

A.4 Tribunals of Inquiry

Estimate provision €4.209 million; outturn €793,000

The shortfall in expenditure of €3.416 million relative to the estimate provision was due to a lower than anticipated number of legal cost claims settled in 2021. The Department has no control over third party legal costs awarded by the Tribunal of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

A.5 Commissions of Investigation

Estimate provision €4.43 million; outturn €2.69 million

Commissions of investigation are independent of the Department and their expenditure levels depend on the needs and requirements of their investigations in the first instance. The underspend of €1.74 million relative to the estimate provision was due to the Commissions' difficulty in accurately forecasting the level and timing of their own expenditure needs, including expenditure arising from decisions to award third-party costs.

A.6 Citizens' Assembly

Estimate provision €1.865 million; outturn €594,000

The shortfall in expenditure of €1.271 million in 2021 was due to the Assembly being unable to hold in-person meetings because of Covid-19. The Assembly completed its work online in 2021, holding five online meetings from January to April. There was also a delay in the establishment of the next Assembly due to Covid-19.

A.7 Covid-19 public communications

Estimate provision €15 million; outturn €12.127 million

The shortfall in expenditure of €2.873 million relative to the estimate provision was due in part to the payment in early 2022 of €976,000 of invoices in respect of a number of Covid-19 public communications campaigns which ran in December 2021. The level of communication required otherwise was lower than provided for.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	58	31	20
2	Receipts from additional superannuation contributions on public service remuneration	859	668	606
	Total	**917**	**699**	**626**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €218,000 less than the estimate.

2 Receipts from additional superannuation contributions on public service remuneration

Estimate €859,000; realised €668,000

The decrease in receipts of €191,000 against the estimate was due to an over-estimation of receipts due and the delay in the planned filling of vacancies which led to less than anticipated additional superannuation contributions.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	55	43
Receipts from office holders' voluntary salary surrender	99	55
Transferred to the Exchequer	(55)	(43)
Balance at 31 December	**99**	**55**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Department	236	236
Agency – National Economic and Social Development Office	16	14
	252	**250**

5.2 Pay - Department

	2021 €000	2020 €000
Pay	16,041	14,724
Redundancy and severance	166	322
Higher, special or additional duties allowances	395	295
Overtime	308	283
Employer's PRSI	1,294	1,149
Total pay [a]	**18,204**	**16,773**

Note [a] The departmental total pay figure includes pay in respect of staff of tribunals and commission of investigation.

5.3 Pay - Agency

	2021 €000	2020 €000
Pay	1,327	1,189
Employer's PRSI	123	103
Total pay	**1,450**	**1,292**

Note Information based on returns made by the National Economic and Social Development Office.

5.4 Allowances and overtime payments - Department

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	34	15	51,657	26,066
Overtime	73	8	21,528	20,678
Extra remuneration in more than one category	13	10	36,229	30,575

5.5 Other remuneration arrangements

Ex-gratia payment of €29,829 (2020: €29,829) was made in respect of agreed retirement benefits to one former employee.

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €8,470. The payment made was consistent with the principles of the Public Service Pensions (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €111,254 in respect of one officer who was serving outside the Department for all of 2021 and whose salary was paid by the Department.

This account does not include expenditure in respect of two officers who were serving outside the Department for all or part of 2021 in other government department/offices and whose salaries were paid by those departments/offices.

5.6 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	5	10,472	6,405
Recovery plans in place	2	6,774	3,104

One overpayment recovery plan in respect of one individual to the value of €552 was transferred to another department in 2021.

5.7 Severance/redundancy

During 2021, two staff members whose employment was terminated were paid severance payments totalling €140,829. Both individuals also received redundancy payments, totalling €24,720.

5.8 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level I, with an annual gross salary of €213,859 (as at 31 December 2020, €211,742).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2021	2021	2020
		€000	€000	€000
Tribunal of Inquiry (payments to Messrs Haughey and Lowry) [a]	1997	66,439	793	1,422
Commission of Investigation (Cregan Commission) [b]	2015	11,036	1,801	2,190
Commission of Investigation (Cooke Commission) [c]	2017	3,910	889	855
			3,483	**4,467**

Note [a] There will be further payments associated with the Tribunal Inquiry (payments to Messrs Haughey and Lowry). Final costs cannot be determined at this point.

[b] The Commission of Investigation (Cregan) relates to certain transactions carried out by Irish Bank Resolution Corporation.

[c] The Commission of Investigation (Cooke) relates to the sale by the National Asset Management Agency of its Project Eagle portfolio.

6.2 Official gifts

The account includes the sum of €20,457, which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2021 (2020: €13,079).

6.3 Write-offs

No sums were written off in the year (2020: €40,000).

Appendix A Accounts of bodies under the aegis of the Department of the Taoiseach

The following table lists the bodies under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the period on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
National Economic and Social Development Office	2020	2 Dec 2021	21 Dec 2021	4 Feb 2022

Appropriation Account 2021

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, 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 2021 for the salaries and expenses of the Office of the Attorney General, including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €603,000 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, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account, save as outlined directly below.

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.

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

Payroll and human resource functions are provided on a shared service basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

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

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 information and communications technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines adhered to.

Internal audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

I confirm that 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 two contracts (in excess of €25,000), totalling €251,156 (excluding VAT); details are set out below:

- Two contracts with values respectively of €144,655 and €106,501 for parliamentary drafting services were awarded without a competitive process. They were deemed non-compliant, as the contracts were not subjected to a competitive process in the year due to the specialised nature of the work involved. One of the two contracts awarded relates to the secondment of a parliamentary counsel from the Scottish Parliament.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. Both contracts referenced above are included in this return.

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 Advisory Committee (MAC) on a bi-annual 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 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 which are communicated to those responsible for taking corrective action, to management and the MAC, 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The onset of the Covid-19 pandemic resulted in some changes to the working and control environment within the Office, with certain aspects of the control environment being adapted to mitigate risks arising from the workplace restrictions imposed as a result of the pandemic. This includes the facilitation of remote working, submission of electronic invoices and digital approval of payments.

Most of the additional costs relating to the Offices' response to working in a Covid environment were incurred in 2020 with only minimal additional and ongoing costs directly associated with Covid incurred during 2021.

I can confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Damien Moloney
Accounting Officer
Office of the Attorney General

16 June 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

Opinion on the appropriation account

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2021 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 3 Office of the Attorney General for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of the Attorney General 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

20 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 3 Office of the Attorney General

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of professional legal services to Government, Departments and Offices.	17,459	16,707	15,682
Gross Expenditure		**17,459**	**16,707**	**15,682**
	Deduct			
B	**Appropriations-in-aid**	**705**	**556**	**542**
Net Expenditure		**16,754**	**16,151**	**15,140**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**602,635**	**1,039,697**

Damien Moloney
Accounting Officer
Office of the Attorney General

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		2,460	2,129
Pay		11,601	11,377
Non pay		2,646	2,176
Gross expenditure		**16,707**	**15,682**
Deduct			
Appropriations-in-aid		**556**	**542**
Net expenditure		**16,151**	**15,140**
Changes in capital assets			
Purchases cash	(65)		
Depreciation	188	123	(164)
Changes in net current assets			
Increase in closing accruals	172		
Decrease in stock	4	176	(37)
Direct expenditure		**16,450**	**14,939**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,510	2,821
Notional rents		791	791
Net programme cost		**20,751**	**18,551**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere.

		2021	2020
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,809	2,317
Vote 13	Office of Public Works	357	171
Vote 18	National Shared Services Office	14	15
Vote 43	Office of the Government Chief Information Officer	24	—
Central Fund – pensions in respect of former Attorneys General		306	318
		3,510	**2,821**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	368	491
Current assets			
Stocks	2.2	38	42
Prepayments	2.3	354	192
Other debit balances	2.4	50	59
Accrued income		—	1
Net Exchequer funding	2.7	58	67
Total current assets		**500**	**361**
Less current liabilities			
Bank and cash		18	(212)
Accrued expenses	2.5	398	65
Other credit balances	2.6	90	338
Total current liabilities		**506**	**191**
Net current assets		(6)	170
Net assets		**362**	**661**
Represented by:			
State funding account	2.8	**362**	**661**

2.1 Capital assets

	Furniture and fittings	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	1,708	5,145	6,853
Additions	—	65	65
Disposals	(16)	(6)	(22)
Cost or valuation at 31 December 2021	1,692	5,204	6,896
Accumulated depreciation			
Opening balance at 1 January 2021	1,657	4,705	6,362
Depreciation for the year	18	170	188
Depreciation on disposals	(16)	(6)	(22)
Cumulative depreciation at 31 December 2021	1,659	4,869	6,528
Net assets at 31 December 2021	**33**	**335**	**368**
Net assets at 31 December 2020	51	440	491

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	16	19
IT consumables	22	23
	38	**42**

2.3 Prepayments

	2021	2020
	€000	€000
Software support	192	102
Library services	158	89
Other prepayments	4	1
	354	**192**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Office of Public Works	37	38
Travel imprests	1	—
Recoupable travel pass scheme	9	4
Other debit suspense items	3	17
	50	**59**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Contract legal expertise	363	20
Other administration expenses	35	45
	398	**65**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	—	177
Income levy	—	37
Pay related social insurance	—	106
Professional services withholding tax	41	16
Value added tax	49	—
Other creditors	—	2
	90	**338**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	603	1,040
Exchequer grant undrawn	(661)	(1,107)
Net Exchequer funding	**(58)**	**(67)**
Represented by:		
Debtors		
Debit balances: suspense	50	59
	50	**59**
Creditors		
Due to the State	(90)	(338)
Bank and cash	(18)	212
	(108)	**(126)**
	(58)	**(67)**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			661	460
Disbursements from the Vote				
Estimate provision	Account	16,754		
Surplus to be surrendered	Account	(603)		
Net vote			16,151	15,140
Expenditure (cash) borne elsewhere	1.1		3,510	2,821
Non cash expenditure – notional rent	1		791	791
Net programme cost	1		(20,751)	(18,551)
Balance at 31 December			**362**	**661**

2.9 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services	**495**	**570**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,260	11,601	11,377
ii	Travel and subsistence	210	70	80
iii	Training and development and incidental expenses	640	543	484
iv	Postal and telecommunications services	100	116	75
v	Office equipment and external IT services	700	839	1,026
vi	Office premises expenses	160	98	103
vii	Consultancy services and value for money and policy reviews	35	21	29
viii	Contract legal expertise	710	873	240
		14,815	**14,161**	**13,414**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €12.26 million; outturn €11.601 million

The savings of €659,000 arose as all posts within the Office were not filled during the year due to the time taken to recruit staff. Additionally, one of the most senior posts within the Office remained vacant for the entire year.

ii Travel and subsistence

Estimate provision €210,000; outturn €70,000

The savings of €140,000 arose due to Covid restrictions on travel.

v Office equipment and external IT services

Estimate provision €700,000; outturn €839,000

The overspend of €139,000 under this subhead was due to the upgrading of IT equipment and the prepayment of three-year operating licences.

viii Contract legal expertise

Estimate provision €710,000; outturn €873,000

The overspend of €163,000 arose due to the requirement to discharge costs associated with a project to review and redraft the planning laws, funding for which was not provided for in the original estimate.

Programme A Delivery of professional legal services to Government, Departments and Offices

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	12,260	11,601	11,377
A.2	Administration – non pay	2,555	2,560	2,037
A.3	Contributions to international organisations	54	53	50
A.4	Law Reform Commission	2,460	2,460	2,129
A.5	General law expenses	130	33	89
		17,459	**16,707**	**15,682**

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	697	549	540
2	Miscellaneous	8	7	2
	Total	**705**	**556**	**542**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €149,000 less than forecast.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €697,000; realised €549,000

The shortfall of €148,000 was due to all posts in both the Office and the Law Reform Commission not being filled at all times during 2021. The resultant reduction in salaries paid and the rate of additional superannuation contributions (ASC) applicable in respect of these positions led to a subsequent reduction in the amount of ASC collected.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Office of the Attorney General	145	138
Agencies	20	18
Total	**165**	**156**

5.2 Pay – Office of the Attorney General

	2021 €000	2020 €000
Pay	10,506	10,356
Higher, special or additional duties allowances	62	63
Other allowances	14	14
Overtime	13	6
Employer's PRSI	1,006	938
Total pay	**11,601**	**11,377**

5.2 Pay – agencies

	2021 €000	2020 €000
Pay	1,466	1,202
Higher, special or additional duties allowances	3	—
Employer's PRSI	103	104
Total pay [a]	**1,572**	**1,306**

Note [a] The Law Reform Commission received a grant of €2.46 million under subhead A.4 Law Reform Commission (€2.129 million in 2020). The pay figures reported above were provided by the Law Reform Commission.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	7	3	27,946	11,050
Other allowances	7	—	8,989	4,533
Overtime	5	1	10,147	5,781
Extra remuneration in more than one category	1	1	28,044	11,912

5.4 Other remuneration arrangements

This account includes expenditure of €276,978 in respect of the salary costs of three officers who were serving outside the Office for all or part of 2021.

This account does not include expenditure in respect of 35 officers who were serving outside the Office for all or part of 2021 in other Government departments/offices and whose salaries were paid by the host department/office.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level III with an annual gross salary of €202,604 (as at 31 December 2020, €200,598).

Appendix A Accounts under the aegis of the Office of the Attorney General

The following table lists the bodies under the aegis of the Office of the Attorney General where the Office has an obligation to present financial statements. It indicates, (as at the account signing date), the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Minister	Date presented to the Oireachtas
Law Reform Commission	2020	15 Dec 2021	21 Dec 2021	19 Jan 2022

Appropriation Account 2021

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 2021 for the salaries and expenses of the Central Statistics Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.938 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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 are 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 for the provision of HR and payroll shared services.

I rely on these and a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office 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.

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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

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 all relevant guidelines with the exception of two non-compliant contracts totalling €78,557 as set out below:

- One contract with a value of €51,600 related to a short-term rollover of an existing contract. This was required due to unavoidable delays with the implementation of services under a new competitive contract.
- One contract with a value of €26,957 where annual renewal was less than €25,000 but a necessary upgrade purchased later in the year resulted in cumulative expenditure exceeding the threshold of €25,000.

The Office intends to remedy this situation by increasing the oversight and compliance role of procurement support section. Enhanced governance policies and procedures include the proactive management of legacy issues. An integrated contract management system went live in 2021 and its ongoing development will provide greater visibility on contract expenditure and pending deadlines.

The Office has provided details of seven non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 bi-annual 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 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 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out throughout the year; this included impacts on statistical production, financial controls and support area processes, requirements for supporting remote working and staff wellbeing, ensuring physical safety of essential on-site staff, and security of buildings and assets.

The initial focus of the enforced home working for the vast majority of CSO's 900 plus staff was to maintain business continuity while migrating staff to a remote working system. Users connected directly to their office desktop facilitating stable, secure remote access to CSO systems and no reduction in security controls. During 2021 the Office commenced the roll out to all staff of a co-managed corporate laptop. Microsoft Teams was introduced to aid and enhance collaboration and communications. A project was also launched to upgrade and replace the existing remote working infrastructure to provide additional capacity and support future developments.

Finance checks and processes continued offsite including checker/reviewer verifications and segregation of duties. A process of electronic signatures has been implemented for the completion of invoice payment authorisation forms. All the pre-existing processes and checks are being maintained before submitting invoices to Finance section for payment.

The Office continued to deliver the annual statistical work programme and all other work from a predominantly home-based environment throughout 2021. The Office continued to provide statistical and analytical expertise and new data services to support central government's response to the pandemic. Alongside the new data services, the Office delivered a series of new surveys, outputs, and formats to capture changes in Ireland's economy and society since the Covid-19 outbreak. The Office continued to access new data sources to meet the demand for insight into the impact of the crisis on businesses and society, and to work to consolidate the access to new sources provided and to develop additional new outputs from these sources. The Office continued to develop its Data Stewardship role and to improve data quality across the civil and public service through our secondments programme, leadership role around the National Data Infrastructure (NDI), and through the development and roll-out of our Quality, Methodology and Technology Strategies.

Pádraig Dalton
Accounting Officer
Central Statistics Office

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2021 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 4 Central Statistics Office for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Central Statistics Office 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 August 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 4 Central Statistics Office

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	64,675	61,880	64,979
		64,675	**61,880**	**64,979**
Gross expenditure				
	Deduct			
B	**Appropriations-in-aid**	**1,520**	**1,663**	**1,469**
Net expenditure		**63,155**	**60,217**	**63,510**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**2,938,409**	**2,179,548**

Pádraig Dalton
Accounting Officer
Central Statistics Office

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		48,028	45,275
Non pay		13,852	19,704
Gross expenditure		**61,880**	**64,979**
Deduct			
Appropriations-in-aid		1,663	1,469
Net expenditure		**60,217**	**63,510**
Changes in capital assets			
Purchases cash	(4,493)		
Depreciation	1,580	(2,913)	(7,304)
Changes in net current assets			
Increase in closing accruals	(587)		
Increase in stock	(46)	(633)	(576)
Direct expenditure		**56,671**	**55,630**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		8,816	8,888
Notional rents		1,706	1,706
Net programme cost		**67,193**	**66,224**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 4 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	1,259	1,350
Vote 12	Superannuation and Retired Allowances	6,484	6,198
Vote 13	Office of Public Works	971	1,237
Vote 18	National Shared Services Office	102	103
		8,816	**8,888**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	19,293	16,380
Current assets			
Bank and cash	2.2	981	1,067
Stocks	2.3	144	98
Prepayments	2.4	1,968	1,495
Accrued income		113	99
Other debit balances	2.5	108	226
Net Exchequer funding	2.7	753	649
Total current assets		**4,067**	**3,634**
Less current liabilities			
Accrued expenses		362	462
Other credit balances	2.6	1,842	1,942
Total current liabilities		**2,204**	**2,404**
Net current assets		1,863	1,230
Net assets		**21,156**	**17,610**
Represented by:			
State funding account	2.8	**21,156**	**17,610**

2.1 Capital assets

	Office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	70,208	3,212	10,310	83,730
Additions	334	—	4,159	4,493
Disposals	(239)	(6)	—	(245)
Transfers	2,738	—	(2,738)	—
Cost or valuation at 31 December 2021	73,041	3,206	11,731	87,978
Accumulated depreciation				
Opening balance at 1 January 2021	64,262	3,088	—	67,350
Depreciation for the year	1,557	23	—	1,580
Depreciation on disposals	(239)	(6)	—	(245)
Cumulative depreciation at 31 December 2021	65,580	3,105	—	68,685
Net assets at 31 December 2021	**7,461**	**101**	**11,731**	**19,293**
Net assets at 31 December 2020	5,946	124	10,310	16,380

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	979	1,065
Petty cash	2	2
	981	**1,067**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	99	87
IT consumables	18	11
Gift vouchers	27	—
	144	**98**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
IT services and support	1,568	1,344
Census publicity	227	—
Other prepayments	173	151
	1,968	**1,495**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable salaries	26	162
Recoupable travel expenditure	—	3
Recoupable travel pass expenditure	9	6
OPW suspense balance	51	38
Other debit suspense items	22	17
	108	**226**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	659	560
Pay related social insurance	432	380
Professional services withholding tax	121	31
Value added tax	19	56
Pension contributions	219	121
Local property tax	5	5
Universal social charge	129	113
	1,584	1,266
Payroll deductions held in suspense	183	186
Other credit suspense items	75	490
	1,842	**1,942**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	2,938	2,180
Exchequer grant undrawn	(3,691)	(2,829)
Net Exchequer funding	**(753)**	**(649)**
Represented by:		
Debtors		
Bank and cash	981	1,067
Debit balances: suspense	108	226
	1,089	1,293
Creditors		
Due to the State	(1,584)	(1,266)
Credit balances: suspense	(258)	(676)
	(1,842)	(1,942)
	(753)	**(649)**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			17,610	9,730
Disbursements from the Vote				
Estimate provision	Account	63,155		
Surplus to be surrendered	Account	(2,938)		
Net vote			60,217	63,510
Expenditure (cash) borne elsewhere	1.1		8,816	8,888
Non cash expenditure – notional rent	1		1,706	1,706
Net programme cost	1		(67,193)	(66,224)
Balance at 31 December			**21,156**	**17,610**

2.9 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	7,121	9,162
Total of legally enforceable commitments	**7,121**	**9,162**

2.10 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	1	1

2.11 Contingent liabilities

The Office is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 4 Central Statistics Office is classified as administrative expenditure applied towards a single programme: delivery of annual statistical programme.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	48,576	48,028	45,275
ii	Travel and subsistence	1,290	186	369
iii	Training and development and incidental expenses	1,580	1,747	942
iv	Postal and telecommunications services	1,230	1,230	2,717
v	Office equipment and external IT services	8,866	8,445	13,462
vi	Office premises expenses	1,259	1,466	1,177
vii	Consultancy services and value for money and policy reviews	30	18	9
viii	Collection of statistics	1,844	760	1,028
		64,675	**61,880**	**64,979**

Significant variations

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

ii Travel and subsistence

Estimate provision €1.29 million; outturn €186,000

The decrease of €1.104 million on expenditure on travel and subsistence was due to travel restrictions arising from the Covid-19 pandemic.

iii Training and development and incidental expenses

Estimate provision €1.58 million; outturn €1.747 million

The increase of €167,000 on expenditure on training and development and incidental expenses was due to additional expenditure on census 2022 publicity.

vi Office premises expenses

Estimate provision €1.259 million; outturn €1.466 million

The increase of €207,000 on expenditure on office premises expenses was due to additional expenditure on office improvements, Covid-19 related work and home office needs.

viii Collection of statistics

Estimate provision €1.844 million; outturn €760,000

The decrease of €1.084 million on expenditure on collection of statistics was due to Covid-19 restrictions. The Office was obliged to postpone the Household Budget Survey.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	European Union receipts	130	182	157
2	Miscellaneous	70	96	66
3	Receipts from additional superannuation contributions on public service remuneration	1,320	1,385	1,246
	Total	**1,520**	**1,663**	**1,469**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**898**	**853**

5.2 Pay

	2021 €000	2020 €000
Pay	44,103	41,620
Higher, special or additional duties allowances	280	228
Other allowances [a]	—	—
Overtime	63	66
Employer's PRSI	3,582	3,361
Total pay [b]	**48,028**	**45,275**

Note [a] Due to a re-classification of allowances in the 2021 Account, the 2020 special allowances and other allowances have been re-configured for comparative purposes.

[b] The total pay figure is that of subhead A(i).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	59	2	14,419	13,206
Overtime and extra attendance	13	1	10,846	11,232
Other allowances	1	—	40	—
Extra remuneration in more than one category	12	7	18,406	18,676

5.4 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €6,305 during 2021. The payments made were consistent with the principles of the Public Services (Single Scheme and other Provisions) Act 2012.

There were no officers serving outside the Office for all or part of 2021 and whose salaries were paid by the Office.

This account does not include expenditure in respect of 34 officers who were serving outside the Office for all or part of 2021 in other government department/offices and whose salaries were not recouped by the Office.

5.5 Payroll overpayments

	Number of recipients	2021 €	2020 €
Overpayments	45	82,554	114,143
Recovery plans in place	21	48,395	30,346

Six overpayment recovery plans in respect of five individuals to the value of €13,076 were transferred to other Departments in the year.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2021, the CSO received EU income of €182,452 on foot of two contracts. Both contracts were for data collection to facilitate purchasing power parity comparisons between capital city prices. This funding has been recognised as appropriations-in-aid in 2021.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	3	—	3	2
	€000	€000	€000	€000
Department's own legal costs	9	—	9	—
Payments by/on behalf of Department				
Compensation	95	—	95	—
Legal costs	—	—	—	14
Other costs	2	—	2	—
2021 Total	**106**	—	**106**	**14**
2020 Total	14	—	106	—

Notes [a] As at 31 December 2021, the following claims were outstanding:

	2021	2020
Injury claims	1	1
Injury at work claims	6	5

Cumulative costs of cases completed in 2021

	Claims by		
	employees	members of the public	Total
Number of cases	—	—	—
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	—	—	—
Other costs	—	—	—
Total	—	—	—

Appropriation Account 2021

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 2021 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 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €232,000 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, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account with the following exceptions.

Accrued general law expenses

Accrued general law expenses are calculated using one of the following criteria:

- Bills of cost received before 28 February of the following year are fully accrued regardless of whether or not they have been agreed and settled.
- Costs which have been awarded where the bills of costs have not been received by 28 February are accrued based on an estimate from the costs officer taking into account the complexity of proceedings and the duration of the case.

Accrued fees to counsel

Accrued fees to counsel expenses include a general provision for hearings that have not been reported to the Office within two months of the year end. The calculation is based on the average level of such fees that arose in the previous three years.

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.

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 Services Office for the provision of HR/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 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.

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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

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 two contracts (in excess of €25,000), totalling €239,161 (excluding VAT).

- The first contract, for €56,548, was for weekly preventative decontamination of the Office premises as part of controls in place to maintain a safe working environment during the pandemic. A tender was not issued as there was no certainty as to how long the service would be required. It had been hoped that during 2021 the service might no longer be required. However, with the emergence of variants, it became necessary to continue with the service for the full year.
- The second contract, for €182,613, related to the provision of static guard security services. The previous contract expired at the end of June 2021. The Office embarked on a procurement process in April 2021 utilising an Office of Government Procurement (OGP) framework. This process was concluded by November and a new contract for these services was put in place in December 2021.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. Both of the contracts highlighted above are included in this return

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 assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated in a timely way to those responsible for taking corrective action and to management and the Management Board, where relevant. 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 did result in some changes to the working and control environment with remote and virtual working playing a major role in how the Office continued to discharge its functions. As a result, the Office introduced a number of procedural and control changes. Management assessed the risks posed by Covid-19 to the control environment and to the Office in general. The changes introduced have been reviewed by the Office's Audit Committee and are monitored by the Management Board on a regular basis. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective in 2021.

Elizabeth Howlin
Accounting Officer
Office of the Director of Public Prosecutions

31 March 2022

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 2021 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 2021, 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 appendix to this report. 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 5 Office of the Director of Public Prosecutions

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of prosecution service	45,549	45,244	44,248
Gross expenditure		**45,549**	**45,244**	**44,248**
	Deduct			
B	**Appropriations-in-aid**	**845**	**772**	**701**
Net expenditure		**44,704**	**44,472**	**43,547**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**231,875**	**421,070**

Elizabeth Howlin
Accounting Officer
Office of the Director of Public Prosecutions

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		25,810	25,098
Pay		17,015	16,029
Non pay		2,419	3,121
Gross expenditure		**45,244**	**44,248**
Deduct			
Appropriations-in-aid		772	701
Net expenditure		**44,472**	**43,547**
Changes in capital assets			
Depreciation	171	171	150
Changes in net current assets			
Increase in closing accruals	195		
Decrease in stock	59	254	(1,479)
Direct expenditure		**44,897**	**42,218**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,757	2,069
Notional rents		2,025	2,025
Net programme cost		**49,679**	**46,312**

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.

		2021	2020
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,021	1,257
Vote 13	Office of Public Works	567	587
Vote 18	National Shared Services Office	21	20
Vote 20	Garda Síochána	148	205
		2,757	**2,069**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	61	398
Current assets			
Bank and cash	2.2	837	307
Stocks	2.3	94	153
Prepayments	2.4	238	213
Other debit balances	2.5	367	382
Total current assets		**1,536**	**1,055**
Less current liabilities			
Accrued expenses	2.6	2,221	2,001
Other credit balances	2.7	1,190	1,099
Net Exchequer funding	2.8	14	(410)
Total current liabilities		**3,425**	**2,690**
Net current liabilities		(1,889)	(1,635)
Net liabilities		**(1,828)**	**(1,237)**
Represented by:			
State funding account	2.9	**(1,828)**	**(1,237)**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	3,558	544	4,102
Adjustments [a]	(1,079)	(520)	(1,599)
Disposals	(28)	—	(28)
Cost or valuation at 31 December 2021	2,451	24	2,475
Accumulated depreciation			
Opening balance at 1 January 2021	3,218	486	3,704
Depreciation for the year	164	7	171
Adjustments [a]	(950)	(483)	(1,433)
Depreciation on disposals	(28)	—	(28)
Cumulative depreciation at 31 December 2021	2,404	10	2,414
Net assets at 31 December 2021	**47**	**14**	**61**
Net assets at 31 December 2020	340	58	398

Note [a] The adjustment of a net €166,000 relates to the removal of assets costing less than €10,000 from the asset register. This is reflected in the State funding account (see Note 2.9).

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balance	836	283
Other bank account balance	1	24
	837	**307**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	33	40
IT consumables	61	113
	94	**153**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software and other maintenance	158	159
Information services	73	50
Travel and subsistence	7	4
	238	**213**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Other debit suspense balances	**367**	**382**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Counsel fees	1,468	1,095
General law expenses	624	829
Other expenses	129	77
	2,221	**2,001**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	624	537
Pay related social insurance	184	169
Professional services withholding tax	359	370
Value added tax	23	21
	1,190	1,097
Other credit suspense items	—	2
	1,190	**1,099**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	232	421
Exchequer grant undrawn	(218)	(831)
Net Exchequer funding	**14**	**(410)**
Represented by:		
Debtors		
Bank and cash	837	307
Debit balances: suspense	367	382
	1,204	689
Creditors		
Due to the State	(1,190)	(1,097)
Credit balances: suspense	—	(2)
	(1,190)	(1,099)
	14	**(410)**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			(1,237)	(2,565)
Disbursements from the Vote				
Estimate provision	Account	44,704		
Surplus to be surrendered	Account	(232)		
Net vote			44,472	43,547
Expenditure (cash) borne elsewhere	1		2,757	2,069
Non-cash items – capital assets adjustment (net)	2.1		(166)	(1)
Non-cash expenditure – notional rent	1		2,025	2,025
Net programme cost	1		(49,679)	(46,312)
Balance at 31 December			**(1,828)**	**(1,237)**

2.10 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	31	50

In addition to the above, the Office had commitments in respect of legal fees at the end of the year, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases.

2.11 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	23	27

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	17,218	17,015	16,029
ii	Travel and subsistence	186	144	131
iii	Training and development and incidental expenses	1,145	1,024	1,026
iv	Postal and telecommunications services	230	211	190
v	Office equipment and external IT services	731	525	1,010
vi	Office premises expenses	658	486	740
vii	Consultancy services and value for money and policy reviews	37	29	24
		20,205	**19,434**	**19,150**

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 €731,000; outturn €525,000

Savings arose principally due to reduced expenditure on IT consumables. Furthermore, certain IT expenditure was delayed as some equipment could not be obtained before the year end due to supply chain issues.

vi Office premises expenses

Estimate provision €658,000; outturn €486,000

Savings arose because maintenance and improvement works to our premises which were planned to be carried out in 2021 did not proceed. This was due to restrictions and disruption caused by the pandemic.

Programme A Provision of a Prosecution Service

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	17,218	17,015	16,029
A.2	Administration − non pay	2,987	2,419	3,121
A.3	Fees to counsel	16,528	17,143	15,785
A.4	General law expenses	1,446	918	2,130
A.5	Local State Solicitor service	7,370	7,749	7,183
		45,549	**45,244**	**44,248**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €305,000 lower than provided. An underspend of €771,000 related to administration expenditure, and this has already been explained, leaving an overspend variance of €466,000 which was mainly due to the following;

A.3 Fees to counsel

Estimate provision €16.528 million; outturn €17.143 million

The increase in expenditure of €615,000 relative to the estimate provision was due to increased court activity as the backlog of cases arising from the Covid-19 pandemic was dealt with.

A.4 General law expenses

Estimate provision €1.446 million; outturn €918,000

Savings arose because higher levels of activity in settling claims reported in respect of 2020 impacted on the number of claims to be paid in 2021.

A.5 Local State Solicitor service

Estimate provision €7.37 million; outturn €7.749 million

Payments to State Solicitors are based on measured work levels. The excess in expenditure arose due to increase in workloads.

Note 4 Receipts

4.1 Appropriations-in-aid

			2021	2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions deductions on public service remuneration	717	721	666
2	Miscellaneous	128	51	35
	Total	**845**	**772**	**701**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**220**	**209**

5.2 Pay

	2021 €000	2020 €000
Pay	15,477	14,623
Higher, special or additional duties allowances	145	113
Overtime	2	1
Employer's PRSI	1,391	1,292
Total pay	**17,015**	**16,029**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	34	4	41,592	41,592
Overtime and extra attendance	7	—	724	506
Extra remuneration in more than one category	1	—	3,910	—

5.4 Other remuneration arrangements

This account includes expenditure of €154,150 (2020: €153,201) in respect of one officer who was serving outside the Office in 2021 and whose salary was paid from subhead A.1.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	14	20,120	15,020
Recovery plans in place	1	126	1,562

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's gross annual salary is €179,643 (as at 31 December 2020, €177,864).

Appropriation Account 2021

Vote 6

Office of the Chief State Solicitor

Introduction

As Accounting Officer for Vote 6, 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 2021 for the salaries and expenses of the Office of the Chief State Solicitor.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €783,000 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following:

Accrued income

Accrued income represents taxed costs due to the State not yet recovered. It is the policy of the Office to pursue the recovery of all taxed costs awarded in favour of the State.

Accrued counsel fees

Fee notes received from counsel are subject to an evaluation and assessment process to determine the level of fees due. The end-of-year accrual in respect of counsel fee liabilities is determined by applying an estimated mark-down rate (based on the overall mark-down rate achieved during the evaluation and assessment process in the year of account) to counsel fee notes on hand at the year end.

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.

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 are 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

The National Shared Services Office provides human resource and payroll services to the Office of the Chief State Solicitor.

I rely on the letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of the 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 are adhered to.

Internal audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

An internal audit function for the Office was in place during 2021.

Non-compliance with procurement rules

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 in 2021 with the exception of three contracts (in excess of €25,000), totalling €232,145 (excluding VAT). Details are set out below.

- One contract with a value of €130,414 (excluding VAT) in respect of legal agency services (relating to *inter alia*, conveyancing, probate, property and planning searches) continued without finalising a competitive process in 2021, having been extended beyond its original contract date. The Office intends to regularise this matter and intends to issue for RFT in Q2 2022.
- One contract with a value of €39,381 (excluding VAT) in respect of a document exchange service was awarded without a competitive process as the supplier is widely used by legal offices in the State.
- One contract with a value of €62,350 (excluding VAT) related to user licence renewal in 2021 for a remote working application installed on an emergency non-competitive basis in 2020 due to Covid-19.

The Office has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform. The three contracts referenced above are included in this annual return.

Information and communications technology security

The Office applies good practice controls to mitigate against key security risks associated with information and communications technology (ICT). Review and upgrade, where necessary, of ICT security systems is an ongoing process.

Administrative and financial controls

The Management Board and the Audit Committee regularly review controls. All internal audit reports are considered by the Audit Committee.

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 semi-annual 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Assessments of the 2021 impact of Covid-19 were carried out and the Office has identified Covid-19 related costs of €190,950 comprising office equipment and external IT services to facilitate remote working from home (€136,750) and extra office cleaning costs (€54,200).

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 6 Office of the Chief State Solicitor

Opinion on the appropriation account

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2021 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 6 Office of the Chief State Solicitor for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of the Chief State Solicitor 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
29 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit,
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, the auditor is required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 6 Office of the Chief State Solicitor

Appropriation Account 2021

			2021	2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Provision of legal services				
Original	38,495			
Supplementary	3,000			
		41,495	41,432	38,050
Gross Expenditure		**41,495**	**41,432**	**38,050**
Deduct				
B **Appropriations-in-aid**		**810**	**1,530**	**904**
Net expenditure				
Original	37,685			
Supplementary	3,000			
		40,685	**39,902**	**37,146**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**783,138**	**234,806**

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		18,405	16,088
Pay		20,275	19,183
Non-pay		2,752	2,779
Gross expenditure		**41,432**	**38,050**
Deduct			
Appropriations-in-aid		**1,530**	**904**
Net expenditure		**39,902**	**37,146**
Changes in capital assets			
Purchases cash	(217)		
Depreciation	296	79	(227)
Changes in net current assets			
Decrease in closing accruals	(1,689)		
Increase in stock	(5)	(1,694)	3,333
Direct expenditure		**38,287**	**40,252**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,778	3,612
Notional rents		865	865
Net programme cost		**43,930**	**44,729**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 6 borne elsewhere.

		2021	2020
		€000	€000
Vote 12	Superannuation and Retired Allowances	3,254	2,091
Vote 13	Office of Public Works	1,447	1,493
Vote 18	National Shared Services Office	31	28
Vote 43	Office of the Government Chief Information Officer	46	—
		4,778	**3,612**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	659	738
Current assets			
Bank and cash	2.2	1,548	1,381
Stocks	2.3	38	33
Prepayments	2.4	308	330
Accrued income	2.5	9,770	9,818
Other debit balances	2.6	45	117
Net Exchequer funding	2.7	24	(43)
Total current assets		**11,733**	**11,636**
Less current liabilities			
Accrued expenses	2.8	4,641	6,400
Other credit balances	2.9	1,617	1,455
Total current liabilities		**6,258**	**7,855**
Net current assets		5,475	3,781
Net assets		**6,134**	**4,519**
Represented by:			
State funding account	2.10	**6,134**	**4,519**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	5,151	1,748	6,899
Additions	217	—	217
Disposals	(8)	—	(8)
Cost or valuation at 31 December 2021	5,360	1,748	7,108
Accumulated depreciation			
Opening balance at 1 January 2021	4,537	1,624	6,161
Depreciation for the year	276	20	296
Depreciation on disposals	(8)	—	(8)
Cumulative depreciation at 31 December 2021	4,805	1,644	6,449
Net assets at 31 December 2021	**555**	**104**	**659**
Net assets at 31 December 2020	614	124	738

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	1,547	1,378
Commercial bank account balance	1	3
	1,548	**1,381**

Non-vote bank accounts

The CSSO maintains a number of bank accounts containing moneys which are held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No moneys due to or paid from the CSSO Vote are transmitted through these bank accounts. The amount held in such accounts at the end of 2021 was €11.47 million (2020: €7.67 million) and this is not included in the appropriation account.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	**38**	**33**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software and other maintenance	179	208
Information services	87	84
Other	42	38
	308	**330**

2.5 Accrued income

at 31 December	2021	2020
	€000	€000
Opening balance 1 January	9,818	9,829
Cash receipts	(48)	(21)
Settlements	—	(54)
Additions	—	64
Closing balance 31 December	**9,770**	**9,818**

2.6 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable salaries	—	26
Recoupable travel pass scheme	14	13
Recoupable cycle to work scheme	6	9
State solicitors	25	69
	45	**117**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	783	235
Exchequer grant undrawn	(807)	(192)
Net Exchequer funding	**(24)**	**43**
Represented by:		
Debtors		
Bank and cash	1,548	1,381
Debit balances: suspense	45	117
	1,593	1,498
Creditors		
Due to the State	(1,304)	(1,034)
Credit balances: suspense	(313)	(421)
	(1,617)	(1,455)
	(24)	**43**

2.8 Accrued expenses

at 31 December	2021	2020
	€000	€000
Counsel fees	4,488	6,206
General law expenses	33	75
Incidental expenses	43	61
Office machinery	34	17
Post and telecommunications	16	13
Other expenses	27	28
	4,641	**6,400**

2.9 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	379	364
Pay related social insurance	213	194
Professional services withholding tax	622	395
Pension contributions	84	78
Value added tax	5	2
Local property tax	1	1
	1,304	1,034
State property: escheated estates [a]	313	421
	1,617	**1,455**

Note [a] This balance is also due to the State. It is shown separately in the table above because all other amounts due to the State arise from the on-going operations of the CSSO while the escheated estates figure relates to cash collected from external third parties where the CSSO is awaiting disposition instructions.

2.10 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			4,519	7,625
Disbursements from the Vote				
Estimate provision	Account	40,685		
Surplus to be surrendered	Account	(783)		
Net vote			39,902	37,146
Expenditure (cash) borne elsewhere	1.1		4,778	3,612
Non cash expenditure – notional rent	1		865	865
Net programme cost	1		(43,930)	(44,729)
Balance at 31 December			**6,134**	**4,519**

2.11 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	**1,161**	**832**

2.12 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	**21**	**69**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

				2021	2020
			Estimate provision	Outturn	Outturn
			€000	€000	€000
i	Salaries, wages and allowances				
		Original	19,537		
		Supplementary	772		
			20,309	20,275	19,183
Ii	Travel and subsistence				
		Original	90		
		Supplementary	(65)		
			25	26	35
iii	Training and development and incidental expenses				
		Original	1,038		
		Supplementary	(32)		
			1,006	958	954
iv	Postal and telecommunications services				
		Original	310		
		Supplementary	40		
			350	349	341
v	Office equipment and external IT services				
		Original	750		
		Supplementary	362		
			1,112	1,199	1,225
vi	Office premises expenses				
		Original	250		
		Supplementary	(62)		
			188	170	181
vii	Consultancy services and value for money and policy reviews				
		Original	100		
		Supplementary	(30)		
			70	50	63
			23,060	**23,027**	**21,962**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €19.537 million; outturn €20.275 million

The excess of €738,000 in this subhead was due (i) to the need to backfill legal staff on maternity leave and (ii) the net effect of DPER Circulars 07/2019 and 04/2020 relating to incremental credit and the implementation of the Public Service Stability Agreement 2018-2020.

v Office equipment and external IT services

Estimate provision €750,000; outturn €1.199 million

The excess of €449,000 in this subhead was due to a combination of expenditure on upgrades to the case/records management system, the financial management system, the roll out of Windows 10 and new mobile phones/licences.

Programme A Provision of legal services

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	19,537			
	Supplementary	772			
			20,309	20,275	19,183
A.2	Administration − non pay				
	Original	2,538			
	Supplementary	213			
			2,751	2,752	2,779
A.3	External legal services [a]				
	Original	220			
	Supplementary	(66)			
			154	162	142
A.4	Fees to counsel [a]				
	Original	15,000			
	Supplementary	2,600			
			17,600	17,537	15,246
A.5	General law expenses [a]				
	Original	1,200			
	Supplementary	(519)			
			681	706	700
			41,495	**41,432**	**38,050**

Note [a] Of the legal services expenditure incurred under A.3 to A.5 above, €17.5 million was paid out on behalf of 27 departments/offices in 2021 (2020; €15.44 million, 29 departments/offices).

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €2.937 million higher than originally provided. €952,000 of this related to administration expenditure and has already been explained and the balance of the variance of €1.985 million was mainly due to the following.

A.4 Fees to counsel

Estimate provision €15 million; outturn €17.537 million

The excess of €2.537 million over the original estimate provision was due to the Office making significant efforts to reduce the level of overdue fee notes.

A.5 General law expenses

Estimate provision €1.2 million; outturn €706,000

The saving in expenditure of €494,000 relative the original estimate provision was due to the unpredictability of how legal cases progress through the courts.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Costs and fees received by the Office of the Chief State Solicitor	200	812	221
2	Receipts from additional superannuation contributions on public service remuneration	610	718	683
	Total	**810**	**1,530**	**904**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €720,000 more than the original estimate. Explanations for variances are set out below:

1 Costs and fees received by the Office of the Chief State Solicitor

Estimate €200,000; realised €812,000

The excess receipts of €612,000 for 2021 was due to the unexpected recovery of costs in five cases, totalling €644,000 (with the largest recovery being €295,000).

2 Receipts from additional superannuation contributions on public service remuneration

Estimate €610,000; realised €718,000

The excess receipts of €108,000 for 2021 was due to the increase in staff numbers.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Receipts under Section 10 of the State Property Act 1954	387	899
Receipts under Section 31 of the State Property Act 1954	1	—
Transferred to the Exchequer	(388)	(899)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
CSSO staff focused on core activities	288	271
CSSO staff working on projects for other departments/offices	15	13
	303	**284**

5.2 Pay

	2021 €000	2020 €000
Pay	19,473	18,413
Higher, special or additional duties allowances	158	101
Other allowances	8	8
Overtime	16	21
Employer's PRSI	1,872	1,726
Total pay	21,527	20,269
Recoveries from other departments/offices	(1,252)	(1,086)
Total pay cost incurred by the Vote	**20,275**	**19,183**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties	54	2	16,465	11,047
Other allowances	4	—	1,917	1,870
Overtime	14	—	3,764	10,137
Extra remuneration in more than one category	5	1	10,479	13,112

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	21	24,627	23,104
Recovery plans in place	14	11,973	12,497

5.5 Salary of Accounting Officer

As at 31 December 2021 the Accounting Officer's current salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 Write Offs

The following sums were written off in the year:

	2021 €000	2020 €000
State Solicitors	44	—

Note The amount written off represents unvouched expenditure by local State Solicitors during the period 2004 to 2007 which is considered irrecoverable as those concerned are no longer local State Solicitors.

Appropriation Account 2021

Vote 7

Office of the Minister for Finance

Introduction

As Accounting Officer for Vote 7, 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 2021 for the salaries and expenses of the Office of the Minister for Finance, including the Paymaster-General's Office, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.284 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, with the following exceptions.

Depreciation

Depreciation calculated annually is charged in full in the year of acquisition/commission. No depreciation is charged in the year of disposal.

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

Payroll and human resource functions are provided on a shared basis by the National Shared Services Office (Vote 18). 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 HR and payroll shared services.

The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer of the National Shared Services Office has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of:

- Internal audit work performed by the National Shared Services Office's internal audit unit, and
- Audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2021.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2021. I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services 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 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
- 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.

Internal audit and Audit Committee

I confirm that the Department uses the services of the Department of Public Expenditure and Reform internal audit function under the terms of the service level agreement between the two Departments. The Department of Public Expenditure and Reform's internal audit unit operates under a written charter which has been approved by the Secretary General of the Department of Public Expenditure and Reform. Its work is informed by analysis of the financial risks to which the Department of Finance is exposed and its annual internal audit plans (which are prepared in consultation with the Audit Committee and 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.

Non-compliance with procurement rules

I confirm that 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 complied with the relevant guidelines with the exception of one contract (in excess of €25,000).

A mobile phone service provider was sourced to provide handsets and international mobile services to the Department during Q4 2018. The total value of this contract was €39,996. The actual expenditure in 2021 was €9,500. A competitive tendering process was not undertaken as the Department urgently required specific international mobile service for those users with critical international business needs. A competitively procured contract is now in place following a competition undertaken by the Office of Government Chief Information Officer (OGCIO) in 2021 whereby a supplier has been appointed from an Office of Government Procurement (OGP) framework. Expenditure on the old contract was incurred in 2021 during the period of migration to the new supplier contract.

The Department has provided details of eight non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 Executive 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 controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes so that control deficiencies are communicated to those responsible for taking corrective action, to management and the Executive 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 2021 that require disclosure in the appropriation account**.**

Covid-19 control issues

In March 2020, in response to the Covid-19 pandemic, business continuity measures were put into effect to deal with the impact of Covid-19. This facilitated the Department in remaining fully operational during 2021 while becoming a predominantly remote working organisation.

Given the duration of the organisation-wide remote working, an emphasis has been placed on maintaining an effective control environment, through measures such as updated policies and guidelines (e.g. data protection, ICT, records management), additional cybersecurity including relevant training, management communications and a focus on staff engagement and well-being. There was also engagement with civil service sectoral groups and wider public sector organisations on targeted Covid-19 management/prevention measures.

Specific risks arising from the remote-working environment and appropriate mitigation have been considered at Executive Board and risk committee meetings and by the Department's Covid Response Management Group and subgroup.

John Hogan
Accounting Officer
Office for the Minister for Finance

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 7 Office of the Minister for Finance

Opinion on the appropriation account

I have audited the appropriation account for Vote 7 Office of the Minister for Finance for the year ended 31 December 2021 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 7 Office of the Minister for Finance for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of the Minister for Finance 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

6 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 7 Office of the Minister for Finance

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Economic and fiscal policy	26,076	24,014	23,573
B	Banking and financial services policy	14,585	12,364	12,404
Gross expenditure		**40,661**	**36,378**	**35,977**
	Deduct			
C	**Appropriations-in-aid**	**1,150**	**1,151**	**753**
Net expenditure		**39,511**	**35,227**	**35,224**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**4,283,596**	**3,348,805**

John Hogan
Accounting Officer
Office of the Minister for Finance

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		9,925	13,070
Pay		22,144	19,649
Non pay		4,309	3,258
Gross expenditure		**36,378**	**35,977**
Deduct			
Appropriations-in-aid		**1,151**	**753**
Net expenditure		**35,227**	**35,224**
Changes in capital assets			
Depreciation	15	15	42
Changes in net current assets			
Decrease in closing accruals	(20)		
Increase in stock	(8)	(28)	181
Direct expenditure		**35,214**	**35,447**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		14,418	13,590
Notional rents		1,236	1,065
Net programme cost		**50,868**	**50,102**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 7 borne elsewhere, net of costs of shared services provided to other Votes.

		2021 €000	2020 €000
Vote 12	Superannuation and Retired Allowances	14,079	12,941
Vote 13	Office of Public Works [a]	974	1,342
Vote 18	National Shared Services Office	35	33
Vote 43	Office of Government Chief Information Officer [a]	435	365
Central Fund - ministerial pensions		256	245
		15,779	14,926
Costs of shared services provided to other Votes [a]		(1,361)	(1,336)
		14,418	**13,590**

Note [a] These amounts include costs which are estimated with the actual cost being apportioned based on headcount.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	6	21
Current assets			
Bank and cash		1,194	1,659
Stocks	2.2	23	15
Prepayments	2.3	387	371
Other debit balances	2.4	125	28
Accrued income		—	29
Total current assets		**1,729**	**2,102**
Less current liabilities			
Accrued expenses	2.5	364	397
Other credit balances	2.6	857	1,501
Net Exchequer funding	2.7	462	186
Total current liabilities		**1,683**	**2,084**
Net current assets		46	18
Net assets		**52**	**39**
Represented by:			
State funding account	2.8	**52**	**39**

2.1 Capital assets

	IT equipment	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	222	223	445
Additions	—	—	—
Disposals	—	—	—
Cost or valuation at 31 December 2021	222	223	445
Accumulated depreciation			
Opening balance at 1 January 2021	204	220	424
Depreciation for the year	12	3	15
Cumulative depreciation at 31 December 2021	216	223	439
Net assets at 31 December 2021	**6**	—	**6**
Net assets at 31 December 2020	18	3	21

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	15	8
IT consumables	8	7
	23	**15**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
IT licences and support	238	268
Training	70	59
Subscriptions	42	13
Other prepayments	37	31
	387	**371**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable travel expenditure	5	15
Recoupable travel pass expenditure	20	1
Other debit suspense items	100	12
	125	**28**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Secondment costs	190	226
Office premises expenses	109	48
General administration	34	65
Consultancy and other services	31	58
	364	**397**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	316	285
Pay related social insurance	199	192
Professional services withholding tax	1	54
Value added tax	38	29
Pension contributions	71	89
Local property tax	1	1
Universal social charge	63	57
	689	707
Payroll deductions held in suspense	69	85
Recoupable salaries	95	15
Other credit suspense items	4	694
	857	**1,501**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	4,284	3,349
Exchequer grant undrawn	(3,822)	(3,163)
Net Exchequer funding	**462**	**186**
Represented by:		
Debtors		
Bank and cash	1,194	1,659
Debit balances: suspense	125	28
	1,319	1,687
Creditors		
Due to the State	(689)	(707)
Credit balances: suspense	(168)	(794)
	(857)	(1,501)
	462	**186**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			39	502
Disbursements from the Vote				
Estimate provision	Account	39,511		
Surplus to be surrendered	Account	(4,284)		
Net vote			35,227	35,224
Expenditure (cash) borne elsewhere	1.1		14,418	13,590
Non-cash items – capital asset adjustment	2.1		—	(240)
Non cash expenditure – notional rent	1		1,236	1,065
Net programme cost	1		(50,868)	(50,102)
Balance at 31 December			**52**	**39**

2.9 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	**2**	**1**

2.10 Contingent liabilities

There is litigation in progress regarding Irish Bank Resolution Corporation (IBRC) and Permanent TSB. These actions are being defended and no estimate of the potential liability has been made.

Certain third party protections (in the form of warranties and indemnities) have been provided in connection with the sale of Irish Life Limited, the disposal of the Bank of Ireland contingent capital notes, the disposal of shares in Bank of Ireland and AIB and the liquidation of IBRC.

These do not represent a complete list of litigation or third party protections. These particular items have been included as at the time they were instigated or provided they were of particular significance to the Minister and the State.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	21,000	22,144	19,649
ii	Travel and subsistence	600	150	282
iii	Training and development and incidental expenses	1,976	2,669	1,510
iv	Postal and telecommunications services	280	215	228
v	Office equipment and external IT services	975	765	835
vi	Office premises expenses	1,020	510	403
vii	Consultancy and other services	5	—	—
		25,856	**26,453**	**22,907**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €600,000; outturn €150,000

The variance arises largely due to travel restrictions implemented to limit the spread of Covid-19.

iii Training and development and incidental expenses

Estimate provision €1.976 million; outturn €2.669 million

This overspend is driven by increased costs associated with negative interest on the Surplus Public Expenditure Monies (SPEM) account, which ran to €1.637 million in 2021 and which were higher than had been expected. For more information regarding SPEM refer to note 6.4.

vi Office premises expenses

Estimate provision €1.02 million; outturn €510,000

The variance of €510,000 was due to planned capital projects which were budgeted for, not taking place during the year as a result of the public health measures introduced in response to the Covid-19 pandemic.

Programme A Economic and Fiscal Policy

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
A.1	Administration − pay	11,000	11,976	10,238
A.2	Administration − non pay	2,886	3,135	2,043
A.3	Committee and commissions	570	426	289
A.4	Consultancy services and other services	620	268	1,033
A.5	Fuel grant	11,000	8,209	9,970
		26,076	**24,014**	**23,573**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €2.062 million lower than provided. There was an overspend of €1.225 million on this programme which relates to administration expenditure and has already been explained and the underspend on this programme of €3.287 million was mainly due to the following:

A.3 Committee and commissions

Estimate provision €570,000; outturn €426,000

The estimate on this programme was provided to cover costs associated with the Commission on Taxation and Welfare and the Disabled Drivers Medical Board of Appeal. There was a slight underspend with both areas of work.

A.4 Consultancy services and other services

Estimate provision €620,000; outturn €268,000

Due to the nature of this subhead, the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise.

A.5 Fuel grant

Estimate provision €11 million; outturn €8.209 million

An estimate of €11 million was provided for the fuel grant under the Disabled Drivers and Passengers (Tax Concessions) Scheme. The grant is paid in respect of fuel used in the previous 12 months but claims can be made for use in any of the previous four years. Spend on the fuel grant is dependent on a number of factors such that there will be some variance between actual versus estimated spend. However, the large variance in 2021 is likely driven by reduced fuel use due to travel restrictions and public health measures in response to the Covid–19 pandemic.

Programme B Banking and Financial Services Policy

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
B.1	Administration − pay	10,000	10,168	9,411
B.2	Administration − non pay	1,970	1,175	1,215
B.3	Committees and commissions	30	16	20
B.4	Consultancy and other services	2,015	438	990
B.5	Office of the Financial Services Ombudsman	570	567	768
		14,585	**12,364**	**12,404**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €2.221 million lower than originally provided. €627,000 of this related to administration expenditure and has already been explained and the balance of the variance of €1.594 million was mainly due to the following:

B.4 Consultancy and other services

Estimate provision €2.015 million; outturn €438,000

Due to the nature of this subhead, the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Recoupment of certain expenses in relation to the stabilisation of the banking sector	150	240	61
2	Miscellaneous	150	179	79
3	Receipts from additional superannuation contributions on public service remuneration	850	732	613
	Total	**1,150**	**1,151**	**753**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €1,000 more than the estimate as forecast.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €850,000; realised €732,000

The variance of €118,000 was a result of timing of recruitment and also changes to the calculation of pension related deductions made as a result of the Public Service Stability Agreement which weren't factored into the 2021 estimate.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Collected	1	2
Transferred to the Exchequer	(1)	(2)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**324**	**313**

5.2 Pay

	2021 €000	2020 €000
Pay	19,246	17,461
Higher, special or additional duties allowances	167	108
Other allowances	899	477
Overtime	128	115
Employer's PRSI	1,704	1,488
Total pay	**22,144**	**19,649**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	14	5	25,707	35,516
Other allowances	92	—	7,096	6,597
Overtime	48	2	17,245	17,246
Extra remuneration in more than one category	10	4	20,704	20,704

5.4 Other remuneration arrangements

This account includes expenditure of €589,092 in respect of five officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	19	30,917	35,136
Recovery plans in place	4	5,418	9,178

5.6 Severance/redundancy

During 2021, one staff member whose employment was terminated, received redundancy payments of €4,644 and severance payments of €27,449. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms have been granted.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officers current salary is at the grade of Secretary General Level I, with an annual gross salary of €214,000 (as at 31 December 2020, €212,000).

Note 6 Miscellaneous

6.1 Banking system functions

The Minister for Finance delegated a number of banking system functions to the National Treasury Management Agency (NTMA) under statutory instrument (SI) 115 of 2010. This delegation was revoked with effect from 5 August 2011 under SI 395 of 2011 and the NTMA Banking Unit has since been seconded to the Department of Finance. At the direction of the Minister, the costs of the unit, comprising staff costs and certain consultancy costs, continue to be met by the NTMA.

6.2 Committees and commissions

	2021	2020
	€000	€000
Permanent commission		
Credit Union Advisory Committee [a]	16	20
Disabled Drivers Medical Board of Appeal [b]	312	289
Fixed purpose commission		
Commission on Taxation and Welfare [c]	114	—
	442	**309**

Note

[a] The Committee's statutory function (under section 180 of the Credit Union Act 1997) is to advise regarding

- improvement of the management of credit unions
- protection of the interest of members and creditors of credit unions and
- other matters relating to credit unions upon which the Minister, the Central Bank or such other persons may be specified by the Minister, may from time to time seek by way of advice from the Committee.

[b] The Disabled Drivers Medical Board of Appeal acts as an appeal body for those applicants refused a primary medical certificate by a senior medical officer in respect of the Disabled Drivers and Disabled Passengers (Tax Concessions) Scheme. The Board was established in 1989.

[c] The Commission on Taxation and Welfare was established to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity, while ensuring that there are sufficient resources available to meet the costs of public services and supports in the medium and longer term.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	—	3	3	4
	€000	**€000**	**€000**	**€000**
Department's own legal costs	—	110	110	173
Payments by/on behalf of Department				
Compensation	—	—	—	572
Legal costs	—	1	1	—
Other costs	—	—	—	—
2021 Total	—	**111**	**111**	**745**
2020 Total	—	745	745	

Note The 2020 comparative figures were restated to comply with circular 22/2020: requirements for appropriation accounts 2020.

6.4 Surplus Public Expenditure Monies (SPEM) Account

	2021	2020
	€000	**€000**
Negative interest charge	**1,637**	**593**

Note Negative interest has been charged on Central Bank accounts since 2014. This arose from a 2014 European Central Bank Decision. The Surplus Public Expenditure Monies (SPEM) Account was opened in 2018 to record the borrowings and repayments of surplus funds held in the Supply Account of the Paymaster General, and replaced the Deposit Monies Investment Account (DMIA). Negative interest charges on the SPEM are a charge on Vote 7.

Appendix A Accounts of bodies and funds under the aegis of the Department of Finance

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the end of March 2022, the period to which the last audited financial statements relate and the date on which 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
Central Bank	2020	13 Apr 2021	30 Apr 2021	1 Jun 2021
Credit Union Fund	2020	30 Jun 2021	30 Jun 2021	2 Jul 2021
Credit Union Restructuring Board [a]	2017	17 Nov 2021	22 Nov 2021	6 Dec 2021
Finance Accounts	2020	30 Jun 2021	30 Jun 2021	21 Jul 2021
Financial Services and Pensions Ombudsman	2020	13 Oct 2021	18 Nov 2021	14 Jan 2021
Intestate Estates Fund Account	2020	16 Dec 2021	16 Dec 2021	17 Dec 2021
Irish Financial Services Appeals Tribunal	2020	26 Mar 2021	30 Mar 2021	4 May 2021
Irish Fiscal Advisory Council	2020	3 Sep 2021	6 Sep 2021	16 Nov 2021
Home Building Finance Ireland and one subsidiary	2020	26 Apr 2021	29 Apr 2021	30 Jun 2021
Hepatitis C and HIV Compensation Tribunal Special Account	2020	30 Sep 2021	5 Oct 2021	8 Oct 2021
Hepatitis C and HIV Compensation Tribunal Reparation Fund	2020	30 Sep 2021	5 Oct 2021	8 Oct 2021
Land Bond (Winding Up) Account	2020	16 Nov 2021	17 Nov 2021	17 Nov 2021
Local Loans Accounts	2020	23 Nov 2021	23 Nov 2021	24 Nov 2021
National Asset Management Agency	2020	27 Apr 2021	17 May 2021	9 Jun 2021
National Asset Management Agency Subsidiaries (13)	2020	25 Jun 2021	13 Jul 2021	21 Jul 2021
National Treasury Management Agency	2020	11 May 2021	27 May 2021	21 Jun 2021
Strategic Banking Corporation of Ireland	2020	5 May 2021	17 May 2021	16 Jun 2021
Sundry Moneys Deposit Account	2020	5 Nov 2021	10 Nov 2021	11 Nov 2021

Note [a] The Credit Union Restructuring Board (ReBo) was operationally wound down on 31 July 2017. A caretaker board was in place until ReBo was dissolved by the Credit Union Restructuring Board (Dissolution) Act 2020.

Appropriation Account 2021

Vote 8

Office of the

Comptroller and Auditor General

Introduction

As Accounting Officer for Vote 8, 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 2021 for the salaries and expenses of the Office of the Comptroller and Auditor General.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.397 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account. In addition, the following accounting policies have been adopted.

Accrued audit fee income

Accrued audit fee income represents audits where an opinion had been reported at the year-end but the fee had not yet been invoiced.

Work in progress

Work in progress represents the estimated recoverable value associated with work undertaken on audits where a fee is chargeable but where the audit had not been completed at year end. The value of work in progress is calculated as a percentage of the agreed audit fee, based on the status of the audit at year end.

The percentage used are as follows

- account cleared for certification 90%
- audit review stage 75%
- fieldwork complete 60%
- final audit in progress 30%
- interim audit completed 15%
- interim audit in progress 10%

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 as Accounting Officer. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial control is a continuous process and the system and its effectiveness are kept under ongoing review.

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 for the provision of human resources and payroll processing 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.

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

- 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. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €2.86 million in 2021.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function provided by a private firm 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that 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. No non-competitive contracts in excess of €25,000 were entered into by the Office during 2021 and as required by Circular 40/2002 the nil return was submitted to the Office of Government Procurement.

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 Management Committee (RMC) comprising the three Directors of Audit oversees the risk management process.

A risk register is in place which records 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 RMC 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 results of risk management activities are reported to the Audit Committee.

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

An internal audit review of the Office's risk management system provided additional assurance regarding the operation of the system.

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, 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.

ICT security

The Office has a strong commitment to the security of its ICT systems and holds accreditation under the international standard *ISO 27001: Code of Practice for Information Security Management*. As part of the certification process, the Office is subject to bi-annual audits to ensure continued compliance with ISO 27001.

Significant financial risk

Audit fees are charged for certain financial audits, as provided for in the Comptroller and Auditor General (Amendment) Act 1993. The fees form a significant proportion of the resources of the Office and a number of procedures have been put in place to ensure that costs are recovered for relevant audits. These measures include

- an annual review of the basis on which fees are charged, including a review of the recovery of costs on individual audits over time
- systems which record audit costs, audit progress and billing information
- the monitoring of financial information including audit costs and fee recovery.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account.

Covid-19 control issues

In 2021, the Office continued to be a predominantly remote-working organisation. There has been an ongoing focus on areas such as cybersecurity, data protection, internal communications with an emphasis on culture and values, and measures relating to staff engagement and well-being. Robust information management policies and procedures were in place to mitigate against the increased risk arising from continued access during remote working to the records of government departments and public bodies which is required to deliver on the Office's mandate. Specific risks arising from the remote-working environment and appropriate mitigation have been considered at both Risk Management Committee and Audit Committee meetings. In addition, an assessment of financial controls was carried out by internal audit. This found that controls were operating satisfactorily.

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

22 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 8 Office of the Comptroller and Auditor General

Opinion on the appropriation account

The appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2021 has been audited on my behalf by Mr Shaw McClung, Crowe Ireland, Chartered Accountants and Statutory Audit Firm, under section 13 of the Comptroller and Auditor General (Amendment) Act 1993.

On the basis of their audit and report, in my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2021, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

18 May 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

Section 13 of the 1993 Act states that the appropriation account shall be audited on my behalf by a qualified person appointed by me, subject to such terms and conditions as the Minister for Finance may determine. Under that Section, I appointed Crowe Ireland to carry out an audit of the appropriation account in accordance with the International Standards on Auditing (ISAs). The attached report sets out the objectives of the audit undertaken on my behalf and includes information on the audit process.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with the audit of the appropriation account, the auditor is required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work performed on my behalf, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services.*

Opinion to the Comptroller and Auditor General in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act, 1993

Report on the audit of the appropriation account

Opinion

As the auditor appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, we have audited the appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2021.

In our opinion, the appropriation account of the Vote for the Office of the Comptroller and Auditor General properly presents the receipts and expenditure of the Vote for the year ended 31 December 2021 and there are no matters on which we need to report, pursuant to Section 3(10) of the Comptroller and Auditor General (Amendment) Act 1993.

Basis of Opinion

We conducted our audit of the appropriation account of the Office of the Comptroller and Auditor General in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), applicable law and Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the appropriation account section of our report. We are independent of the Office of the Comptroller and Auditor General in accordance with ethical requirements that are relevant to audits in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper accounting records have been kept by the Office of the Comptroller and Auditor General. The appropriation account is in agreement with the accounting records.

Conclusion on Going Concern

In auditing the appropriation account, we have concluded that the Office of the Comptroller and Auditor General’s use of the going concern basis of accounting in the preparation of the appropriation account is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the appropriation account for Vote 8 Office of the Comptroller and Auditor General’s ability to continue as a going concern for a period of at least twelve months from the date when the appropriation account are authorised for issue.

Our responsibilities and the responsibilities of the Office of the Comptroller and Auditor General with respect to going concern are described in the relevant sections of this report.

Statement on Internal Financial Control

We have reviewed the information contained in the Statement on Internal Financial Control. We have nothing to report in this regard.

Responsibilities of the Accounting Officer

Under Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is responsible for the preparation of the appropriation account. She is also responsible, inter alia, for the safeguarding of public funds and for the regularity and propriety of all transactions in the appropriation account.

Auditor's responsibilities for the audit of the Appropriation Account

It is our responsibility to audit the appropriation account in accordance with relevant legal and regulatory requirements and the ISAs (Ireland). Our objectives are to obtain reasonable assurance about whether the appropriation account, as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the appropriation account, of whether the transactions recorded in the Account conform with the authority under which they purport to have been carried out, and of whether the accounting provisions of Public Financial Procedures have been complied with.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the appropriation account, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Office of the Comptroller and Auditor General's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the appropriation account for Vote 8 Office of the Comptroller and Auditor General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether uncertainty exists related to events or conditions that may cast significant doubt on the appropriation account for Vote 8 Office of the Comptroller and Auditor General's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the appropriation account for Vote 8 Office of the Comptroller and Auditor General's or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Office of the Comptroller and Auditor General to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the appropriation account, including the disclosures, and whether the appropriation account represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Office of the Comptroller and Auditor General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Comptroller and Auditor General, in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993. Our audit work has been undertaken so that we can state to the Comptroller and Auditor General those matters we are required to state to him in an auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for the audit work, for this report, or for the opinions we have formed.

Shaw McClung

For and on behalf of

Crowe Ireland
Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4

5 May 2022

Vote 8 Office of the Comptroller and Auditor General

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Audit and reporting	15,506	14,548	14,301
Gross expenditure		**15,506**	**14,548**	**14,301**
	Deduct			
B	**Appropriations-in-aid**	**5,883**	**8,322**	**6,616**
Net expenditure		**9,623**	**6,226**	**7,685**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**3,397,165**	**1,430,614**

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

22 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		12,105	11,759
Non pay		2,443	2,542
Gross expenditure		**14,548**	**14,301**
Deduct			
Appropriations-in-aid		**8,322**	**6,616**
Net expenditure		**6,226**	**7,685**
Changes in capital assets			
Purchases cash	—		
Depreciation	182	182	88
Changes in net current assets			
Increase in closing accruals	749		
Decrease in stock	7	756	(555)
Direct expenditure		**7,164**	**7,218**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,595	3,576
Notional rents		11	11
Net programme cost		**11,770**	**10,805**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 8 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	30
Vote 12	Superannuation and Retired Allowances	1,824	1,890
Vote 13	Office of Public Works	2,053	997
Vote 18	National Shared Services Office	19	19
Vote 43	Office of the Government Chief Information Officer	231	220
Central Fund – salary of Comptroller and Auditor General and pensions of previous office holders		438	420
		4,595	**3,576**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	559	741
Current assets			
Bank and cash		531	375
Audit fees recoverable	2.3	1,606	2,316
Prepayments		312	360
Other debit balances	2.2	284	34
Stocks		—	7
Total current assets		**2,733**	**3,092**
Less current liabilities			
Accrued expenses		103	112
Other credit balances	2.4	408	408
Net Exchequer funding	2.5	407	1
Total current liabilities		**918**	**521**
Net current assets		1,815	2,571
Net assets		**2,374**	**3,312**
Represented by:			
State funding account	2.6	**2,374**	**3,312**

2.1 Capital assets

	Furniture and fittings	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	1,655	440	2,095
Additions	—	—	—
Cost or valuation at 31 December 2021	1,655	440	2,095
Accumulated depreciation			
Opening balance at 1 January 2021	994	360	1,354
Depreciation for the year	166	16	182
Cumulative depreciation at 31 December 2021	1,160	376	1,536
Net assets at 31 December 2021	**495**	**64**	**559**
Net assets at 31 December 2020	661	80	741

2.2 Other debit balances

at 31 December	2021	2020
	€000	€000
Salary suspense [a]	258	3
Recoupable travel expenditure and travel pass scheme	12	31
Recoupable expenditure from co-tenants	14	—
	284	**34**

Note [a] The increase in salary suspense is due to the timing of payment of fortnight 1 2022 payroll which was paid in December 2021.

2.3 Audit fees recoverable

at 31 December	2021	2020
	€000	€000
Audit fee debtors	519	89
Accrued audit fee income	461	1,988
Work in progress	626	239
	1,606	**2,316**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	149	148
Pay related social insurance	108	105
Professional services withholding tax	12	12
Value added tax	45	53
Local property tax	—	—
Universal social charge	29	29
	343	347
Payroll deductions held in suspense	65	61
	408	**408**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	3,397	1,431
Exchequer grant undrawn	(2,990)	(1,430)
Net Exchequer funding	**407**	**1**
Represented by:		
Debtors		
Bank and cash	531	375
Debit balances: suspense	284	34
	815	409
Creditors		
Due to the State	(343)	(347)
Credit balances: suspense	(65)	(61)
	(408)	(408)
	407	**1**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			3,312	2,893
Disbursements from the Vote				
Estimate provision	Account	9,623		
Surplus to be surrendered	Account	(3,397)		
Net Vote			6,226	7,685
Expenditure (cash) borne elsewhere	1.1		4,595	3,576
Non-cash items capital asset adjustments	2.1		—	(48)
Non-cash items - notional rent	1		11	11
Net programme cost	1		(11,770)	(10,805)
Balance at 31 December			**2,374**	**3,312**

2.7 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	—	—

2.8 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	—	28

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 8 Office of the Comptroller and Auditor General is classified as administration expenditure applied towards a single programme: audit and reporting.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,515	12,105	11,759
ii	Travel and subsistence	546	7	156
iii	Training and development and incidental expenses	365	643	467
iv	Postal and telecommunications services	100	50	55
v	Office equipment and external IT services	473	447	703
vi	Office premises expenses	217	147	130
vii	Consultancy services and value for money and policy reviews	125	29	170
viii	Legal fees	45	53	37
ix	Contract audit services	1,120	1,067	824
		15,506	**14,548**	**14,301**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% or more and €100,000 or more).

ii Travel and subsistence

Estimate provision €546,000; outturn €7,000

The decrease of €539,000 is due to a significant reduction in business travel due to ongoing public health measures.

iii Training and development and incidental expenses

Estimate provision €365,000; outturn €643,000

The increase of €278,000 is mainly due to higher than anticipated recruitment and learning and development costs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Audit fees	5,519	7,983	6,277
2	Receipts from additional superannuation contributions on public service remuneration	364	339	339
		5,883	**8,322**	**6,616**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.4 million more than the estimate. Explanations for variances are set out below:

1 Audit fees

Estimate €5.519 million; realised €7.983 million

The increase of €2.464 million was due to more audits being completed and billed during the period than estimated. At the time that the 2021 estimate was prepared, there was a degree of uncertainty as to the potential impact of the public health emergency on the audit programme. This was reflected in a conservative estimate. However, audit timeliness was maintained, and in some instances advanced. The estimated audit fees for 2022 have been increased accordingly.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**171**	**180**

5.2 Pay

	2021 €000	2020 €000
Pay	11,079	10,760
Higher, special or additional duties allowances	23	20
Overtime	—	2
Employer's PRSI	1,003	977
Total pay	**12,105**	**11,759**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	4	1	10,940	9,801
Overtime	1	—	96	1,633

No member of staff received additional payments in more than one category.

5.4 Other remuneration arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged in 2021 on a fee basis at a total cost of €5,550. A further €1,980 was paid to one former civil servant as fees for attendance at audit committee meetings. The fees paid were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

Included in the account are salaries paid to two serving officers after they were seconded from the Office to the European Court of Auditors during 2021 to serve as national experts to Chamber V of the Court.

This account does not include expenditure in respect of seven officers who were serving outside the Office for all or part of 2021 in other government departments/offices and whose salaries were not paid by the Office during their secondments.

5.5 Payroll overpayments

	Number of recipients	2021 €	2020 €
Overpayments	7	14,274	11,656
Recovery plans in place	3	1,929	1,705

In three of the four cases for which recovery plans are not currently in place, the recipients are off pay. In the other case, the agreement of a repayment plan was delayed while a query on the overpayment was resolved.

5.6 Remuneration of senior management

Comptroller and Auditor General

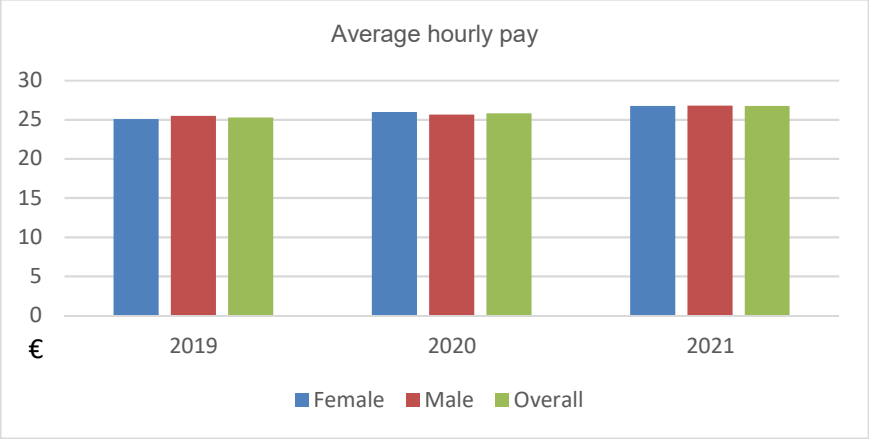
The salary of the Comptroller and Auditor General is paid directly out of the Central Fund of the Exchequer, as provided for in Section 14 of the Comptroller and Auditor General (Amendment) Act 1993. The charge on the Central Fund in 2021 in relation to the remuneration of the Comptroller and Auditor General was €200,924 (2020: €197,448). As provided for in Article 33 of the Constitution, the Comptroller and Auditor General may not hold any other office or position of emolument.

Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary and Director Of Audit, with an annual gross salary of €164,549 (as at 31 December 2020, €162,920).

5.7 Gender pay gap

The Office is committed to equality in its work force and supports a range of diversity initiatives. Gender balance and average pay rates are monitored and reported on. For the third consecutive year, there was no material (2% or more) difference in pay rates for male and female employees of the Office in 2021. On average across all grades at end 2021, male employees were paid 0.1% more per contracted hour than female employees. The chart below shows the average pay per contracted hour for males and females over the last three years.



5.8 Supporting professional qualifications and relevant work experience

The Office continues to support the professional development of its staff who are pursuing professional accountancy qualifications. The Office also provides opportunities for relevant work experience for third level students and for apprentices from the Accounting Technician Ireland apprenticeship programme. The table below shows the total number of trainee auditors who were supported in pursuing their professional qualifications throughout 2021 and the total numbers of students and apprentices who held a placement within the Office during 2021.

	Number
Trainee auditors not yet qualified	48
Students	11
Apprentices	3

Note 6 Miscellaneous

6.1 Write-off

Included in the account is an amount of €11,392 which has been written off in the year. €11,279 relates to the travel pass suspense account and €113 relates to the cycle to work suspense account. Sanction for the write-off was sought and received from the Department of Public Expenditure and Reform.

Appropriation Account 2021

Vote 9

Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, 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 2021 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9.272 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exceptions listed here.

Valuation and depreciation of capital assets

Depreciation is calculated on a monthly basis on all assets from the date the asset is placed into service until the month of disposal.

Seized vehicles that have been appropriated by Revenue are included in the capital assets at open market value at the time of appropriation and are depreciated at a rate of 20% per annum on a straight line basis.

A customs cutter is depreciated at a rate of 5% per annum on a straight line basis.

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.

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.

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

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office in relation to the provision of human resources and payroll shared services.

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
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines.

A risk management system operates within the Office of the Revenue Commissioners. Mitigations used to manage risk include

- Revenue's governance structures
- environmental scanning to ensure Revenue is aware of influences that affect risk
- integrated strategic/business planning and risk management system that regularly reviews risks at organisational, divisional and branch level
- project management methodologies for all significant projects.

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 formal written internal audit charter. 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

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 ten contracts (in excess of €25,000), totalling €3,484,628 in 2021 as set out below:

- Three contracts for the provision of call handling services, window cleaning services and the supply of ICT consumables with a combined value of €634,472 had previously been awarded under a competitive process but were extended while revised arrangements were being put in place. New contracts are now in place for these items.
- Two contracts for the supply of uniforms and the provision of daily office cleaning services with a combined value of €2,360,688 had previously been awarded under a competitive process but were extended while revised arrangements were being put in place. Requests for tenders have issued for both contracts with a view to awards being made during 2022.
- Two contracts for the provision of software licences, support and maintenance with a value of €260,458 were deemed non-compliant due to delays in undertaking a competitive process. Both contracts will be replaced following competitive procurement processes in 2022.
- One contract for the provision of a fleet management system with a value of €62,135 was deemed non-compliant due to transitional delays in migrating to a new service provider.
- One contract for stenography services with a value of €138,199 was deemed non-compliant and has subsequently been replaced using an OGP framework in September 2021.
- One contract for the provision of training in the driving of articulated trucks with a value of €28,676 was deemed non-compliant. The contract is currently undergoing review to determine future requirements.

The Office has provided details of 66 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

This Office operates a corporate risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks. A corporate risk register is in place which identifies the key risks facing this Office. These risks are described, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated into Revenue's strategic and business planning process.

An enhancement was introduced to the risk management system in Q3 2021. Under new arrangements, Divisions report quarterly on the effectiveness of controls on mitigating actions and residual risk levels following mitigation. These reports are reviewed, and the corporate risk register is updated on a quarterly basis, by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from divisional management when determining whether there should be changes to the priority or ranking of a risk and provides feedback to divisions on their quarterly reports. This process provides that risk escalation is recognised, reviewed, reported and included in the corporate risk register. The RMC Chair presents a Corporate Risk Management Annual Report to the Board of the Revenue Commissioners which outlines the activities of the RMC throughout the preceding year and assures adherence to the risk management policy in Revenue.

A Data Protection Officer with responsibility for overseeing Revenue's data protection strategy and implementation, including compliance with the General Data Protection Regulation (GDPR) is in place and is supported by a data protection unit.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and for how control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, 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 this Office are 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The Covid-19 pandemic continued to present very significant challenges for citizens, businesses and Revenue. Revenue reviewed its control environment to take account of the impact of Covid-19 and is satisfied that the risk and control framework is sufficiently robust to respond to any increased level of risk that may emerge.

Remote working continued throughout 2021 for approximately 4,500 of Revenue's 7,000 staff. With the commitment and engagement of Revenue's staff, this has resulted in Revenue successfully maintaining delivery of our core business programmes as well as continuing the role of administering Covid-19 support schemes. It is envisaged that formalised blended working arrangements will be introduced during 2022.

Revenue continued to utilise its advanced technology infrastructure and its strong operational and project management capabilities to manage the series of subsidy schemes introduced by the Government to support tax compliant businesses and their employees during this difficult time. The Covid Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS) were continued by Revenue and the Business Resumption Support Scheme (BRSS) was introduced during 2021. These schemes ensured that critical support payments were provided to businesses to support continued employment.

The administration of the Department of Social Protection funded schemes entailed the management of significant sums amounting to a total of €4.6 billion for EWSS and also the final reconciliation of Temporary Wage Subsidy Scheme (TWSS) which ended in August 2020. The balances owing to the Department of Social Protection at the year end are disclosed in Note 2.7 of the account. CRSS and BRSS are funded through income tax or corporation tax and are paid as an advanced tax credit.

Revenue has also continued to provide a range of measures to support businesses that are suffering cashflow or trading difficulties, including warehousing of debt, suspension of interest on late payments, and suspension of collection enforcement activity.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 9 Office of the Revenue Commissioners

Opinion on the appropriation account

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2021 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 9 Office of the Revenue Commissioners for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of the Revenue Commissioners 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 appendix to this report.

Re-allocation of voted funding

Chapter 4 of my report on the accounts of the public services for 2021 examines compliance with the procedures for re-allocation of funding from vote subheads where savings had emerged, to meet expected excess spending on other vote subheads. The re-allocation of certain funds in Vote 9 was reviewed as part of that examination.

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 2021.

Seamus McCarthy
Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 9 Office of the Revenue Commissioners

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and collection of taxes and duties, and frontier management	501,214	488,701	467,231
Gross expenditure		**501,214**	**488,701**	**467,231**
	Deduct			
B	**Appropriations-in-aid**	**59,487**	**56,739**	**60,278**
Net expenditure		**441,727**	**431,962**	**406,953**

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. €493,000 of unspent allocations in respect of the capital elements of subheads A (vi) and A (viii) were carried forward to 2022.

	2021	2020
	€	€
Surplus	9,764,842	4,840,658
Deferred surrender	(493,000)	—
Surplus to be surrendered	**9,271,842**	**4,840,658**

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		339,678	329,118
Non pay		149,023	138,113
Gross expenditure		**488,701**	**467,231**
Deduct			
Appropriations-in-aid		**56,739**	**60,278**
Net expenditure		**431,962**	**406,953**
Changes in capital assets			
Purchases cash	(28,446)		
Depreciation	21,577		
Disposals cash	7		
Loss on disposals	255	(6,607)	(5,737)
Changes in net current assets			
Decrease in closing accruals	(7,531)		
Decrease in stock	280	(7,251)	(4,670)
Direct expenditure		**418,104**	**396,546**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		156,539	137,719
Notional rents (non-cash)		12,043	12,043
Net programme cost		**586,686**	**546,308**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 9 borne elsewhere, net of costs of shared services provided to other Votes.

		2021 €000	2020 €000
Vote 12	Superannuation and Retired Allowances	141,114	119,549
Vote 13	Office of Public Works	19,424	21,050
Vote 18	National Shared Services Office	667	688
		161,205	141,287
Costs of shared services provided to other voted services rendered by Revenue without charge [a]		(4,666)	(3,568)
		156,539	**137,719**

Note [a] In addition to services rendered without charge to other Votes shown here (€4.666 million), services to the value of approximately €1.149 million were also provided without charge to other non-voted bodies. While the majority of the allied service costs are actual costs, approximated costs have been applied where actual costs are not available.

The costs incurred by Revenue on the administration of the Department of Social Protection funded schemes (Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme) have not been included as the operation of these schemes was fully integrated within Revenue's systems.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	103,536	97,535
Current assets			
Bank and cash	2.2	24,963	32,324
Stocks	2.3	1,901	2,181
Prepayments	2.4	18,947	12,734
Accrued income		1,155	1,404
Other debit balances	2.5	1,809	3,555
Total current assets		**48,775**	**52,198**
Less current liabilities			
Accrued expenses	2.6	3,666	5,686
Deferred income		648	801
Other credit balances	2.7	26,045	34,061
Net Exchequer funding	2.8	727	1,818
Total current liabilities		**31,086**	**42,366**
Net current assets		17,689	9,832
Net assets		**121,225**	**107,367**
Represented by:			
State funding account	2.9	**121,225**	**107,367**

2.1 Capital assets

	Vehicles and equipment	Office/IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	20,850	452,786	79,648	2,793	556,077
Additions	863	4,599	12,440	9,946	27,848
Brought into use	—	9,436	—	(9,436)	—
Disposals [a]	(2,765)	(35,423)	(3,317)	—	(41,505)
Cost or valuation at 31 December 2021	18,948	431,398	88,771	3,303	542,420
Accumulated depreciation					
Opening balance at 1 January 2021	16,311	383,531	58,700	—	458,542
Depreciation for the year	1,523	16,894	3,160	—	21,577
Depreciation on disposals [a]	(2,748)	(35,176)	(3,311)	—	(41,235)
Cumulative depreciation at 31 December 2021	15,086	365,249	58,549	—	438,884
Net assets at 31 December 2021	**3,862**	**66,149**	**30,222**	**3,303**	**103,536**
Net assets at 31 December 2020	4,539	69,255	20,948	2,793	97,535

Note [a] Following the structural re-alignment of Revenue divisions, a project was undertaken in 2021 by the Accountant General's Branch to ensure that the capital asset register and associated data was in line with this change. This project was executed in two phases (assets with a value over €10,000 and assets with a value below €10,000). This resulted in an increase in disposals in the year of €28 million over the average disposals of the previous four years.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	14,382	11,768
Commercial bank account balance	55	65
TWSS bank account balance [a]	6,895	20,372
EWSS bank account balance [a]	3,631	119
	24,963	**32,324**

Note [a] The TWSS and EWSS bank account ledger balances at end 2021 include €3.1 million in claimant overpayments recovered by Revenue which had not yet been paid over to the Department of Social Protection (DSP). The TWSS and EWSS account balances due to DSP in note 2.7 also include €3.1 million in claimant overpayments.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery and small stores	645	648
Equipment/clothing/miscellaneous	1,255	1,530
IT consumables	1	3
	1,901	**2,181**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
ICT services and support	17,310	11,111
Postal and telecommunications	1,151	1,151
Other administration expenses	486	472
	18,947	**12,734**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Shared building advances	291	261
Recoupable travel expenditure	1	4
Advances to OPW for building works, etc.	1,057	1,275
Vote 10 Tax Appeals Commission	228	510
Recoupable salaries	9	2
Recoupable travel pass scheme expenditure	113	126
Other debit suspense items	110	1,377
	1,809	**3,555**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Training and development and other day-to-day expenses	1,519	2,752
ICT services and support	1,103	1,460
Other administration expenses	1,044	1,474
	3,666	**5,686**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income Tax	3,983	3,756
Universal Social Charge	800	764
Pay Related Social Insurance	2,859	2,508
Professional Services Withholding Tax	2,553	1,431
Value Added Tax	883	835
Pension contributions	958	847
Local Property Tax	38	42
Extra Exchequer receipts	445	415
	12,519	**10,598**
Payroll deductions held in suspense	2,614	2,524
Recoupable expenditure in advance	239	224
Due to DSP in respect of		
• TWSS [a]	6,895	19,522
• EWSS [a]	3,631	914
Due to the Account of the Receipt of Revenue of the State in respect of		
• TWSS	—	55
Other credit suspense items	147	224
	26,045	**34,061**

Note: [a] In 2021, payments (net of refunds and unpaid claims) administered under EWSS amounted to €4.6 billion.

In 2021, payments and recoveries administered under TWSS were as follows;

- TWSS payments €16 million
- TWSS recoveries €178 million

Recoveries of €178 million arose in TWSS due to compliance and reconciliation exercises carried out in 2021.

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	9,272	4,841
Deferred surrender	493	—
Exchequer grant undrawn	(9,038)	(3,023)
Net Exchequer funding	**727**	**1,818**
Represented by:		
Debtors		
Bank and cash	24,963	32,324
Other debit balances	1,809	3,555
	26,772	**35,879**
Creditors		
Due to the State	(12,519)	(10,598)
Other credit balances	(13,526)	(23,463)
	(26,045)	**(34,061)**
	727	**1,818**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			107,367	96,960
Disbursements from the Vote				
Estimate provision	Account	441,727		
Deferred surrender	Account	(493)		
Surplus to be surrendered	Account	(9,272)		
Net vote			431,962	406,953
Expenditure (cash) borne elsewhere	1.1		156,539	137,719
Non-cash expenditure – notional rent	1		12,043	12,043
Net programme cost	1		(586,686)	(546,308)
Balance at 31 December			**121,225**	**107,367**

2.10 Commitments

at 31 December	2021 €000	2020 €000
Procurement of goods and services	**24,803**	**20,772**

2.11 Contingent liabilities

Revenue has contingent liabilities estimated at €3.415 million (2020: €5.183 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	356,614	339,678	329,118
ii	Travel and subsistence	3,400	772	1,788
iii	Training and development and other day-to-day expenses	24,230	30,651	26,286
iv	Postal and telecommunications services	9,100	9,641	8,178
v	Office equipment and external IT services	70,300	74,557	66,157
vi	Office premises expenses	19,630	18,207	16,049
vii	Consultancy services and value for money and policy reviews	65	73	55
viii	Motor vehicles and equipment maintenance	5,125	4,503	6,332
ix	Law charges	12,000	9,366	12,110
x	Compensation and losses	750	1,253	1,158
		501,214	**488,701**	**467,231**

Significant variations

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

ii Travel and subsistence

Estimate provision €3.4 million; outturn €772,000

Expenditure was €2.6 million less than the estimate provision due to the impact of Covid-19 pandemic on business travel and the use of online meeting platforms.

iii Training and development and other day-to-day expenses

Estimate provision €24.23 million; outturn €30.65 million

An excess of €6.42 million arises due to increased outsourcing expenditure in respect of Brexit facilities management, outsourced Vehicle Registration Tax collections, and Local Property Tax call management services. Virement was required to fund the additional expenditure.

x Compensation and losses

Estimate provision €750,000; outturn €1.253 million

An excess of €503,000 arises due to an unanticipated, large legal cost award payment. Virement was required to cover the excess.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for services relating to Pay Related Social Insurance scheme	37,437	37,437	37,437
2	Fines, forfeitures, law costs recovered	1,900	1,942	1,406
3	Cherished numbers	150	293	186
4	Receipts in respect of Environmental Levy collection	400	809	—
5	Share of SASP (Single Authorisation for Simplified Procedures) collection cost	8,800	6,098	11,434
6	Miscellaneous	2,400	1,988	1,872
7	Receipts from additional superannuation contributions on public service receipts in respect of civil service staff	8,400	8,172	7,943
		59,487	**56,739**	**60,278**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.748 million lower than the original estimate. Explanations for variances are set out below.

3 Cherished numbers

Estimate €150,000; realised €293,000

The demand for cherished vehicle registrations can be difficult to forecast accurately as it relates to discretionary expenditure by purchasers of new vehicles. A conservative approach is taken when preparing the estimate.

4 Receipts in respect of Environmental Levy collection

Estimate €400,000; realised €809,000

The increase of €409,000 on the estimate arises due to the payment of two collection charges in the calendar year. The 2020 and 2021 charges were paid in February and December 2021 respectively, thus both were recorded in the 2021 account.

5 Share of SASP (Single Authorisation for Simplified Procedures) collection cost

Estimate €8.8 million; realised €6.098 million

Centralised clearance (currently known as Single Authorisation for Simplified Procedures (SASP) allows economic operators to declare goods in one EU member state while the goods are physically imported or exported in a different member state. The deficit of €2.7 million arises due to the departure of the UK from the EU Customs Union and the loss of SASP collection costs in respect of UK imports.

6 Miscellaneous

Estimate €2.4 million; realised €1.988 million

The decrease of €412,000 in miscellaneous receipts arises due to the timing of EU grant payments. OLAF grants, expected in January 2021, were received in December 2020 and thus recorded in the 2020 account.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	415	—
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	460	1,258
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/ anti-contraband agreement with global cigarette manufacturers	864	811
Transferred to the Exchequer	(1,294)	(1,654)
Balance at 31 December	**445**	**415**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**6,535**	**6,680**

5.2 Pay

	2021 €000	2020 €000
Pay	304,532	299,610
Higher, special or additional duties allowances	8,957	6,563
Overtime	2,294	1,174
Employer's PRSI	23,895	21,771
Total pay	**339,678**	**329,118**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	106	19	27,532	19,808
Overtime and extra attendance	1,381	93	21,921	16,015
Shift and roster allowances	748	162	34,473	26,115
Miscellaneous	146	5	21,048	18,856
Extra remuneration in more than one category	259	101	34,586	26,084

5.4 Performance awards

A total of €128,000 (2020: €102,000) was spent on staff recognition schemes. There were 2,401 (2020: 1,927) individual awards, ranging from €25 to €150.

5.5 Other remuneration arrangements

A total of €4,000 was paid to one Revenue employee in 2021 in compensation for loss of earnings in accordance with Department of Public Expenditure and Reform guidelines (2020: €5,000 in respect of one employee).

A total of €63,000 was paid to 36 retired civil servants by Revenue in 2021 in respect of committee member payments, interview board payments and witness expenses (2020: €53,000 was paid to 29 retired civil servants). These payments were made in accordance with the appropriate Department of Public Expenditure and Reform rates.

This account includes expenditure of €795,000 in respect of 19 officers who were serving outside Revenue for all or part of 2021 and whose salaries were paid by Revenue (2020: €411,000 in respect of 13 officers).

This account does not include expenditure in respect of 29 officers who were serving outside Revenue for all or part of 2021 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.6 Payroll overpayments

at 31 December	**Number of recipients**	**2021 €000**	**2020 €000**
Overpayments	745	1,432	1,884
Recovery plans in place	475	713	839

Twenty-four overpayment recovery plans, in respect of 24 individuals to the value of €11,060 were transferred to 12 various departments during the year.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

5.8 Severance/redundancy

Revenue had no expenditure in 2021 relating to severance/redundancy payments.

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year:

	2021	2020
	€000	€000
Obsolete stock	—	1
Payroll overpayments	7	5
	7	**6**

6.2 Law charges (subhead A (ix))

Legal costs paid during the year are categorised as follows.

	2021	2020
	€000	€000
External solicitors	1,970	3,400
Counsel fees	4,519	4,892
Bankruptcy/liquidation costs	2,086	3,098
Court fees	12	13
Miscellaneous costs and rewards	779	707
	9,366	**12,110**

6.3 Compensation and losses (subhead A (x))

Payments/costs paid by Revenue Commissioners in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	15	17	32	43
	€000	€000	€000	€000
Revenue's own legal costs	19	1	20	44
Payments by/on behalf of Revenue				
Compensation	281	5	286	66
Legal costs		947	947	1,048
Other costs	—	—	—	—
2021 total	**300**	**953**	**1,253**	**1,158**
2020 total	73	1,085	1,158	

At 31 December 2021, the following claims are outstanding:

- Claims by employees: 18 (2020: 18)
- Claims by members of the public: 19 (2020:34).

Cumulative costs of cases completed in 2021

	Claims by		Total
	employees	members of the public	
Number of cases	11	14	25
	€000	€000	€000
Revenue's own legal costs	13	311	324
Payments by/on behalf of Revenue			
Compensation	285	3	288
Legal costs	81	824	905
Other costs	32	23	55
Total	**411**	**1,161**	**1,572**

6.4 EU funding

Under a grant agreement with the EU Commission European Anti-Fraud Office (OLAF), the Office of the Revenue Commissioners was entitled to a grant to a maximum of €1.735 million, or 80% of the eligible cost for the purchase of a mobile back scatter x-ray scanning van which is used by Customs to scan trucks and containers. The scanner was ordered in 2019 and the first instalment of grant funding was received in 2019. The scanner was delivered in September 2020. The second instalment of €405,000 was received in 2021 and is included in category 6 'miscellaneous' in appropriations-in-aid.

Under a grant agreement with OLAF, the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.44 million, or 80% of the eligible cost for the purchase of another mobile back scatter x-ray scanning van which will be used by Customs to scan trucks and containers. The first instalment of €720,000 was received in 2020 and the scanner was ordered in 2021. Delivery of the scanner is scheduled for 31 October 2022. The second grant instalment of €361,000 will be claimed by Revenue in Q3 2023.

6.5 Deferred surrender

Deferred surrender comprises savings in 2021 of €493,000 in capital expenditures in the following subheads that were carried over to 2022.

	€000
Administration expenditure	
A (vi) Office premises expenses	200
A (viii) Motor vehicles and equipment maintenance	293
	493

Appendix A Accounts under the aegis of the Office of the Revenue Commissioners

The following table lists other accounts under the aegis of the Office where the Office has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Name of Account	Last accounting period	Date of audit report	Date presented to the Oireachtas
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners	2020	20 Apr 2021	28 Apr 2021

Appropriation Account 2021

Vote 10

Tax Appeals Commission

Introduction

As Accounting Officer for Vote 10, 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 2021 for the salaries and expenses of the Tax Appeals Commission.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €456,000 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

Depreciation of capital assets

Depreciation is charged on assets on a full-year basis with a full-year's depreciation charged in the year of acquisition and no depreciation charged in the year of disposal.

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 implemented, maintained and operated by the Commission.

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

Support services

Procedures in relation to the Commission's payment and accounting service that are administered by the Office of the Revenue Commissioners were set up in 2016 when the Commission was established. The service level agreement (SLA) between the Commission and the Office of the Revenue Commissioners setting out the responsibilities of the parties was reviewed and a revised SLA was agreed and signed on 12 February 2021. This agreement covers primarily accounts and finance.

With regards to the provision of human resources and payroll shared services, I note the assurance provided to the Revenue Commissioners by the Accounting Officer of the Vote for the National Shared Services 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 and Risk 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 Commission
- there are systems aimed at ensuring the security of the Commission's ICT systems
- there are appropriate capital investment guidelines in place
- the Commission 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

The Commission engages a firm of accountants to provide outsourced internal audit services. The internal auditor reports to me and independently to the Audit and Risk Committee who receive, review and approve a rolling three-year internal audit work plan in consultation with the Commission's management team.

In 2022, the internal auditor reported on the review of the effectiveness of internal financial controls in 2021, which provided reasonable assurance regarding the internal control environment in operation. The work of the internal audit function is informed by analysis of the risks to which the Commission 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Commission on the adequacy and effectiveness of the organisation's internal control systems, control environment and control procedures. In addition, the Committee monitors the work of the internal audit function and pays careful attention to the Comptroller and Auditor General's (C&AG) annual report and subsequent management letter. The Committee, which is advisory rather than supervisory, provides an independent view of the financial reporting process, internal controls and audit functions of the Commission. The Committee also advises on and monitors the implementation of the Commission's risk management strategy. The Committee makes an important contribution to the effectiveness of the corporate governance function of the Commission.

Non-compliance with procurement rules

I confirm that the Commission 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.

In 2021, the Commission complied with procurement guidelines with the exception of one contract (in excess of €25,000), totalling €40,800 (ex. VAT) relating to the work of a legal assistant/researcher. As identified by various reports, including the O'Donoghue Report 2018, and Chapter 14 of the C&AG Report 2019, there was a significant backlog of appeals awaiting finalisation. As a result, it was determined that an immediate appointment of personnel with appropriate legal qualifications was necessary and have a contractor engaged immediately.

The Commission has provided details of this one non-competitive contract in the annual return in respect of circular 40/2002 to the C&AG and the Department of Public Expenditure and Reform.

Risk and control framework

The Commission 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 Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Risk Review Board and the Audit and Risk Committee 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 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, 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 Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Commission'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 Commission 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 on the Commission's financial control environment were carried out and the controls and procedures set out in the Commission's Financial Procedures Manual were implemented in 2020 and throughout 2021.

The Commission provides an essential public service under the "Access to Justice". It sought to balance the important public service it provides with the health and safety of the public and its staff. Parties continue to be offered the option to attend a physical hearing in the Commission's offices, or to attend by way of remote access using video conference facilities. There are no backlogs or delays relating to Covid-19.

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 10 Tax Appeals Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 10 Tax Appeals Commission for the year ended 31 December 2021 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 10 Tax Appeals Commission for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Tax Appeals Commission 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
24 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 10 Tax Appeals Commission

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Facilitation of hearing tax appeals	3,293	2,825	3,018
Gross expenditure		**3,293**	**2,825**	**3,018**
	Deduct			
B	**Appropriations-in-aid**	**75**	**63**	**63**
Net expenditure		**3,218**	**2,762**	**2,955**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**455,826**	**278,210**

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost			
Pay		2,359	2,249
Non pay		466	769
Gross expenditure		**2,825**	**3,018**
Deduct			
Appropriations-in-aid		**63**	**63**
Net expenditure		**2,762**	**2,955**
Changes in capital assets			
Purchases cash	(24)		
Depreciation	53	29	(143)
Changes in net current assets			
Decrease in closing accruals	(44)		
Decrease in stock	4	(40)	14
Direct expenditure		**2,751**	**2,826**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		633	595
Net programme cost		**3,384**	**3,421**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 10 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	27	28
Vote 13	Office of Public Works	570	567
Vote 43	Office of the Government Chief Information Officer	36	—
		633	**595**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021	2020
		€000	€000
Capital assets	2.1	188	217
Current assets			
Bank and cash		232	669
Stocks	2.2	18	22
Prepayments	2.3	66	58
Total current assets		**316**	**749**
Less current liabilities			
Accrued expenses		37	73
Vote 9 Revenue Commissioners		228	510
Net Exchequer funding	2.4	4	159
Total current liabilities		**269**	**742**
Net current assets		47	7
Net assets		**235**	**224**
Represented by:			
State funding account	2.5	**235**	**224**

2.1 Capital assets

	Furniture and fittings	Office/IT equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	7	237	119	363
Additions	—	—	24	24
Assets under development brought into use	—	125	(125)	—
Disposals	—	—	—	—
Cost or valuation at 31 December 2021	7	362	18	387
Accumulated depreciation				
Opening balance at 1 January 2021	1	145	—	146
Depreciation for the year	1	52	—	53
Depreciation on disposals	—	—	—	—
Cumulative depreciation at 31 December 2021	2	197	—	199
Net assets at 31 December 2021	**5**	**165**	18	**188**
Net assets at 31 December 2020	6	92	119	217

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery and small stores	2	4
Equipment/miscellaneous	2	2
IT consumables	14	16
	18	**22**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
ICT services and support	39	27
Other administration expenses	27	23
Consultancy services	—	8
	66	**58**

2.4 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	456	278
Exchequer grant undrawn	(452)	(119)
Net Exchequer funding	**4**	**159**
Represented by:		
Debtors		
Bank and cash	232	669
	232	669
Creditors		
Vote 9 Revenue Commissioners	(228)	(510)
	4	**159**

2.5 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			224	95
Disbursements from the Vote				
Estimate provision	Account	3,218		
Surplus to be surrendered	Account	(456)		
Net vote			2,762	2,955
Expenditure (cash) borne elsewhere	1.1		633	595
Net programme cost	1		(3,384)	(3,421)
Balance at 31 December			**235**	**224**

2.6 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services	66	43
Total of legally enforceable commitments	**66**	**43**

Note 3 Vote Expenditure

Analysis of administration expenditure

All the programme expenditure is classified as administrative expenditure.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,559	2,359	2,249
ii	Travel and subsistence	20	—	1
iii	Training and development and incidental expenses	92	72	205
iv	Postal and telecommunications services	26	19	26
v	Office equipment and external IT services	351	142	315
vi	Office premises expenses	35	23	26
vii	Consultancy and other services	210	210	196
		3,293	**2,825**	**3,018**

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 €351,000; outturn €142,000

While progress was made, the underspend of €209,000 on expenditure on office equipment and external IT services expenses was because the development of the new case management system was not finalised in 2021, as planned.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	75	62	63
2	Miscellaneous	—	1	—
	Total	**75**	**63**	**63**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**30**	**34**

5.2 Pay

	2021 €000	2020 €000
Pay	2,103	2,046
Higher, special or additional duties allowances	36	—
Overtime	3	5
Employer's PRSI	217	198
Total pay	**2,359**	**2,249**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	3	2	16,970	—
Overtime	10	—	616	1,074
Extra remuneration in more than one category	2	1	17,326	—

5.4 Performance awards

A total of €1,300 was spent on staff recognition schemes. There were 26 individual awards of €50 (as at 31 December 2020: €nil).

5.5 Salary of accounting officer

As at 31 December 2021, the Accounting Officer's gross annual salary is €188,710 (as at 31 December 2020 €186,841).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

	Claims by			
	employees (personal injury)	**members of the public (judicial review)**	**Total 2021**	**Total 2020**
Number of cases	1	6	7	10
	€000	**€000**	**€000**	**€000**
Commission's own legal costs	3	24	27	77
Payments by/on behalf of the Commission				
Compensation	—	—	—	100
Legal costs	—	4	4	11
Other costs	18	—	18	
2021 Total	**21**	**28**	**49**	**188**
2020 Total	100	88	188	

Notes [a] At 31 December 2021, the following claims are outstanding:

- Personal injury claims: 1 (2020: 1)
- Judicial Review: 1 (2020: 5)

[b] At 31 December 2021, the Commission has included in accrued expenses, €30,529 (2020: €60,000) being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2021

	Claims by		
	Employees (personal injury)	**members of the public (judicial review)**	**Total**
Number of cases	—	5	5
	€000	**€000**	**€000**
Commission's own legal costs	—	73	73
Payments by/on behalf of Commission			
Compensation	—	—	—
Legal costs	—	4	4
Other costs	—	—	—
Total	—	**77**	**77**

Vote 11

Office of the Minister for Public Expenditure and Reform

Introduction

As Accounting Officer for Vote 11, 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 2021 for the salaries and expenses of the Office of the Minister for Public Expenditure and Reform, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.148 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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

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 HR and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this 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.
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 11.
- 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 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.

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.

Procurement compliance

I confirm that 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.

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 controls and actions needed to mitigate risks and 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Business continuity measures were put in to effect to deal with the impact of Covid-19 and this facilitated the Department in remaining fully operational during 2021.

Due to the devolved nature of budgeting within the Department itself, the outsourcing of operational accounting to the Department of Finance, payroll to the National Shared Services Office and IT systems that allowed the Department to work fully remotely from late March 2020, the pandemic-related measures had little effect on the Department's financial control environment.

David Moloney
Accounting Officer
Department of Public Expenditure and Reform

23 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 11 Office of the Minister for Public Expenditure and Reform

Opinion on the appropriation account

I have audited the appropriation account for Vote 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2021 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 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Public Expenditure and Reform 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 appendix to this report.

Payment of arbitration costs

I refer to Note 6.3 of the appropriation account which discloses that the Department of Public Expenditure and Reform paid €460,000 to a supplier in settlement of arbitration proceedings. Chapter 3 of my report on the accounts of the public services for 2021 provides further information in relation to this payment.

Seamus McCarthy
Comptroller and Auditor General

22 July 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, the auditor is required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 11 Office of the Minister for Public Expenditure and Reform

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Public expenditure and sectoral policy	21,298	21,119	19,618
B	Public service management and reform	23,651	21,359	22,102
Gross expenditure		**44,949**	**42,478**	**41,720**
	Deduct			
C	**Appropriations-in-aid**	**2,275**	**2,952**	**3,062**
Net expenditure		**42,674**	**39,526**	**38,658**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**3,148,074**	**4,232,708**

David Moloney
Accounting Officer
Department of Public Expenditure and Reform

23 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		16,646	16,023
Pay		24,695	24,226
Non pay		1,137	1,471
Gross expenditure		**42,478**	**41,720**
Deduct			
Appropriations-in-aid		**2,952**	**3,062**
Net expenditure		**39,526**	**38,658**
Changes in capital assets			
Purchases cash	(4)		
Depreciation	255	251	(169)
Changes in net current assets			
Increase in closing accruals	119		
Increase in closing stock	(9)	110	3,399
Direct expenditure		**39,887**	**41,888**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		9,303	7,368
Notional rents		2,512	2,449
Net programme cost		**51,702**	**51,705**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 11 borne elsewhere, net of costs of shared services provided to other Votes.

		2021	2020
		€000	€000
Vote 7	Office of the Minister for Finance	942	995
Vote 12	Superannuation and Retired Allowances	6,224	4,065
Vote 13	Office of Public Works	1,583	1,643
Vote 18	National Shared Services Office	42	48
Vote 43	Office of the Government Chief Information Officer	512	617
		9,303	**7,368**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	2,045	2,308
Current assets			
Bank and cash		806	1,385
Stocks	2.2	26	17
Other debit balances	2.3	58	67
Prepayments	2.4	337	448
Accrued income	2.5	10	65
Total current assets		**1,237**	**1,982**
Less current liabilities			
Accrued expenses		139	186
Other credit balances	2.6	1,024	1,270
Net Exchequer funding	2.7	(160)	182
Total current liabilities		**1,003**	**1,638**
Net current assets		234	344
Net assets		**2,279**	**2,652**
Represented by:			
State funding account	2.8	**2,279**	**2,652**

2.1 Capital assets

	IT equipment	Furniture and fittings	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	4,783	15	2	100	4,900
Additions	—	—	—	4	4
Adjustment [a]	(32)	(15)	(2)	—	(49)
Capital assets under development brought into service	104	—	—	(104)	—
Cost or valuation at 31 December 2021	4,855	—	—	—	4,855
Accumulated depreciation					
Opening balance at 1 January 2021	2,586	4	2	—	2,592
Adjustment	(31)	(4)	(2)	—	(37)
Depreciation for the year	255	—	—	—	255
Cumulative depreciation at 31 December 2021	2,810	—	—	—	2,810
Net assets at 31 December 2021	**2,045**	—	—	—	**2,045**
Net assets at 31 December 2020	2,197	11	—	100	2,308

Note [a] This adjustment relates to the removal of individual items with values of €10,000 from the asset register. These assets are still in use.

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	18	9
IT consumables	8	8
	26	**17**

2.3 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable travel pass expenditure	28	35
Other debit suspense items	30	32
	58	**67**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
IT costs	126	161
Education fees	120	45
International institutions	55	206
Subscriptions	27	28
Insurance	8	8
Miscellaneous	1	—
	337	**448**

2.5 Accrued income

at 31 December	2021	2020
	€000	€000
National Lottery Regulator pension contributions	10	9
Institute of Public administration – additional superannuation contributions	—	56
	10	**65**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	495	486
Pay related social insurance	224	217
Professional services withholding tax	13	26
Value added tax	15	24
Pension contributions	83	80
Local property tax	2	2
	832	835
Payroll deductions held in suspense	83	104
Other credit suspense items	109	331
	1,024	**1,270**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	3,148	4,233
Exchequer grant undrawn	(3,308)	(4,051)
Net Exchequer funding	**(160)**	**182**
Represented by:		
Debtors		
Bank and cash	806	1,385
Debit balances: suspense	58	67
	864	1,452
Creditors		
Due to the State	(832)	(835)
Credit balances: suspense	(192)	(435)
	(1,024)	(1,270)
	(160)	**182**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			2,652	13,426
Disbursements from the Vote				
Estimate provision	Account	42,674		
Surplus to be surrendered	Account	(3,148)		
Net vote			39,526	38,658
Expenditure (cash) borne elsewhere			9,303	7,368
Non cash items - capital assets adjustment			(12)	(7,544)
Non cash expenditure – notional rent			2,512	2,449
Net programme cost			(51,702)	(51,705)
Balance at 31 December			**2,279**	**2,652**

2.9 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	**—**	**7**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	25,168	24,695	24,227
ii	Travel and subsistence	185	60	104
iii	Training and development and incidental expenses	887	856	842
iv	Postal and telecommunications services	22	17	14
v	Office equipment and external IT services	327	57	190
vi	Office premises expenses	313	147	321
		26,902	**25,832**	**25,698**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €185,000; outturn €60,000

The underspend of €125,000 on expenditure on travel and subsistence was due to travel restrictions during the Covid-19 pandemic.

v Office equipment and external IT services

Estimate provision €327,000; outturn €57,000

The decrease of €270,000 on expenditure on office equipment and external IT services was due, in the main, to a delay in the planned procurement of a patient management IT system for the Civil Service Chief Medical Officer.

vi Office premises expenses

Estimate provision €313,000; outturn €147,000

The saving of €166,000 on expenditure on office premises expenses due, in the main, to new premises for One learning classrooms not being obtained.

Programme A Public Expenditure and Sectoral Policy

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	11,010	11,186	10,745
A.2	Administration − non pay	609	502	592
A.3	Economic and Social Research Institute – administration and general expenses	3,000	3,000	2,775
A.4	Structural funds technical assistance and other costs	1,370	1,023	1,115
A.5	Technical assistance costs of Regional Assemblies	670	669	650
A.6	Special EU Programmes Body and North/South programmes	2,300	2,283	2,112
A.7	Ireland/Wales and Transnational INTERREG	150	150	149
A.8	Consultancy and other services	269	687	140
A.9	Funding for pensions for bodies under the aegis of the Department	1,150	1,410	1,168
A.10	Irish Government Economic and Evaluation Service	270	193	172
A.11	Construction innovation support	500	16	—
		21,298	**21,119**	**19,618**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 25% and €100,000). Overall, the expenditure in relation to Programme A was €179,000 lower than the sum provided.

A.4 Structural funds technical assistance and other costs

Estimate provision €1.37 million; outturn €1.023 million

The savings in expenditure of €347,000 relative to the estimate provision was due to a delay in the commencement of a number of technical assistance support initiatives.

A.8 Consultancy and other services

Estimate provision €269,000; outturn €687,000

The excess in expenditure of €418,000 relative to the estimate provision was due, in the main, to the outcome of an arbitration process with a supplier.

A.9 Funding for pensions for bodies under the aegis of the Department

Estimate provision €1.15 million; outturn €1.41 million.

The excess in expenditure of €260,000 relative to the estimate provision was due to a number of retirements that had not been forecast at the time of the Revised Estimates in late 2020.

A.11 Construction innovation support

Estimate provision €500,000; outturn €16,000

The saving in expenditure of €484,000 relative to the estimate provision was due to the required programme of work not being advanced sufficiently in 2021 to allow for funds to be granted to an appropriate applicant through open competition.

Programme B Public Service Management and Reform

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	14,158	13,508	13,482
B.2	Administration − non pay	1,125	635	879
B.3	Institute of Public Administration	2,725	2,725	2,725
B.4	Civil service arbitration and appeals procedure	42	37	33
B.5	Consultancy and other services	275	138	137
B.6	Public Service Innovation Fund	900	746	933
B.7	Reform agenda	648	603	923
B.8	Employee assistance officer shared service	1,448	1,320	1,346
B.9	Public pay determination support	100	36	17
B.10	Civil service learning and development programme	860	457	448
B.11	Single public service pension administration project	200	34	9
B.12	Implementation of Protected Disclosures Act	220	220	220
B.13	Non-profit sector data project	950	900	950
		23,651	**21,359**	**22,102**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 25% and €100,000). Overall, the expenditure in relation to Programme B was €2.292 million lower than provided. Savings in administration expenditure totalled €1.146 million. The balance of the variance was mainly due to the following:

B.5 Consultancy and other services

Estimate provision €275,000; outturn €138,000

The saving in expenditure of €137,000 relative to the estimate provision was due to lower than expected legal advice costs required by civil service HR as well as the postponement of public service consultancy expenditure across business units in Programme B.

B.6 Public Service Innovation Fund

Estimate provision €900,000; outturn €746,000

The saving in expenditure of €154,000 relative to the estimate provision was due to bodies awarded grants not drawing down the funds.

B.8 Employee assistance officer shared service

Estimate provision €1.448 million; outturn €1.32 million

The saving in expenditure of €128,000 relative to the estimate provision was due to savings in programme pay as well as reduced travel costs as employee assistance officers were largely unable to physically meet clients across the State during the pandemic.

B.10 Civil service learning and development programme

Estimate provision €860,000; outturn €457,000

The saving in expenditure of €403,000 relative to the estimate provision was due, in the main, to a capital budget to fit out new classrooms not being consumed as new premises were not obtained.

B.11 Single public service pension administration project

Estimate provision €200,000; outturn €34,000

The saving in expenditure of €166,000 relative to the estimate provision was, in the main, due to a delay as a result of Covid-19 in the planned design and development work for a future central ICT system to support the administration of the Single Pension Scheme across the public service.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	EU programmes	720	1,109	1,075
2	Pension cash flow surpluses	130	170	483
3	Miscellaneous	65	95	74
4	Receipts from additional superannuation contributions on public service remuneration	1,360	1,578	1,430
	Total	**2,275**	**2,952**	**3,062**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €677,000 more than the original estimate. Explanations for variances are set out below:

1 EU programmes

Estimate €720,000; realised €1.109 million

The increase of €389,000 was due to the difficulty in estimating the timing as well as the value of reimbursements pertaining to EU programmes.

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €1.36 million; realised €1.578 million

The increase of €218,000 was due, in the main, to the timing of payments by bodies under aegis in that payments for 2020 were made in 2021.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Voluntary surrender of ministerial salaries	37	28
EU receipt – Open Data Project	—	95
EU receipt – Road Project	—	36
EU receipt – TII Atlantic Project	—	254
EU receipt – Interreg refund	7	—
Miscellaneous receipt	—	3
Return of 2020 public service innovation grants	—	44
Transferred to the Exchequer	(44)	(460)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**362**	**377**

5.2 Pay

	2021	2020
	€000	€000
Pay	24,447	24,175
Higher, special or additional duties allowances	272	241
Other allowances	9	23
Overtime	36	26
Employer's PRSI	1,984	1,889
Total pay [a]	**26,748**	**26,354**

Note [a] The total pay figure is distributed across subheads A.1, A.4, B.1 and B.8.

The Department does not directly fund the pay costs of any of the bodies under its aegis.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	35	6	39,157	33,016
Other allowances	2	—	9,293	13,590
Overtime	10	1	32,258	7,306
Extra remuneration in more than one category	3	3	42,426	14,915

5.4 Other remuneration arrangements

This account includes expenditure of €220,626 (2020: €291,417) in respect of three officers (2020: four officers) who were serving outside the Department for all or part of 2021 and whose salary was paid by the Department.

Under the terms of the AHCPS 1% Programme for Competitiveness and Work (PCW) restructuring agreement, 43 officers (2020: 46) received a total of €109,214 (2020: €110,137) in respect of PCW/seniority allowances.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	35	145,797	75,535
Recovery plans in place	8	28,764	7,172

One individual with a recovery plan in place to a value of €240 transferred to another department in the year.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level I, with an annual gross salary of €213,859 (as at 31 December 2020, €211,742).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2021	2020
		€000	€000
Civil Service Arbitration Board [a]	1950/51	21	17
Top Level Appointments Committee [b]	1984	44	50
		65	**67**

Note [a] The Civil Service Arbitration Board provides means acceptable both to the State and to its employees for dealing with claims and proposals relating to the conditions of service of civil servants and to secure the fullest co-operation between the State, as employer, and civil servants, as employees, for the better discharge of public business.

[b] The Top Level Appointments Committee (TLAC) was established in 1984. The Committee's function is to recommend candidates to Ministers and Government for the most senior positions in the civil service – at Assistant Secretary level and upwards. By carrying out this function in an independent manner and by making its decisions strictly on the basis of the relative merit of the candidates for the positions concerned, TLAC aims to strengthen the management structure of the civil service, and to provide a means by which the best candidates can aspire to fulfilling their potential.

6.2 EU funding

The outturn shown in Subheads A.4, A.5 and A.6 includes payments in respect of activities which are co-financed by the EU. Estimates of expenditure and actual outturns were as follows:

Description	2021 Estimate	2021 Outturn	2020 Outturn
	€000	€000	€000
A.4 Structural funds technical assistance and other costs	1,096	732	726
A.5 Technical assistance costs of Regional Assemblies (grant-in-aid)	670	669	650
A.6 Special EU Programmes Body and North/South programmes	1,245	1,228	1,120
	3,011	**2,629**	**2,496**

6.3 Arbitration and conciliation costs

Expenditure in 2021 includes payments of €460,000 (2020: €nil) made to a supplier to cover costs as a result of arbitration proceedings.

There was one case in 2021 (2020: nil cases). €370,000 was paid in interest and charges and €90,000 was paid as a contribution to the costs of arbitration.

Note 7 Contingency Fund

	2021 €000	2020 €000
Balance at 1 January	1,200	1,200
Receipts	—	—
Payments	—	—
Balance at 31 December	**1,200**	**1,200**

The Contingency Fund is a non-statutory fund formed in 1923. The fund is available for use to facilitate the defraying of urgent or unforeseen expenditure which is not covered by the ordinary Votes and for which it may be impracticable to seek the immediate approval of Dáil Éireann e.g. during recess.

The procedures in relation to the operation of the fund are set out in *Public Financial Procedures* (Sections C.1.5 to C.1.12).

The size of the fund is reviewed every five years. Following a review in 2020, it was decided that the fund should remain at its existing level.

Appendix A Accounts of bodies and funds under the aegis of the Department of Public Expenditure and Reform

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the date on which 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
Economic and Social Research Institute	2020	29 Jun 2021	16 Jul 2021	9 Aug 2021
Institute of Public Administration	2020	23 Nov 2021	17 Jan 2022	18 Jan 2022
Ireland-United States Educational Fund	2020	17 Nov 2021	17 Nov 2021	25 Nov 2021
Regulator of the National Lottery	2020	31 Aug 2021	16 Nov 2021	24 Nov 2021
Special EU Programmes Body	2020	8 Oct 2021	3 Nov 2021	9 Dec 2021
State Property Miscellaneous Deposit Account	2020	18 Nov 2021	18 Nov 2021	25 Nov 2021
Traveller's Protection Fund	2020	18 Nov 2021	18 Nov 2021	25 Nov 2021

Appropriation Account 2021

Vote 12

Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 12, 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 2021 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform; fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Authority, and other professional fees, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €75.124 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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, all 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 for the provision of pension processing and payment services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office 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 Department
- there are systems aimed at ensuring the security of the ICT systems.

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 controls and actions needed to mitigate risks and 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 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and measures put in place allowing nearly all staff to be fully operational through remote access thereby minimising losses in labour productivity due to Covid related disruption. Due to the arrangements outlined above and the availability of shared IT platforms, Vote 12 was working remotely throughout 2021, and the pandemic had little effect on the financial control environment.

David Moloney
Accounting Officer
Superannuation and Retired Allowances

23 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 12 Superannuation and Retired Allowances

Opinion on the appropriation account

I have audited the appropriation account for Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2021 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 12 Superannuation and Retired Allowances for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Public Expenditure and Reform 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

24 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 12 Superannuation and Retired Allowances

Appropriation Account 2021

			2021	2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Superannuation and retired allowances				
Original	666,268			
Supplementary	34,001			
		700,269	698,543	628,412
Gross expenditure				
Original	666,268			
Supplementary	34,001			
		700,269	**698,543**	**628,412**
B **Appropriations-in-aid**				
Original	326,400			
Supplementary	34,000			
		360,400	**433,798**	**366,104**
Net expenditure				
Original	339,868			
Supplementary	1			
		339,869	**264,745**	**262,308**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**75,123,535**	**113,209,239**

David Moloney
Accounting Officer
Superannuation and Retired Allowances

23 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

	2021	2020
	€000	€000
Programme cost	698,231	628,140
Pay	—	—
Non pay	312	272
Gross expenditure	**698,543**	**628,412**
Deduct		
Appropriations-in-aid	**433,798**	**366,104**
Net expenditure	**264,745**	**262,308**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,804	3,803
Net programme cost	**268,549**	**266,111**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 12 borne elsewhere.

		2021	2020
		€000	€000
Vote 7	Office of the Minister for Finance	57	44
Vote 18	National Shared Services Office	2,732	2,674
Central Fund [a]		1,015	1,085
		3,804	**3,803**

Note [a] Central fund expenditure arises on Ministerial Spouses and Children, Cathaoirleach, Leas Cathaoirleach, Ceann Comhairle and Leas Ceann Comhairle pensions and related costs.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Current assets			
Bank and cash	2.1	30,730	18,454
Other debit balances	2.2	350	267
Total current assets		**31,080**	**18,721**
Less current liabilities			
Other credit balances	2.3	11,468	11,439
Net Exchequer funding	2.4	19,612	7,282
Total current liabilities		**31,080**	**18,721**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.5	**—**	**—**

2.1 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	30,730	17,755
Commercial bank account balance	—	699
	30,730	**18,454**

2.2 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable pensions owed by other departments	350	267
	350	**267**

2.3 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	8,337	7,656
Universal social charge	1,350	1,258
Local property tax	151	141
	9,838	9,055
Voluntary pension deductions held in suspense	35	17
Other credit suspense items	1,595	2,367
	11,468	**11,439**

2.4 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	75,124	113,209
Exchequer grant undrawn	(55,512)	(105,927)
Net Exchequer funding	**19,612**	**7,282**
Represented by:		
Debtors		
Bank and cash	30,730	18,454
Debit balances: suspense	350	267
	31,080	18,721
Creditors		
Due to the State	(9,838)	(9,055)
Credit balances: suspense	(1,630)	(2,384)
	(11,468)	(11,439)
	19,612	**7,282**

2.5 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	339,869		
Surplus to be surrendered	Account	(75,124)		
Net vote			264,745	262,308
Expenditure (cash) borne elsewhere			3,804	3,803
Net programme cost			(268,549)	(266,111)
Balance at 31 December			**—**	**—**

Note 3 Vote Expenditure

Programme A Superannuation and Retired Allowances

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances				
	Original	490,090			
	Supplementary	4,640			
			494,730	494,352	456,298
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers				
	Original	42,838			
	Supplementary	(787)			
			42,051	44,036	43,011
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers				
	Original	260			
	Supplementary	(56)			
			204	199	253
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service				
	Original	109,800			
	Supplementary	32,008			
			141,808	137,617	106,065
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service				
	Original	22,000			
	Supplementary	(1,742)			
			20,258	21,551	21,883
A.6	Injury grants and medical fees				
	Original	401			
	Supplementary	(50)			
			351	287	328

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.7	Pension related fees and other expenses				
	Original	424			
	Supplementary	(12)			
			412	312	272
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997		400	135	248
A.9	Pension liabilities of former public service bodies payable under statute		55	54	54
			700,269	**698,543**	**628,412**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.4 Additional allowances and gratuities in respect of established officers and payments in respect of transferred service

Estimate provision €109.8 million; outturn €137.6 million

Expenditure on this subhead is impacted by numbers entering and leaving the scheme and the grade mix, all of which can vary from year to year. The increase in expenditure of €27.8 million relative to the estimate provision was due to higher level of lump sums paid relative to that provided for in the estimate due to the higher grade mix of retirees. Given the inherent expenditure variability, and the level of gross expenditure as it stood at the end of October, a supplementary estimate of €32 million was sought for subhead A.4 as a precautionary measure and approved by the Oireachtas. The actual experience at year end was that 1,856 people (112% of the original estimate) retired from the established scheme and received a lump sum under subhead A.4. In the event, the full supplementary provision was not used.

A.7 Pension related fees and other expenses

Estimate provision €424,000; outturn €312,000

A provision for legal fees remained unused at the 2021 year end resulting in a lower than expected 2021 outturn.

A.8 Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Estimate provision €400,000; outturn €135,000

This act provides that individuals who became liable for "chargeable excess" income tax can choose to repay any chargeable excess over a post retirement period of up to 20 years, but the full amount owing must be paid by the pension administrator to the Collector General within three months of the person's retirement. Where this occurs, it is shown as a charge under subhead A.8.

The shortfall in expenditure of €265,000 relative to the estimate provision of €400,000 was due to fewer people exercising their right to create a charge to the Vote than expected.

Note 4 Receipts

4.1 Appropriations-in-aid

				2021	2020
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Receipts from the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff		28,000	25,400	25,400
2	Receipts in respect of pension liability of staff on loan, etc.		1,300	888	1,009
3	Contribution to spouses' and children's pension scheme for civil servants and others		17,550	17,624	17,055
4	Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)		33,800	38,815	36,854
5	Repayments of gratuities, etc.		500	624	112
6	Purchase of notional service		5,200	5,594	6,405
7	Single scheme contributions				
	Original	240,000			
	Supplementary	34,000			
			274,000	344,853	279,269
8	Miscellaneous		50	—	—
	Total		**360,400**	**433,798**	**366,104**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €107.398 million more than the estimate. Explanations for variances are set out below.

1 Receipts from the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff

Estimate €28 million; realised €25.4 million

The receipts due under this legislation were reviewed shortly after the estimates were completed. The outcome of this review was that the receipts due were to be reduced to €25.4 million from €28 million and these receipts were lodged accordingly.

2 Receipts in respect of pension liability of staff on loan, etc.

Estimate €1.3 million; realised €888,000

The decrease of approximately €400,000 was due to a decrease in the level of receipts of staff on loan. It is difficult to predict the number of staff on loan year to year.

4 Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)

Estimate €33.8 million; realised €38.8 million

The increase of approximately €5 million was due to an underestimation of the level of receipts from the cohort of civil servants appointed on or after 6 April 1995 and before 1 January 2013 and are members of the established scheme. The number in this cohort will decrease as retirements occur. However, the level of contributions is affected by changes in the salary levels of this cohort which may increase in line with career progression.

5 Repayments of gratuities, etc.

Estimate €500,000; realised €624,000

This subhead varies year on year as it is dependent on the occurrence of civil servants repaying gratuities. As a result, the estimate can be difficult to predict.

6 Purchase of notional service

Estimate €5.2 million; realised €5.594 million

Purchase of notional service is an option which the member may elect in a particular year at their discretion and therefore it is difficult to accurately forecast receipts on this subhead.

7 Single scheme contributions

Estimate €240 million; realised €344.853 million

The amount credited to the Vote in respect to the Single Public Service Pension Scheme represents contributions made by all new public servants who commence employment after 1 January 2013. While there is central oversight of total public service employee numbers, the number of new entrants, the timing of their engagement and the grade and pay level at which they are engaged in individual sectors in any year is managed in those sectors and is subject to wide variation. Due to the nature of recruitment and retirement processes across the public service, a level of variation in estimates versus receipts will remain.

Note 5 Staffing and Remuneration

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 18 – National Shared Services Office. Staff engaged on the formulation of superannuation policy are charged to Vote 11 – Office of the Minister for Public Expenditure and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

		2021	2020
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	21,462	19,961
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	3,037	2,986
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	14	18
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	4,390	4,438
A.9	Pension liabilities of former public service bodies payable under statute	3	3
		28,906	**27,406**

5.3 Pension payment agency services

The Department (Vote 12) makes pension payments, on an agency basis, to former staff of the bodies detailed below.

Name of body	Number of pensioners	Gross value (per annum)
		€million
Vocational Education Committee/Institute of Technology/Education Training Board pensions	11,249	316
FÀS/SOLAS pensions	1,472	30

The amounts paid are charged to Vote 26 Education and Vote 45 Further and Higher Education, Research, Innovation and Science.

5.4 Overpayment of pensions

Overpayments at year end were €48,863 (72 cases) (2020: €190,642 (48 cases)). All of these cases have recoupment plans in place.

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 12 Superannuation and Retired Allowances is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Abatement of pensions

The Pensions (Abatement) Act 1965 and the Public Service (Single Scheme and other Provisions) Act 2012 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The legislation also provides that such abatements may be waived at the discretion of the Minister for Public Expenditure and Reform.

In 2021, the pensions of 30 retired civil servants were fully or partially abated. The total amount abated in 2021 was €185,888.

Appropriation Account 2021

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 2021 for the salaries and expenses of the Office of Public Works, for services administered by that Office and for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €19.658 million is liable for surrender to the Exchequer.

The Office of Public Works incurs expenditure on behalf of other Government departments and agencies. The expenditure incurred on their behalf is set out in Note 2.11. In addition, the Office provides client services on behalf of the State. This expenditure is set out in Note 1.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exceptions below.

Valuation of capital assets

The Office recognises the value of land and buildings as follows.

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value. On the disposal of land and buildings, the assets are revalued to the sales proceeds amount and the gain or loss is shown as a revaluation on disposal in note 2.1.

Capital expenditure in a number of areas is not recognised in Note 2.1 (capital assets) as follows.

- Expenditure on improvements on certain buildings is not included. The change in value will be reflected at the next valuation date.
- Expenditure on improvements to leased buildings is not capitalised.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading fixtures and fittings at historical cost and is not revalued. Artwork acquired prior to 1 January 2008 has not been capitalised.

Depreciation

Depreciation is calculated on an annual basis. The depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, to a projected residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

Capital assets under development

Expenditure on works on existing properties owned by the Office carried out under Subhead B.6 (New works, alterations and additions) is capitalised under its relevant asset category in the year the expenditure is incurred save for the exceptions outlined above where capital expenditure is not recognised as a capital asset. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

Property lease payments

Payment for goods and services is recognised in the account when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements once the lease commences, and the rent is due and payable, then the Office is satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments, the Office charges the payment to the Vote and transfers the funds to suspense.

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.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chairman. 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 for the provision of human resources and payroll and travel shared services for civil service grades.

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.

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 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
- a corporate governance framework for the Office is in place.

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 by the Audit Committee. I have put procedures in place to ensure that the recommendations arising from reports of the internal audit function are implemented.

Non-compliance with procurement rules

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.

In 2021, the Office complied with the guidelines with the exception of 85 instances totalling €20.778 million. Details are set out below:

- €286,032 related to payments to two suppliers where the contract was extended as new procurement processes were not complete.
- €1,169,821 related to payments to 13 suppliers where the contract was extended beyond the original contract date.
- €1,238,439 related to payments to six suppliers where a contract was a direct award without a competitive process.
- €40,990 related to payments to one supplier where local arrangements were in place contrary to national procurement guidelines.
- €18,042,295 related to payments to 63 suppliers where the contract value was in excess of the relevant advertising threshold but was awarded by way of competitive requests for tenders. The Office has engaged with the Office of Government Procurement on this matter and is committed to reducing the level of non-compliant procurements.

The OPW has provided details of 46 non-competitive contracts totalling €4.731 million in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 an annual 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 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

The following internal financial control issues were identified in 2021.

Expenditure on measured term maintenance contract

A measured term maintenance contract entered into in 2014 had an anticipated value estimated at €12 million over four years. The contract term ended in October 2018. In 2021, the OPW incurred expenditure of €0.9 million on works placed under the contract prior to the term end. This brought the total expenditure under this contract to €49.2 million at year end 31 December 2021.

A replacement measured term maintenance contract entered into in October 2018 had an anticipated value estimated at €15 million. In 2021, the OPW incurred expenditure of €16.3 million related to urgent Brexit infrastructure works under the contract, as well as €14.4 million on other building works. This brought the total expenditure under this contract to €62.4 million on urgent Brexit infrastructure works and €40.9 million on other building works.

Frameworks have been procured to carry out the maintenance of OPW owned and leased buildings in Dublin to replace the measured term maintenance contract.

Travel and subsistence

Internal Audit carried out a review of travel and subsistence expenses and identified a possible issue with payroll taxes. The OPW made an unprompted voluntary disclosure to the Revenue Commissioners in relation to an under payment of €660,670 relating to four years of expense claims. The review is ongoing and corrective measures are being put in place to ensure the OPW is tax compliant.

Covid-19 control issues

The control environment to deal with Covid-19 remains largely unchanged in 2021. I confirm that existing controls and those introduced to deal with remote working continue to be effective.

Direct costs of €1.97 million were incurred in 2021 relating to the Office's response to working in a Covid-19 environment. In the main, additional costs relate to construction costs (€1.8 million), health and safety equipment and ICT requirements.

As a result of heritage site closures and the government's initiative to waive admissions charges, the Office experienced a shortfall in receipts. The reduction in receipts from the sales and waived admission charges was borne by savings within overall Vote expenditure.

Maurice Buckley
Accounting Officer
Office of Public Works

27 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

Opinion on the appropriation account

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2021 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 13 Office of Public Works for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of Public Works 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2021.

Expenditure under a maintenance contract

Chapter 6 of my report on the accounts of the public services for 2018 examined excess expenditure by the Office of Public Works under a maintenance contract in the period 2015 to 2018. The Accounting Officer has disclosed in the statement on internal financial control that further excess expenditure occurred in 2021 on a replacement maintenance contract. Total expenditure under the replacement contract to the end 2021 was €103.3 million.

Contract payments in respect of Convention Centre Dublin

Chapter 8 of my report on the accounts of the public services for 2021 examines the payments in 2020-2021 by the Office of Public Works in respect of the Convention Centre Dublin, in light of the impact of Covid-19 restrictions on international conference delegate attendance levels and the relevant public private partnership contract provisions.

Seamus McCarthy
Comptroller and Auditor General

27 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 13 Office of Public Works

Appropriation Account 2021

			2021	2020
		Estimate provision	Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Flood risk management				
Estimate provision	127,363			
Deferred surrender	5,500			
		132,863	99,591	107,664
B Estate management				
Estimate provision	387,412			
Deferred surrender	14,500			
		401,912	392,939	380,643
Gross expenditure				
Estimate provision	514,775			
Deferred surrender	20,000			
		534,775	**492,530**	**488,307**
Deduct				
C **Appropriations-in-aid**		**13,000**	**11,113**	**12,113**
Net expenditure				
Estimate provision	501,775			
Deferred surrender	20,000			
		521,775	**481,417**	**476,194**

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 spending in the following year. €20.7 million of unspent allocations in respect of the capital elements of Subhead A.5 was carried forward to 2022.

	2021	2020
	€	€
Surplus	40,357,662	22,232,890
Deferred surrender	(20,700,000)	(20,000,000)
Surplus to be surrendered	**19,657,662**	**2,232,890**

Maurice Buckley
Accounting Officer
Office of Public Works

27 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		430,610	428,088
Administration - pay		49,750	47,785
Administration - non pay		12,170	12,434
Gross expenditure		**492,530**	**488,307**
Deduct			
Appropriations-in-aid		**11,113**	**12,113**
Net expenditure		**481,417**	**476,194**
Changes in capital assets			
Purchases cash	(8,860)		
Depreciation	5,326		
Disposals cash	2,232		
Gain on disposal	(564)	(1,866)	(3,520)
Changes in net current assets			
Increase in closing accruals	7,173		
Decrease in stock	11	7,184	(6,592)
Direct expenditure		**486,735**	**466,082**
Expenditure on services where OPW acts as client		(170,351)	(171,077) [a]
Direct expenditure (excluding services where OPW acts as client)		**316,384**	**295,005**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(114,500)	(115,920)
Net programme cost [b]		**201,884**	**179,085**

Note [a] Following a review of capital and current expenditure where OPW acts as client the 2020 comparative figure has been amended to include capital expenditure incurred in 2020 on behalf of other Votes.

[b] The net programme cost does not include the following.

- Notional rents receivable by the OPW on State owned properties are estimated at some €91.3 million. Notional rents payable by OPW are estimated at €3.6 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 13 borne elsewhere and costs borne by Vote 13 in respect of other Votes.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	53	53
Vote 12	Superannuation and Retired Allowances	23,918	22,882
Vote 18	National Shared Services Office	78	82
Vote 43	Office of the Chief Information Officer	48	—
Apportioned cost of shared services for other Votes		(138,597)	(138,937) [a]
		(114,500)	**(115,920)**

Note [a] Following a review of apportioned costs of shared services for other Votes, the 2020 comparative figure has been amended to exclude capital expenditure.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	3,454,327	3,429,835
Current assets			
Bank and cash	2.2	68,957	71,030
Stocks	2.3	1,984	1,995
Prepayments	2.4	23,700	29,881
Accrued income		3,431	3,570
Other debit balances	2.5	12,814	5,512
Total current assets		**110,886**	**111,988**
Less current liabilities			
Accrued expenses	2.6	10,475	9,567
Deferred income		118	173
Other credit balances	2.7	56,613	48,310
Net Exchequer funding	2.8	25,158	28,232
Total current liabilities		**92,364**	**86,282**
Net current assets		18,522	25,706
Net assets		**3,472,849**	**3,455,541**
Represented by:			
State funding account	2.9	**3,472,849**	**3,455,541**

2.1 Capital assets

	Land and buildings [a]	Plant and machinery	Office equipment	Furniture and fittings	Assets under development [b]	Total [c]
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	3,396,225	55,542	25,091	22,749	4,232	3,503,839
Additions [d]	9,705	7,071	534	439	5,760	23,509
Disposals	(1,489)	(3,834)	(256)	(42)	—	(5,621)
Revaluation on disposal	(970)	—	—	—	—	(970)
Revaluations [e]	8,947	—	—	—	—	8,947
Cost or valuation at 31 December 2021	3,412,418	58,779	25,369	23,146	9,992	3,529,704
Accumulated depreciation						
Opening balance at 1 January 2021	—	36,086	22,534	15,384	—	74,004
Depreciation for the year	—	3,918	1,143	265	—	5,326
Depreciation on disposals	—	(3,683)	(236)	(34)	—	(3,953)
Cumulative depreciation at 31 December 2021	—	36,321	23,441	15,615	—	75,377
Net assets at 31 December 2021	**3,412,418**	**22,458**	**1,928**	**7,531**	**9,992**	**3,454,327**
Net assets at 31 December 2020	3,396,225	19,456	2,557	7,365	4,232	3,429,835

Notes

[a] An analysis of the valuations of land and buildings is given below.

[b] Capital assets under development does not include construction projects carried out under Subhead B.6 New works, alterations and additions.

[c] Expenditure on leased buildings is not capitalised.

[d] The OPW bought three buildings in December 2020 at a cost of €8,958,338. Ownership of the buildings transferred to the OPW in 2021. A further payment of €172,355 was made in 2021 with regard to one of the buildings.

[e] The revaluation figure principally relates to the change in value on 23 assets subject to revaluation by the OPW in 2021.

Valuation of land and buildings

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation bases. The number of buildings and the related value under each valuation basis used is set out below.

Valuation bases	2021		2020	
	Number of buildings	€000	Number of buildings	€000
Market value	304	908,129	291	894,778
Building cost norms	519	710,920	538	716,682
Cost	149	865,463	145	856,859
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
Miscellaneous properties [a]	225	—	228	—
	1,935	**3,412,418**	**1,940**	**3,396,225**

Note [a] Miscellaneous properties are various categories of land and buildings including secondary properties or land where the overall valuation for the full site is included on the primary asset in the table above.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	68,976	71,030
Petty cash	4	5
Orders outstanding	(23)	(5)
	68,957	**71,030**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Engineering stocks	930	974
Heritage depot stocks	928	919
Building materials	71	42
Stationery	35	33
Miscellaneous stocks	20	27
	1,984	**1,995**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Administration	347	193
IT services and support	956	943
Flood risk management	34	15
Estate management	22,363	28,730
	23,700	**29,881**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Agency balances (note 2.11)	12,381	5,456
Other debit balances	433	56
	12,814	**5,512**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Administration	267	305
IT services and support	129	152
Flood risk management	1,733	1,035
Estate management	8,346	8,075
	10,475	**9,567**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	1,462	1,329
Universal social charge	283	268
Pay related social insurance	1,216	1,157
Professional services withholding tax	902	904
Value added tax	10,540	8,439
Pension contributions	327	305
Local property tax	10	9
	14,740	12,411
Agency balances (note 2.11)	24,548	16,738
Sundry works account	85	116
Property management [a]	15,129	16,824
Percent for art scheme	2,033	2,013
Miscellaneous heritage	—	45
Payroll deductions held in suspense	—	87
Other credit balances	78	76
	56,613	**48,310**

Note [a] As at 31 December 2021, the value of lease payments charged to the vote and transferred to suspense was €10 million. Of this, €9.84 million was charged to subhead B.8 and €160,000 was charged to subhead B.9.

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	19,658	2,233
Deferred surrender	20,700	20,000
Exchequer grant undrawn	(15,200)	5,999
Net Exchequer funding	**25,158**	**28,232**
Represented by:		
Debtors		
Bank and cash	68,957	71,030
Debit balances: suspense	12,814	5,512
	81,771	76,542
Creditors		
Due to the State	(14,740)	(12,411)
Credit balances: suspense	(41,873)	(35,899)
	(56,613)	(48,310)
	25,158	**28,232**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			3,455,541	3,369,070
Disbursements from the Vote				
Estimate provision	Account	521,775		
Deferred surrender	Account	(20,700)		
Surplus to be surrendered	Account	(19,658)		
Net vote			481,417	476,194
Expenditure (cash) borne elsewhere	1.1		24,097	23,017
Allied services	1.1		(138,597)	(138,937)
Client services	1		(170,351)	(171,077)
Net programme cost	1		(201,884)	(179,085)
Asset adjustments			22,626	76,359
Balance at 31 December			**3,472,849**	**3,455,541**

2.10 Commitments

a) Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Procurement of goods and services	8,409	6,243
Non-capital grant programmes	750	1,000
Capital grant programmes	14,124	12,768
Capital projects	81,910	62,100
Public private partnership projects	340,702	365,978
Total of legally enforceable commitments	**445,895**	**448,089**

There were commitments outstanding at the end of 2021 in respect of rental of leased properties and associated service charges. Figures have not been included for such commitments in this account but they are estimated to be €118.7 million in 2022 (2021: €114.9 million).

b) Non-capital grant programmes	**2021**	**2020**
	€000	**€000**
Opening balance	1,000	1,250
Grants paid in the year	(250)	(250)
Closing balance	**750**	**1,000**

c) Capital grant programmes	2021 €000	2020 €000
Opening balance	12,768	13,199
Adjustment	—	24
New grant commitments	4,820	16
Grants paid in the year	(3,464)	(449)
Grants cancelled	—	(22)
Closing balance	**14,124**	**12,768**

d) Major capital projects

Major ongoing projects during 2021 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows.

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years [a]	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Flood risk management					
River Dodder Fluvial Scheme	17,867	1,851	1,482	21,200	19,517
Ennis Lower	18,607	693	100	19,400	19,173
Bandon	29,847	369	1,134	31,350	31,350
Skibbereen	32,837	1,139	524	34,500	34,500
Clonakilty	25,912	2,895	1,008	29,815	29,815
Ennis South	15,366	2,789	1,451	19,606	19,606
Douglas	11,380	4,458	4,300	20,138	19,800
Athlone	8,612	3,995	2,005	14,612	14,612
Clare Galway	10,969	89	159	11,217	11,217
Lower Morell FRS	1,422	2,784	6,603	10,809	10,809
Total	**172,819**	**21,062**	**18,766**	**212,647**	**210,399**
Estate Management					
Miesian Plaza	21,318	—	2,123	23,441	23,441
Leinster House	17,841	—	159	18,000	18,000
Total	**39,159**	**—**	**2,282**	**41,441**	**41,441**

Note [a] Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2020 to 2021

Flood risk management

River Dodder Fluvial Scheme

Increase in expected total spend: €1.683 million

The revised estimated total project cost is as a result of an under-estimate of piling costs and an increase in the contribution for the cycleway that runs adjacent the scheme.

e) Unitary payments of Public Private Partnership projects

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Expected project total 2021	Expected project total 2020
	€000	€000	€000	€000	€000
Convention Centre Dublin	398,702	23,847	340,702	763,251	764,680

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2020 to 2021.

Convention Centre Dublin

Decrease in expected total spend: €1.429 million

The reduction in the estimate is predominantly due to a refund of €300,000 in early 2021 from the insurance risk analysis exercise provided for under the project agreement and five quarterly commercial rates waivers of €921,000. In addition, the annual indexation process undertaken in August each year lead to a reduction in payments to the end of the project agreement in 2035.

2.11 Provision of agency services

In addition to expenditure on Vote 13, the Office also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the Office by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2021 was €183.4 million which included major capital works (€152.9 million); leasing of accommodation (€19.6 million); schools programme (€7.6 million) and maintenance works (€3.3 million).

Agency services account

at 31 December	**2021**	**2020**
	€000	**€000**
Opening balance at 1 January	(11,282)	(11,175)
Payments	183,406	137,956
Receipts	(184,291)	(138,063)
Closing balance [a]	**(12,167)[a]**	**(11,282)**

Note [a] The closing credit balance of €12.167 million is made up of debit agency balances (note 2.5) €12.381 million and credit agency balances (note 2.7) €24.548 million.

2.12 Contingent liabilities

The Office is involved in a number of pending legal proceedings and contractual conciliations, which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	49,055	49,750	47,785
ii	Travel and subsistence	2,000	1,450	1,534
iii	Training and development and incidental expenses	1,100	1,348	1,207
iv	Postal and telecommunications services	1,733	1,983	1,675
v	Office equipment and external IT services	6,582	6,053	6,704
vi	Office premises expenses	1,279	910	1,077
vii	Consultancy services and value for money and policy reviews	200	285	117
viii	Government publication services	140	141	120
		62,089	**61,920**	**60,219**

Significant variations

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

ii **Travel and subsistence**

Estimate provision €2 million; outturn €1.45 million

The saving of €550,000 is a result of Covid-19 travel restrictions reducing expenditure on domestic and foreign travel.

vi **Office premises expenses**

Estimate provision €1.279 million; outturn €910,000

The saving of €369,000 arose as a result of employees continuing to work from home which led to a reduction in the running costs on OPW premises.

Programme A Flood risk management

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		12,903	14,005	12,888
A.2	Administration − non pay		2,567	3,135	3,141
A.3	Purchase of plant and machinery				
	Estimate provision	6,470			
	Deferred surrender	1,500			
			7,970	7,679	9,107
A.4	Hydrometric and hydrological investigation and monitoring		1,272	1,371	1,343
A.5	Flood risk management				
	Estimate provision	85,922			
	Deferred surrender	4,000			
			89,922	55,666	63,152
A.6	Drainage maintenance		18,229	17,735	18,033
			132,863	**99,591**	**107,664**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €33.272 million lower than originally provided. There was an increase of €1.67 million in administration expenditure for the programme (see above). Non-administration programme expenditure overall was €34.942 million less than originally provided, mainly due to the following.

A.5 Flood risk management

Estimate provision €89.922 million; outturn €55.666 million

The saving of €34.256 million is in the main due to planning approval delays and other legal issues affecting the construction commencement dates of five capital projects. In addition, there were reduced numbers of minor works applications and drawdowns on the Voluntary Home Relocation Scheme, slower than expected sourcing of replacement dwellings, and a contribution is yet to be finalised for maintenance works to be undertaken by Waterways Ireland.

Programme B Estate management

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		36,152	35,745	34,897
B.2	Administration − non pay		10,467	9,035	9,293
B.3	President's household staff		987	807	802
B.4	Grants for refurbishment works and services		3,500	3,500	500
B.5	Purchase of sites and buildings				
	Estimate provision	4,480			
	Deferred surrender	2,500			
			6,980	809	9,338
B.6	New works, alterations and additions				
	Estimate provision	82,981			
	Deferred surrender	12,000			
			94,981	97,311	85,222
B.7	Property maintenance and supplies		63,186	64,159	64,677
B.8	Rents		103,020	103,311	98,474
B.9	Service charges and utilities		11,856	11,841	11,447
B.10	Unitary payments		25,000	23,847	23,879
B.11	Heritage services		45,783	42,574	42,114
			401,912	**392,939**	**380,643**

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 €8.973 million lower than provided. There was a saving of €1.839 million in administration expenditure for the programme (see above). Non-administration programme expenditure overall was €7.134 million less than originally provided, mainly due to the following.

B.3 President's household staff

Estimate provision €987,000; outturn €807,000

The saving of €180,000 is due to recruitment delays and Covid-19 restrictions on State events.

B.5 Purchase of sites and buildings

Estimate provision €6.98 million; outturn €809,000

The saving of €6.171 million is as a result of delay, ongoing negotiations, due diligence and legalities on a number of properties where the purchase has yet to be finalised.

B.11 Heritage services

Estimate provision €45.783 million; outturn €42.574 million

The saving of €3.21 million is as a result of the reduction in pay costs at visitor sites and delays in planned maintenance work due to Covid-19 restrictions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Rents, licence fees, etc	3,630	3,099	3,161
2	Events and facilities management	1,400	332	938
3	Receipts for Government publication services	570	596	634
4	Sales at national monuments and historic properties	700	946	599
5	Admission charges at national monuments and historic properties	4,000	52	893
6	Miscellaneous, including fees, interest and disposals etc.	600	4,175	4,108
7	Receipts from additional superannuation contributions on public service remuneration	2,100	1,913	1,780
	Total	**13,000**	**11,113**	**12,113**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €1.887 million less than the estimate. Explanations for variances are set out below.

1 Rents, licence fees, etc.

Estimate €3.63 million; realised €3.099 million

The decrease of €531,000 is as a result of uncollected rents due to impacts of Covid-19 and other ongoing legal lease agreement issues.

2 Events and facilities management

Estimate €1.4 million; realised €332,000

The decrease of €1.068 million was due to site closures in the early part of 2021 and the admission waiver introduced due to Covid-19.

4 Sales at national monuments and historic properties

Estimate €700,000; realised €946,000

The increase of €246,000 is as a result of the increased use of public outdoor spaces due to Covid-19, resulting in higher than anticipated sales from concession stands and car park fees.

5 Admission charges at national monuments and historic properties

Estimate €4 million; realised €52,000

The decrease of €3.948 million was due to admissions waiver, restricted site numbers and a period of site closure due to Covid-19.

6 Miscellaneous, including fees, interest and disposals etc.

Estimate €600,000; realised €4.175 million

The increase of €3.575 million is primarily due to proceeds from the sale of state property and a higher than anticipated Social Insurance Fund agency fee.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.1 million; realised €1.913 million

The decrease of €187,000 is primarily due to unanticipated delays in filling staff vacancies.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Share of saving from refinancing of the National Convention Centre PPP company	—	12,042
Transferred to the Exchequer	—	(12,042)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Civil service grades	820	845
OPW specific grades	1,239	1,235
	2,059	**2,080**

5.2 Pay

	2021	2020
	€000	€000
Pay		
Civil service grades	45,755	44,037
OPW specific grades	48,759	49,251
Higher, special or additional duties allowances		
Civil service grades	184	195
OPW specific grades	1,931	1,981
Overtime		
Civil service grades	24	38
OPW specific grades	3,081	2,698
Extra attendance, shift and roster		
OPW specific grades	1,879	1,634
Employer's PRSI		
Civil service grades	3,787	3,515
OPW specific grades	5,809	5,885
Total pay [a]	**111,209**	**109,234**

Note [a] The total pay figure includes pay for 387 temporary and seasonal staff in 2021 (2020: 439 staff).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances				
Civil service grades	39	6	15,668	20,614
OPW specific grades	954	—	8,817	9,318
Overtime				
Civil service grades	14	—	4,370	3,454
OPW specific grades	1,062	87	35,631	31,337
Extra attendance, shift and roster				
OPW specific grades	664	4	13,004	10,599
Extra remuneration in more than one category				
Civil service grades	3	—	6,328	5,679
OPW specific grades	694	150	38,137	37,453

5.4 Other remuneration arrangements

Five retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €11,474. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2021	2020
		€	€
Overpayments	27	45,378	31,344
Recovery plans in place	14	17,160	11,625

5.6 Severance/redundancy

During the year €35,377 was paid to five officers in severance payments, one of which exceeded €10,000.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 Compensation and legal costs

6.1 (A) Payments/costs paid by the Office

	Office own legal costs paid	Compensation paid by the Office	Legal costs paid by the Office to others parties involved	Other Costs paid by the Office to other parties involved	2021 Total	2020 Total
	€000	€000	€000	€000	€000	€000
Personal injury claims						
Claims by employees	98	407	211	20	736	1,032
Claims by members of the public	25	159	4	18	206	364
	123	566	215	38	942	1,396
Loss or damage claims						
Claims by members of the public	—	37	6	6	49	954
	—	37	6	6	49	954
Total expenditure	**123**	**603**	**221**	**44**	**991**	**2,350**

Notes [a] At 31 December 2021, the following claims are outstanding:
- Personal injury claims: 90 (2020 : 101)
- Loss or damage claims: 4 (2020 : 7)

6.1 (B) Cumulative costs of cases completed in 2021

	Number of cases	Office own legal costs paid	Compensation paid by the Office	Legal costs paid by the Office to others parties involved	Other costs paid by the Office to other parties involved	2021 Total
		€000	€000	€000	€000	€000
Personal injury claims						
Claims by employees	5	115	1,139	352	46	1,652
Total expenditure	**5**	**115**	**1,139**	**352**	**46**	**1,652**

6.2 Arbitration and conciliation costs

Expenditure in 2021 includes payments of €373,541 (2020: €411,257) made to contractors and others as a result of conciliation and arbitration proceedings. There were eight cases in 2021 (2020: seven). Figures include VAT, legal and professional fees.

6.3 Interest and compensation

Penalty interest and compensation payments amounting to €56,991 were made by the OPW in 2021 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2020: €91,525) of which €8,077 related to delays caused by Covid-19 restrictions (2020: €23,880). The total value of payments made by the OPW in 2021 amounted to €520 million and the total number of reckonable payments were 90,079.

6.4 Write offs

The following sums were written off in the year

	2021	2020
	€000	€000
Unpaid fees from companies no longer trading/irrecoverable debts	7	—
Write offs due to Covid-19 restrictions	—	239
	7	**239**

6.5 Ex-gratia payments

Ex-gratia payments to the value of €589,237 were paid in the year principally relating to the closure of sites due to Covid-19 restrictions. The payments were made following the guidance note issued by the Office of Government Procurement (2020: €257,217).

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of €20.7 million in capital expenditures in the following subheads that were carried over to 2022.

	€000
A.5 Flood risk management	20,700
	20,700

Appropriation Account 2021

Vote 14

State Laboratory

Introduction

As Accounting Officer for Vote 14, 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 2021 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €448,400 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, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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 State Laboratory.

This responsibility is exercised in the context of the resources available to me and my other obligations as State Chemist. 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 the State Laboratory and the National Shared Services Office for the provision of payroll shared services and human resource 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 the State Laboratory.

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 State Laboratory
- 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 State Laboratory 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 State Laboratory 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 State Laboratory 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.

Non-compliance with procurement rules

I confirm that the State Laboratory 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 State Laboratory complied with the guidelines. The State Laboratory has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The State Laboratory 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 State Laboratory and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual 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 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 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 State Laboratory has procedures to monitor the effectiveness of its risk management and control procedures. The State Laboratory'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 State Laboratory 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results confirmed that all controls continued to operate during the Covid-19 restrictions as the Laboratory remained open throughout the pandemic.

Ita Kinahan
Accounting Officer
State Laboratory

29 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 14 State Laboratory

Opinion on the appropriation account

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2021 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 14 State Laboratory for the year ended 31 December 2021, 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 appendix to this report. I am independent of the State Laboratory 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 14 State Laboratory

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Government analytical laboratory and advisory service	11,559	11,190	11,061
Gross expenditure		**11,559**	**11,190**	**11,061**
	Deduct			
B	**Appropriations-in-aid**	**1,046**	**1,125**	**1,028**
Net expenditure		**10,513**	**10,065**	**10,033**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**448,400**	**238,248**

Ita Kinahan
Accounting Officer
State Laboratory

29 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		6,219	6,030
Non pay		4,971	5,031
Gross expenditure		**11,190**	**11,061**
Deduct			
Appropriations-in-aid		**1,126**	**1,028**
Net expenditure		**10,064**	**10,033**
Changes in capital assets			
Purchases cash	(715)		
Depreciation	873		
Loss on disposals	—	158	268
Changes in net current assets			
Decrease in closing accruals	(326)		
Increase in stock	(36)	(362)	(835)
Direct expenditure		**9,860**	**9,466**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,666	1,488
Notional rents		1,688	1,688
Net programme cost		**13,214**	**12,642**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 14 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 12	Superannuation and Retired Allowances	1,550	1,447
Vote 13	Office of Public Works	98	22
Vote 18	National Shared Services Office	10	11
		1,666	**1,488**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,772	1,930
Current assets			
Bank and cash		270	237
Stocks	2.2	269	233
Prepayments	2.3	1,265	933
Other debit balances		5	8
Accrued income		91	93
Total current assets		**1,900**	**1,504**
Less current liabilities			
Accrued expenses	2.4	123	120
Other credit balances	2.5	254	221
Net Exchequer funding	2.6	21	24
Total current liabilities		**398**	**365**
Net current assets		1,502	1,139
Net assets		**3,274**	**3,069**
Represented by:			
State funding account	2.7	**3,274**	**3,069**

2.1 Capital assets

	Equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	13,368	559	13,927
Additions	715	—	715
Disposals	(532)	—	(532)
Cost or valuation at 31 December 2021	13,551	559	14,110
Accumulated depreciation			
Opening balance at 1 January 2021	11,451	546	11,997
Depreciation for the year	871	2	873
Depreciation on disposals	(532)	—	(532)
Cumulative depreciation at 31 December 2021	11,790	548	12,338
Net assets at 31 December 2021	**1,761**	**11**	**1,772**
Net assets at 31 December 2020	1,917	13	1,930

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Chemicals and laboratory consumables	231	196
Stationery and IT consumables	38	37
	269	**233**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Laboratory and IT	1,200	878
Administration	65	55
	1,265	**933**

2.4 Accrued expenses

at 31 December	2021	2020
	€000	€000
Laboratory and IT	61	66
Administration	62	54
	123	**120**

2.5 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	84	83
Pay related social insurance	57	54
Universal social charge	17	16
Local property tax	—	1
Value added tax on intra-EU acquisitions	47	21
	205	175
Payroll deductions held in suspense	49	46
	254	**221**

2.6 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	448	238
Exchequer grant undrawn	(427)	(214)
Net Exchequer funding	**21**	**24**
Represented by:		
Debtors		
Bank and cash	270	237
Debit balances: suspense	5	8
	275	245
Creditors		
Due to the State	(205)	(175)
Credit balances: suspense	(49)	(46)
	(254)	(221)
	21	**24**

2.7 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			3,069	2,502
Disbursements from the Vote				
Estimate provision	Account	10,513		
Surplus to be surrendered	Account	(448)		
Net vote			10,065	10,033
Expenditure (cash) borne elsewhere	1.1		1,666	1,488
Non cash expenditure – notional rent	1		1,688	1,688
Net programme cost	1		(13,214)	(12,642)
Balance at 31 December			**3,274**	**3,069**

2.8 Commitments

Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Goods and services	628	485
Total of legally enforceable commitments	**628**	**485**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 14 State Laboratory is classified as administration expenditure applied towards a single programme: Government analytical laboratory and advisory service.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	6,479	6,219	6,030
ii	Travel and subsistence	45	1	8
iii	Training and development and incidental expenses	325	341	278
iv	Postal and telecommunications services	60	52	52
v	Office equipment and external IT services	3,127	3,108	2,997
vi	Office premises expenses	1,458	1,432	1,671
vii	Consultancy and other services	65	37	25
		11,559	**11,190**	**11,061**

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for various analyses, examinations, tests etc.	850	924	834
2	Receipts from additional superannuation contributions on public service remuneration	196	200	193
3	Miscellaneous receipts	—	1	1
	Total	**1,046**	**1,125**	**1,028**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**103**	**101**

5.2 Pay

	2021	2020
	€000	€000
Pay	5,699	5,536
Higher, special or additional duties allowances	28	24
Employer's PRSI	492	470
Total pay	**6,219**	**6,030**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	1	1	24,994	21,538
Other allowances	3	—	1,256	1,154

Under the terms of the AHCPS 1% PCW restructuring agreement, ten officers received PCW allowances. The total amount paid was €35,137. (2020 €33,485).

5.4 Salary of Accounting Officer

As of 31 December 2021, the Accounting Officer's salary was at the level for the grade of State Chemist, i.e. an annual gross salary of €125,888 (as at 31 December 2020, €122,617).

Appropriation Account 2021

Vote 15

Secret Service

Introduction

As Accounting Officer for Vote 15, 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 2021 for Secret Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021.

A surplus of €901,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 4 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Prescribed arrangements are in place with the Department of Justice and the Department of Defence for the drawdown of moneys from the Secret Service Vote and for the annual certification by the respective Ministers of moneys actually expended during the year, as well as balances held at the year end.

For security reasons, restrictions are in place regarding operations and information about the individual transactions. This places a limitation on the normal direct controls available to me as Accounting Officer of a Vote. In the circumstances, I rely on annual certified statements signed by the Ministers to whom moneys have been issued, which are underpinned by operational controls put in place by their Departments.

David Moloney
Accounting Officer
Secret Service

28 February 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 15 Secret Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 15 Secret Service for the year ended 31 December 2021 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 15 Secret Service for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Public Expenditure and Reform and have fulfilled my other ethical responsibilities in accordance with the standards.

For the purposes of this audit, I have been furnished with certificates from the Minister for Justice and the Minister for Defence which support the expenditure from the Vote. The audit included review of operational controls over the moneys issued from the Vote.

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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 15 Secret Service

Appropriation Account 2021

	2021		2020
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Secret service	2,000	1,099	1,068
	2,000	**1,099**	**1,068**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**901,219**	**932,379**

David Moloney
Accounting Officer
Secret Service

28 February 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

This note is not applicable in the case of the Secret Service Vote.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Current assets			
Sub-account balances		496	594
PMG balance		88	88
Total current assets		**584**	**682**
Less current liabilities			
Net Exchequer funding	2.1	584	682
Total current liabilities		**584**	**682**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.2	**—**	**—**

2.1 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	901	932
Exchequer grant undrawn	(317)	(250)
Net Exchequer funding	**584**	**682**
Represented by:		
Debtors		
Sub-account balance	496	594
PMG balance	88	88
	584	682
	584	**682**

2.2 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	2,000		
Surplus to be surrendered	Account	(901)		
Net vote			1,099	1,068
Net programme cost			(1,099)	(1,068)
Balance at 31 December			—	—

Note 3 Vote Expenditure

The expenditure outturn was €901,000 (45%) lower than the amount provided. The estimate is necessarily conjectural.

Note 4 Salary of Accounting Officer

The Accounting Officer for Vote 15 Secret Service is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Appropriation Account 2021

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2021 for the salaries and expenses of the Vote for Valuation Office and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.794 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 principle, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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 Services Office for the provision of human resources and payroll shared services to this Office.

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.

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 forecast
- 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.

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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that 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 has provided details of two non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) 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 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 MAC, 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

At the request of senior management, a review of the impact of Covid-19 on the Office's systems of internal controls was carried out in 2020. This confirmed no effective diminution such would give arise to an adverse risk assessment indicating the requirement for compensating measures. As there has been no material changes to the policies and procedures of the Office relevant to internal financial control, senior management can confirm, in respect of the accounting year 2021, that the 2020 position as regards the requirements for compensating measures remains valid.

Colm Lavery
Accounting Officer
Valuation Office

8 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2021 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 16 Valuation Office for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Valuation Office 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 16 Valuation Office

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of a State Valuation service	16,033	11,420	9,654
B	Administration service for the Valuation Tribunal	1,546	710	628
Gross expenditure		**17,579**	**12,130**	**10,282**
	Deduct			
C	**Appropriations-in-aid**	**1,283**	**953**	**895**
Net expenditure		**16,296**	**11,177**	**9,387**

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. €325,000 of unspent allocations in respect of the capital elements of the Vote was carried forward to 2022 (note 6.2).

	2021	2020
	€	€
Surplus	5,118,765	6,966,869
Deferred surrender	(325,000)	—
Surplus to be surrendered	**4,793,765**	**6,966,869**

Colm Lavery
Accounting Officer
Valuation Office

8 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,411	736
Pay		8,219	7,843
Non pay		2,500	1,703
Gross expenditure		**12,130**	**10,282**
Deduct			
Appropriations-in-aid		953	895
Net expenditure		**11,177**	**9,387**
Changes in capital assets			
Purchases cash	(680)		
Depreciation	23	(657)	28
Changes in net current assets			
Increase in closing accruals	454		
Increase in stock	—	454	(155)
Direct expenditure		**10,974**	**9,260**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		6,223	5,504
Net programme cost		**17,197**	**14,764**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 16 borne elsewhere.

		2021	2020
		€000	€000
Vote 12	Superannuation and Retired Allowances	4,778	4,076
Vote 13	Office of Public Works	1,408	1,411
Vote 18	National Shared Services Office	16	17
Vote 43	Office of the Government Chief Information Officer	21	—
		6,223	**5,504**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	716	40
Current assets			
Bank and cash	2.2	771	238
Stocks		21	21
Prepayments	2.3	143	159
Other debit balances	2.4	16	23
Accrued income		14	303
Net Exchequer funding	2.7	—	51
Total current assets		**965**	**795**
Less current liabilities			
Accrued expenses	2.5	267	94
Deferred income		162	186
Other credit balances	2.6	484	312
Net Exchequer funding	2.7	303	—
Total current liabilities		**1,216**	**592**
Net current liabilities		(251)	203
Net assets		**465**	**243**
Represented by:			
State funding account	2.8	**465**	**243**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	991	430	—	1,421
Adjustments [a]	(33)	(148)		(181)
Additions	—	—	680	680
Disposals	(133)	—	—	(133)
Cost or valuation at 31 December 2021	825	282	680	1,787
Accumulated depreciation				
Opening balance at 1 January 2021	951	430	—	1,381
Adjustments	(52)	(148)	—	(200)
Depreciation for the year	23	—	—	23
Depreciation on disposals	(133)	—	—	(133)
Cumulative depreciation at 31 December 2021	789	282	—	1,071
Net assets at 31 December 2021	**36**	—	**680**	**716**
Net assets at 31 December 2020	40	—	—	40

Note [a] These adjustments relate to the removal of individual items with values of under €10,000 from the assets register as per circular 21/2020 *Increase in the value threshold for inclusion of assets in the assets register*. They also reflect a correction of historical values to align with the fixed asset register.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balance	720	126
Commercial bank account balance	51	112
	771	**238**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Software support	123	129
Administration	10	20
Other prepayments	10	10
	143	**159**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable travel pass expenditure	12	9
Other debit suspense items	4	14
	16	**23**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
IT services and support	73	15
Administration expenses	47	79
Legal costs	147	—
	267	**94**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	107	100
Universal social charge	21	20
Local property tax	1	1
Pay related social insurance	71	73
Professional services withholding tax	226	69
Pension contributions	25	23
	451	286
Payroll deductions held in suspense	27	25
Miscellaneous liabilities	6	1
	484	**312**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	4,794	6,967
Deferred surrender	325	—
Exchequer grant undrawn	(4,816)	(7,018)
Net Exchequer funding	**303**	**(51)**
Represented by:		
Debtors		
Bank and cash	771	238
Debit balances: suspense	16	23
	787	261
Creditors		
Due to the State	(451)	(286)
Credit balances: suspense	(33)	(26)
	(484)	(312)
	303	**(51)**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			243	265
Disbursements from the Vote				
Estimate provision	Account	16,296		
Deferred surrender	Account	(325)		
Surplus to be surrendered	Account	(4,794)		
Net vote			11,177	9,387
Expenditure (cash) borne elsewhere	1.1		6,223	5,504
Non-cash items – capital assets adjustment	2.1		19	(149)
Net programme cost	1		(17,197)	(14,764)
Balance at 31 December			**465**	**243**

2.9 Commitments [a]

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	2,750	1,161
Capital projects	10,068	—
	12,818	**1,161**

a) Major capital projects

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Project AXIA[b]	—	680	10,068	10,748	—
	—	**680**	**10,068**	**10,748**	**—**

Note [a] With effect from 1 January 2022, responsibility for the Valuation Tribunal has been passed to the Vote 34 Housing, Local Government and Heritage.

[b] Project AXIA is a business transformation project aimed at providing the ability to manage the activities of the Valuation Office from beginning to end, provide uninterrupted access for stakeholders, improve the efficiency of staff and allow the Valuation Office to deliver fair, equitable and consistent commercial property valuations. The system will include case management and workflow management capability in addition to an activity-based costing module.

The work on the project commenced in 2021 and is expected to conclude in early 2023.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	8,868	8,219	7,843
ii	Travel and subsistence	271	125	101
iii	Training and development and incidental expenses	1,064	438	433
iv	Postal and telecommunications services	105	85	70
v	Office equipment and external IT services	3,977	1,707	931
vi	Office premises expenses	161	107	70
vii	Consultancy services and other services	60	38	99
		14,506	**10,719**	**9,547**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €271,000; outturn €125,000

The decrease of €146,000 in expenditure on travel and subsistence was mainly as a result of the Valuation Tribunal allocation of €111,000 being unspent as they could not hold 'in person' hearings during 2021. The Valuation Office allocation of €160,000 was underspent by €35,000 as officers were unable to travel for four months during the year as a consequence of Covid-19 restrictions.

iii Training and development and incidental expenses

Estimate provision €1.064 million; outturn €438,000

The decrease of €626,000 in expenditure on training and development and incidental expenses was mainly due to the Valuation Tribunal allocation of €700,000 to cover members fees being underspent by €550,000 because of a reduced number of hearings held during 2021.

v Office equipment and external IT services

Estimate provision €3.977 million; outturn €1.707 million

The decrease of €2.27 million in expenditure on office equipment and external IT services was due to the capital element of this allocation being underspent as the commencement of the contract with the external provider for project AXIA was delayed beyond the expected start date. €1.087 million of €3.25 million was expended during 2021. The balance of the projected expenditure will be incurred in 2022 and 2023.

Programme A Provision of a State valuation service

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	8,461	7,783	7,535
A.2	Administration − non pay	4,499	2,226	1,383
A.3	Fees to counsel and other legal expenses	73	12	84
A.4	National revaluation projects	3,000	1,399	652
		16,033	**11,420**	**9,654**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €4.613 million lower than (originally) provided.

A.2 Administration − non pay

Estimate provision €4.499 million; outturn €2.226 million

The shortfall of €2.273 million in expenditure was mainly due to the underspend of the capital allocation for project AXIA.

A.4 National revaluation projects

Estimate provision €3 million; outturn €1.399 million

The shortfall of €1.601 million in expenditure was due to the inability of the external service provider for revision services to fulfil their agreed contract deadlines as a result of the Covid-19 restrictions.

Programme B Administration service for the Valuation Tribunal

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
B.1	Administration − pay	407	436	309
B.2	Administration − non pay	1,139	274	319
		1,546	**710**	**628**

Note With effect from 1 January 2022, responsibility for the Valuation Tribunal has been passed to Vote 34 Housing, Local Government and Heritage.

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 €836,000 lower than (originally) provided.

B.2 Administration − non pay

Estimate provision €1.139 million; outturn €274,000

The decrease of €865,000 in expenditure was mainly due to the inability of the Valuation Tribunal to hold planned 'in person' hearings as a consequence of the Covid-19 restrictions. This is evidenced by significant underspends in both travel and subsistence and members fees.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Valuation Tribunal appeal fees	40	50	45
2	Valuation certificates	120	94	86
3	Valuation revision fees	800	550	528
4	Miscellaneous receipts	65	8	7
5	Receipts from additional superannuation contributions on public service remuneration	258	251	229
	Total	**1,283**	**953**	**895**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €330,000 less than estimate. Explanations for variances are set out below:

3 Valuation revision fees

Estimate €800,000; realised €550,000

The shortfall of €250,000 was due to the coming into effect, from 1 September 2021, of the regulations in SI 437 of 2021 which removed the requirement for local authorities to pay a fee for the outcome of each revision case carried out on their behalf.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Number of staff at year end	2021	2020
Full time equivalents	**139**	**146**

5.2 Pay

Remuneration of Office staff	2021	2020
	€000	€000
Pay	7,432	7,117
Higher, special or additional duties allowances	88	77
Other allowances	15	14
Overtime	2	2
Employer's PRSI	682	633
Total pay	**8,219**	**7,843**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	20	—	7,911	8,994
Overtime	2	—	2,449	2,874
Other allowances	3	—	5,048	2,477
Extra remuneration in more than one category	2	—	7,496	7,479

5.4 Other remuneration agreements

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €80,190. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Assistant Secretary, with an annual gross salary of €136,652. The Accounting Officer was serving in an interim acting capacity. The previous Accounting Officer's salary at 31 December 2020 was €154,775.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year [a]

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	—	12	12	10
	€000	€000	€000	€000
Department's own legal costs	—	—	—	—
Payments by/on behalf of Department				
Compensation	—	—	—	—
Legal costs	—	8	8	81
Other costs	—	4	4	3
2021 Total	**—**	**12**	**12**	**84**
2020 Total	—	10	84	

Notes [a] At 31 December 2021, there were no outstanding claims.

6.2 Deferred surrender

Deferred surrender comprises savings in 2021 of €325,000 in capital expenditures in the following subheads that were carried over to 2022.

		€000
A.2	Valuation Office - Administration – non pay	300
B.2	Valuation Tribunal - Administration – non pay	25
		325

Note With effect from 1 January 2022, responsibility for the Valuation Tribunal has been passed to the Vote 34 Housing, Local Government and Heritage.

6.3 Merger

As part of a programme of rationalisation of State bodies, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The new organisation arising from the merger will be known as Tailte Éireann.

Responsibility for the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority is with the Department of Housing, Local Government and Heritage, as is responsibility for the establishment of Tailte Éireann. The Project Board has been working towards the development of a detailed plan for the establishment of the new entity, planning and designing the necessary infrastructure for the new organisation. Department of Housing, Local Government and Heritage are providing guidance and support to the Project Board in relation to the required legislation and other issues relevant to the merger.

At its meeting on 22 December 2020, the Government approved the general scheme of the Tailte Éireann Bill and agreed that the formal drafting of the Bill should be undertaken by the Office of the Attorney General. Pre-legislative scrutiny took place in 2021 in relation to the proposed legislation. The Cabinet approved the Spring Legislation Programme for 2022, outlining the Government's legislative commitments for the upcoming Dáil and Seanad term. The Tailte Eireann Bill 2022 was published on 6 September 2022.

Accommodation arrangements for Tailte Éireann have been put in place by the Office of Public Works, effective in the final quarter of 2024. The merging organisations will remain in their current locations until the new building is ready for occupation.

When established, Tailte Éireann will be responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. As such, it will be the primary national source of property information and geo-spatial data and will be a leader in the development and delivery of land information services.

Appropriation Account 2021

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2021 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.337 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Board

The Public Appointments Service was established under the Public Service Management (Recruitment and Appointments) Act 2004. It provides for a Chief Executive of the Service, and the appointment of a Board, consisting of eight external members and the Chief Executive in an ex officio basis.

The statutory functions of the Board are more advisory in nature than the traditional functions of State boards and essentially relate to giving advice or guidance to the Chief Executive. In general, they include

- representing the interests of the public service and ensuring that all appropriate service standards are being achieved
- considering and approving plans and strategic objectives put forward by the Chief Executive
- monitoring and advising the Public Appointments Service in the performance of its functions
- ensuring that appropriate review procedures are developed and implemented in relation to recruitment and promotion competitions, having regard to any relevant codes of practice issued by the Commission for Public Service Appointments
- publishing the annual report of the Public Appointments Service.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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 Public Appointments Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of the 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 the Public Appointments Service and the National Shared Services Office for the provision of shared services (e.g. human resources and payroll).

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

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 Public Appointments Service
- there are systems aimed at ensuring the security of the ICT systems

- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Public Appointments Service 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 Public Appointments Service 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.

Non-compliance with procurement rules

I confirm that the Public Appointments Service 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 Public Appointments Service has provided details of two non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

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 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 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 Office has procedures to monitor the effectiveness of its risk management and control procedures (discussed further in the next section). 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 Public Appointments Service 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Senior management completed a review of the ongoing impact of Covid-19 and remote working on the Office's systems of internal control for 2021. No significant gaps, weaknesses or areas of non-compliance were noted. A small number of procedures and internal controls were adapted to ensure they continue to function effectively in a remote working environment.

Shirley Comerford
Accounting Officer
Public Appointments Service

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2021 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 17 Public Appointments Service for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Public Appointments Service 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 17 Public Appointments Service

Appropriation Account 2021

			2021	2020
		Estimate provision	Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Civil and public service – redeployment/recruitment/ selection				
Estimate provision	16,790			
Deferred surrender	200			
Supplementary	3,665			
		20,655	19,525	13,940
Gross expenditure		**20,655**	**19,525**	**13,940**
Deduct				
B **Appropriations-in-aid**		**154**	**361**	**312**
Net expenditure				
Estimate provision	16,636			
Deferred surrender	200			
Supplementary	3,665			
		20,501	**19,164**	**13,628**

Surplus

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

	2021	2020
	€	€
Surplus	1,336,709	2,813,439
Deferred surrender	—	(200,000)
Surplus to be surrendered	**1,336,709**	**2,613,439**

Shirley Comerford
Accounting Officer
Public Appointments Service

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		10,011	8,912
Non pay		9,514	5,028
Gross expenditure		**19,525**	**13,940**
Deduct			
Appropriations-in-aid		361	312
Net expenditure		**19,164**	**13,628**
Changes in capital assets			
Purchases cash	(54)		
Depreciation	175	121	(73)
Changes in net current assets			
Decrease in closing accruals	(239)		
Decrease in stock	1	(238)	(92)
Direct expenditure		**19,047**	**13,463**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,023	3,849
Net programme cost		**23,070**	**17,312**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	45	45
Vote 12	Superannuation and Retired Allowances	1,020	954
Vote 13	Office of Public Works	2,908	2,799
Vote 18	National Shared Services Office	21	22
Vote 43	Office of the Government Chief Information Officer	29	29
		4,023	**3,849**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	436	556
Current assets			
Bank and cash	2.2	400	719
Stocks	2.3	25	26
Prepayments	2.4	631	432
Accrued income		41	47
Other debit balances	2.5	1,215	1,895
Total current assets		**2,312**	**3,119**
Less current liabilities			
Accrued expenses	2.6	170	215
Other credit balances	2.7	451	321
Net Exchequer funding	2.8	1,164	2,293
Total current liabilities		**1,785**	**2,829**
Net current assets		527	290
Net assets		**963**	**846**
Represented by:			
State funding account	2.9	**963**	**846**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Leasehold improvement	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	7,074	375	691	8,140
Additions	54	—	—	54
Disposals	(446)	—	(691)	(1,137)
Cost or valuation at 31 December 2021	6,682	375	—	7,057
Accumulated depreciation				
Opening balance at 1 January 2021	6,727	165	691	7,583
Depreciation for the year	146	29	—	175
Depreciation on disposals	(446)	—	(691)	(1,137)
Cumulative depreciation at 31 December 2021	6,427	194	—	6,621
Net assets at 31 December 2021	**255**	**181**	—	**436**
Net assets at 31 December 2020	346	210	—	556

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	356	711
Commercial bank account balance	43	7
Petty cash	1	1
	400	**719**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	11	11
IT consumables	14	15
	25	**26**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
IT services and supports	405	342
Specific programme costs	210	77
Administration expenses	16	13
	631	**432**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Salary suspense	212	39
Advances to OPW	946	1,800
Recoupable travel pass scheme	6	21
Other debit suspense items	51	35
	1,215	**1,895**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
IT services and supports	116	133
Specific programme costs	32	44
Administration expenses	22	38
	170	**215**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	202	181
Pay related social insurance	113	96
Professional services withholding tax	47	28
Value added tax	24	15
Local property tax	—	1
	386	321
Payroll deductions held in suspense	65	—
	451	**321**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	1,337	2,613
Deferred surrender	—	200
Exchequer grant undrawn	(173)	(520)
Net Exchequer funding	**1,164**	**2,293**
Represented by:		
Debtors		
Bank and cash	400	719
Debit balances: suspense	1,215	1,895
	1,615	2,614
Creditors		
Due to the State	(386)	(321)
Credit balances: suspense	(65)	—
	(451)	(321)
	1,164	**2,293**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			846	681
Disbursements from the Vote				
Estimate provision	Account	20,501		
Surplus to be surrendered	Account	(1,337)		
Net vote			19,164	13,628
Expenditure (cash) borne elsewhere	1.1		4,023	3,849
Net programme cost	1		(23,070)	(17,312)
Balance at 31 December			**963**	**846**

2.10 Commitments

Global commitments		
at 31 December	**2021**	**2020**
	€000	**€000**
Procurement of goods and services	115	232
Capital projects	988	4,612
Total of legally enforceable commitments	**1,103**	**4,844**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 17 Public Appointments Service is classified as administration expenditure applied towards a single programme: civil and public service – redeployment/recruitment/selection.

			2021		2020
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	9,383			
	Supplementary	800			
			10,183	10,011	8,912
ii	Travel and subsistence		30	57	42
iii	Training and development and incidental expenses		381	458	348
iv	Postal and telecommunications services		100	67	88
v	Office equipment and external IT services				
	Estimate provision	1,465			
	Deferred surrender	200			
			1,665	1,472	1,231
vi	Office premises expenses				
	Original	1,949			
	Supplementary	2,865			
			4,814	3,841	465
vii	Recruitment costs – research and corporate governance		80	100	53
viii	Recruitment costs – advertising and testing		1,447	1,450	1,575
ix	Recruitment costs – interview boards		1,955	2,069	1,226
			20,655	**19,525**	**13,940**

Significant variations

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

vi Office premises expenses

Estimate provision €1.95 million; outturn €4.81 million

The original estimate provision for office premises expenses included a capital allocation of €1.7 million for the upgrade of Chapter House. Delays in the commencement of planned upgrade works during 2020, with associated underspend against the 2020 capital allocation, led to an accelerated programme of works and costs during 2021. The supplementary estimate for 2021 increased the capital allocation for this project by €2.865 million to cover the outstanding contract costs in full in the year.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	25	178	153
2	Receipts from additional superannuation contributions on public service remuneration	129	183	159
	Total	**154**	**361**	**312**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €207,000 more than the estimate. Explanations for significant variances are set out below.

1 Miscellaneous

Estimate €25,000; realised €178,000

The increase was primarily due to reimbursement by clients of payments made on their behalf by the Public Appointments Service in 2020 falling into 2021. Also included in this amount was refund from a supplier for incorrect VAT charges in previous years.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**220**	**207**

5.2 Pay

	2021	2020
	€000	€000
Pay	9,052	8,047
Higher, special or additional duties allowances	98	107
Overtime	12	20
Employer's PRSI	849	738
Total pay	**10,011**	**8,912**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	33	1	11,050	10,504
Overtime	24	—	1,733	2,424
Extra remuneration in more than one category	7	1	12,740	12,148

5.4 Other remuneration arrangements

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2021 (2020: €35,055).

Member	Status	Sector	Annual fees	
			2021	2020
			€	€
Ms Shirley Comerford	Member (Chief Executive)	Civil servant	—	—
Mr Tom Moran	Chairman	Former civil servant	11,970	11,970
Ms Mary Hurley	Member	Civil servant	—	—
Dr Eddie Molloy	Member	Private sector	7,695	7,695
Ms Anne Marie Taylor	Member	Private sector	7,695	7,695
Ms Mary Connaughton	Member	Private sector	7,695	7,695
Mr John O'Callaghan	Member	Civil servant	—	—
Mr David Cagney	Member	Civil servant	—	—
Ms Anne O'Connor	Member	Public servant	—	—
Total			**35,055**	**35,055**

5.5 Payroll overpayments

	Number of recipients	2021	2020
		€	€
Overpayments	5	4,966	6,393
Recovery plans in place	3	1,774	2,921

5.6 Salary of Accounting Officer

At 31 December 2021, the Accounting Officer's salary is at the equivalent grade of Assistant Secretary,with an annual gross salary of €164,549. (31 December 2020: €155,908).

Appropriation Account 2021

Vote 18

National Shared Services Office

Introduction

As Accounting Officer for Vote 18, 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 2021 for the salaries and expenses of the National Shared Services Office.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.366 million is liable for surrender to the Exchequer.

During the accounting period ending 31 December 2021, the National Shared Services Office operated as a separate civil service office under the aegis of the Department of Public Expenditure and Reform.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, except for the following:

Basis of charge for services

The National Shared Services Office applies a service charge for HR services and pensions administration. The service charge for 2021 has distributed a portion of operational costs on a pro-rata basis among each public sector body served (based on their employee headcount). The remainder is borne by the National Shared Services Office.

Depreciation

The National Shared Services Office calculates depreciation on an annual basis.

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 National Shared Services Office.

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

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 independent Audit and Risk 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 statement on internal financial control for the Department of Finance is also relevant given that the Department of Finance provides finance transaction services on a shared basis to Vote 18.

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 National Shared Services 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.

Internal audit and Audit and Risk Committee

I confirm that the National Shared Services Office has an internal audit function with appropriately trained personnel. The National Shared Services Office internal audit unit operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the National Shared Services 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 by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

I confirm that the National Shared Services 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, and in 2021, the National Shared Services Office has complied with procurement guidelines.

The National Shared Services Office has provided details of two non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The National Shared Services 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 National Shared Services Office and these have been 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 controls and actions needed to mitigate risks and 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. These are communicated to those responsible for taking corrective action by 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 National Shared Services Office has procedures to monitor the effectiveness of its risk management and control procedures. The National Shared Services 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 National Shared Services Office who are responsible for the development and maintenance of the internal financial control framework.

Assurance reports on controls at a service organisation

I have put in place an audit process to provide independent assurance on the operation of controls surrounding the delivery of services by the National Shared Services Office. The audits are conducted by independent auditors in accordance with the International Standards on Assurance Engagement (ISAE 3402) *Assurance Reports on Controls at a Service Organisation.*

HR Services and Payroll Services achieved ISAE Type II certification in 2022 based on testing performed in 2021. This provides me with the assurance that the control objectives were achieved and operated effectively throughout the period under review.

Overpayments

Overpayments to client staff, in respect of which the root cause was attributable to the National Shared Services Office, were made in 520 cases (2020: 733 cases) with an estimated value of €599,337 (2020: €1,064,965). This amounts to 17% (2020: 25%) of the financial value of all overpayments and 15% (2020: 20%) of the volume of all overpayment cases.

The National Shared Services Office continues to address the overpayments attributable to the National Shared Services Office through process improvement and automation and improved end to end reporting and monitoring.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account.

The National Shared Services Office continually reviews and implements recommendations made by the Comptroller and Auditor General and Internal Audit to strengthen the control environment, particularly in the areas of payroll overpayments; information technology; fraud and vulnerability; travel and subsistence; and superannuation and pensions.

Covid-19 control issues

The onset of the Covid-19 pandemic resulted in some changes to the working and control environment, with the majority of staff in the National Shared Services Office pivoting to remote working in line with public health advice. Changes to procedural and internal controls to ensure they continued to function effectively in a remote working environment, which were adopted in early 2020 following a once-off review of the impact of Covid-19, continued in operation for 2021.

Under the National Shared Services Office's risk and control framework, regular risk assessments including the Covid-19 impact on the control environment continued during 2021 with updates to the Management Board and the Audit and Risk Committee.

I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Hilary Murphy-Fagan
Accounting Officer
National Shared Services Office

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 18 National Shared Services Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 18 National Shared Services Office for the year ended 31 December 2021 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 18 National Shared Services Office for the year ended 31 December 2021, 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 appendix to this report. I am independent of the National Shared Services Office 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

19 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 18 National Shared Services Office

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	NSSO function			
	Estimate provision	35,805		
	Deferred surrender	1,435		
		37,240	35,290	24,841
B	HR shared services	10,211	9,602	9,962
C	Payroll shared services	12,334	12,821	12,808
D	Finance shared services	3,475	1,381	251
Gross expenditure				
	Estimate provision	61,825		
	Deferred surrender	1,435		
		63,260	**59,094**	**47,862**
	Deduct			
E	**Appropriations-in-aid**	**6,238**	**6,438**	**5,911**
Net expenditure				
	Estimate provision	55,587		
	Deferred surrender	1,435		
		57,022	**52,656**	**41,951**

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. There is no unspent capital allocation carried forward to 2022.

	2021	2020
	€	€
Surplus	4,365,604	14,473,103
Deferred surrender	—	(1,435,000)
Surplus to be surrendered	**4,365,604**	**13,038,103**

Hilary Murphy-Fagan
Accounting Officer
National Shared Services Office

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		15,174	7,174
Pay		30,653	30,412
Non pay		13,267	10,276
Gross expenditure		**59,094**	**47,862**
Deduct			
Appropriations-in-aid		**6,438**	**5,911**
Net expenditure		**52,656**	**41,951**
Changes in capital assets			
Purchases cash	(6,548)		
Depreciation	805	(5,743)	(170)
Changes in net current assets			
Decrease in closing accruals	(1,250)		
Increase in stock	(3)	(1,253)	(325)
Direct expenditure		**45,660**	**41,456**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(9,368)	(9,309)
Notional rents		1,758	670
Net programme cost		**38,050**	**32,817**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere, and costs borne by Vote 18 in respect of other Votes.

		2021	2020
		€000	€000
Vote 7	Office of the Minister for Finance	150	129
Vote 9	Office of the Revenue Commissioners	30	32
Vote 13	Office of Public Works	2,270	2,291
Vote 43	Office of the Government Chief Information Officer	928	949
Apportioned cost of shared services for other Votes		(12,746)	(12,710)
Net cost of shared services provided to other Votes		**(9,368)**	**(9,309)**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	**28,639**	**22,705**
Current assets			
Bank and cash	2.2	9,203	13,192
Stocks	2.3	29	26
Prepayments	2.4	4,824	3,703
Other debit balances	2.5	601	872
Net Exchequer funding	2.9	1,460	—
Total current assets		**16,117**	**17,793**
Less current liabilities			
Accrued expenses	2.6	884	822
Client funding/advance balances	2.7	9,645	10,155
Other credit balances	2.8	1,619	1,564
Net Exchequer funding	2.9	—	2,345
Total current liabilities		**12,148**	**14,886**
Net current assets		3,969	2,907
Net assets		**32,608**	**25,612**
Represented by:			
State funding account	2.10	**32,608**	**25,612**

2.1 Capital assets

	IT software and equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	24,542	31	21,414	45,987
Additions	675	—	6,064	6,739
Cost or valuation at 31 December 2021	25,217	31	27,478	52,726
Accumulated depreciation				
Opening balance at 1 January 2021	23,258	24	—	23,282
Depreciation for the year	802	3	—	805
Cumulative depreciation at 31 December 2021	24,060	27	—	24,087
Net assets at 31 December 2021	**1,157**	**4**	**27,478**	**28,639**
Net assets at 31 December 2020	1,284	7	21,414	22,705

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	(439)	3,054
Client funded bank balances	9,642	10,138
	9,203	**13,192**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	22	25
Promotional consumables	7	—
IT consumables	—	1
	29	**26**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software support/licences	3,947	2,927
Hardware maintenance	723	681
Other prepayments	154	95
	4,824	**3,703**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Travel pass scheme expenditure	57	60
Recoupable HRMS	534	535
Other debit suspense items	10	277
	601	**872**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
FMSS project	595	570
Facilities	92	87
Bank charges	75	89
Other accruals	122	76
	884	**822**

2.7 Client funding/advance balances

The National Shared Services Office provides a payroll shared service function to a number of Government departments, offices and agencies.

The amount of €9.645 million held on behalf of clients as at 31 December 2021 (2020: €10.155 million), consists of €9.556 million (2020: €9.823 million) lodged by clients to cover funding for salaries over the new year period, and €89,000 (2020: €332,000) representing amounts due to individuals and third party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €5.9 billion in 2021 (2020: €5.6 billion).

2.8 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	340	311
Universal social charge	70	66
Pay related social insurance	332	308
Professional services withholding tax	471	463
Value added tax	61	115
Pension contributions	93	138
Office of Public Works	95	33
Local property tax	3	3
	1,465	1,437
Payroll deductions held in suspense	154	127
	1,619	**1,564**

2.9 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	4,366	13,038
Deferred surrender	—	1,435
Exchequer grant undrawn	(5,826)	(12,128)
Net Exchequer funding	**(1,460)**	**2,345**
Represented by:		
Debtors		
Bank and cash	9,203	13,192
Debit balances: suspense	601	872
	9,804	14,064
Creditors		
Due to the State	(1,465)	(1,437)
Client funding/advance balances	(9,645)	(10,155)
Credit balances: suspense	(154)	(127)
	(11,264)	(11,719)
	(1,460)	**2,345**

2.10 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			25,612	25,739
Disbursements from the Vote				
Estimate provision	Account	57,022		
Surplus to be surrendered	Account	(4,366)		
Net vote			52,656	41,951
Expenditure (cash) borne elsewhere	1.1		(9,368)	(9,309)
Non cash item – capital asset adjustment [a]			—	(622)
Non cash expenditure – notional rent			1,758	670
Net programme cost	1		(38,050)	(32,817)
Balance at 31 December			**32,608**	**25,612**

Note [a] The non cash item – capital asset adjustment in 2020 arose from the implementation of circular 21/2020 in respect of the threshold for inclusion as capital assets.

2.11 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	3,603	1,249
Capital projects	12,048	17,477
Total of legally enforceable commitments	**15,651**	**18,726**

b) Major capital projects

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Project					
Financial Management Shared Services	26,265	6,140	12,048	44,453	43,742
	26,265	**6,140**	**12,048**	**44,453**	**43,742**

Significant variations

An explanation is provided below where projected project costs has varied by more than €500,000 compared to 2020.

Financial Management Shared Services (FMSS)

Increase in expected total spend: €711,000

The increase in expected capital costs arises primarily from additional IT requirements including system health check, penetration testing, back-ups and security costs.

2.12 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	**84**	**81**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	32,316	30,653	30,412
ii	Travel and subsistence	247	17	55
iii	Training and development and incidental expenses	1,675	1,343	1,408
iv	Postal and telecommunications services	662	716	479
v	Office equipment and external IT services	9,544	10,692	7,749
vi	Office premises expenses	780	499	585
		45,224	**43,920**	**40,688**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Overall, administration expenditure was €1.304 million less than originally provided, primarily arising from reduced travel due to Covid-19 and the later than envisaged commencement of Finance Shared Services. The following outlines the reasons for significant variations in administration expenditure.

ii Travel and subsistence

Estimate provision €247,000; outturn €17,000

The ongoing Covid-19 pandemic curtailed travel between locations, as meetings were held on a virtual basis.

vi Office premises expenses

Estimate provision €780,000; outturn €499,000

The ongoing Covid-19 pandemic reduced running costs, and expenditure on capital works/office fit-outs did not occur as planned.

Programme A National Shared Services Office Function

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		9,116	9,022	8,528
A.2	Administration − non pay		10,088	11,094	9,139
A.3	Financial Management Shared Services project				
	Estimate provision	16,601			
	Deferred surrender	1,435			
			18,036	15,174	7,174
			37,240	**35,290**	**24,841**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €1.95 million lower than originally provided (including the deferred surrender carried forward from 2020).

A.2 Administration – non pay

Estimate provision €10.088 million; outturn €11.094 million

The excess of expenditure over allocation of €1.006 million is primarily driven by costs related to the upgrade of the IT systems supporting the HR Shared Services. While this was not included in the revised allocation for 2021, the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

A.3 Financial Management Shared Services project (FMSS)

Estimate provision €18.036 million; outturn €15.174 million

The timeline for the deployment of FMSS and the related commencement of Finance Shared Services operations was extended from late Q4 2021 to early Q2 2022 and as a result project expenditure in 2021 was €2.862 million less than planned, as payments were aligned with project milestones.

Programme B HR Shared Services

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	10,076	9,434	9,783
B.2	Administration − non pay	135	168	179
		10,211	**9,602**	**9,962**

Programme C Payroll Shared Services

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	11,649	11,979	11,995
C.2	Administration − non pay	685	842	813
		12,334	**12,821**	**12,808**

Programme D Finance Shared Services

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	1,475	218	106
D.2	Administration − non pay	2,000	1,163	145
		3,475	**1,381**	**251**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €2.094 million lower than originally provided for due to the extended timeline for the deployment of the FMSS project and the related commencement of Finance Shared Services operations being extended from late Q4 2021 to early Q2 2022.

D.1 Administration – pay

Estimate provision: €1.475 million, outturn €218,000

The extended timeline for FMSS impacted the commencement of this programme and as a result pay expenditure in 2021 was €1.257 million less than planned.

D.2 Administration - non pay

Estimate provision: €2 million, outturn €1.163 million

The extended timeline for FMSS impacted the commencement of this programme and as a result non pay expenditure in 2021 was €837,000 less than planned.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	HR shared services levy	5,508	5,567	5,219
2	Miscellaneous	180	397	257
3	Receipts from pension related deductions on public service remuneration	550	474	435
	Total	**6,238**	**6,438**	**5,911**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €200,000 higher than forecast.

2 Miscellaneous

Estimate €180,000; realised €397,000

Miscellaneous receipts include an EU grant of €133,000 received under the CEF Telecom/eInvoicing for Islands programme, in connection with FMSS.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**731**	**807**

5.2 Pay

	2021 €000	2020 €000
Pay [a]	29,445	29,105
Higher, special or additional duties allowances	39	30
Other allowances	31	28
Overtime	418	342
Employer's PRSI	2,788	2,721
Total pay	**32,721**	**32,226**

Note [a] The total pay figure is distributed across subheads A1, A.3, B.1, C.1 and D.1.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	12	—	6,714	5,141
Other allowances [a]	4	1	23,744	27,644
Overtime	304	2	12,471	7,582
Extra remuneration in more than one category	8	—	9,180	6,382

Note [a] Other allowances include employers' pension contributions in relation to staff seconded to the National Shared Services Office.

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €000	2020 €000
Overpayments	20	36	47
Recovery plans in place	6	26	38

Three overpayment recovery plans to the value of €3,727 were transferred to other departments during 2021 (2020: eight individuals to a value of €11,483).

5.5 Salary of Accounting Officer

At 31 December 2021, the Accounting Officer's salary is at the equivalent grade of Deputy Secretary, with an annual gross salary of €176,416 (31 December 2020: €174,669).

Note 6 Miscellaneous

6.1 Deferred surrender

	2021 €000	2020 €000
Description of subhead		
A.3 Financial Management Shared Services project	—	1,435

6.2 EU funding

	2021 €000	2020 €000
Description of subhead		
E.2 Miscellaneous	133	—

The outturn shown for subhead E. Appropriation-in-Aid includes EU funding received under the CEF Telecom/eInvoicing for Islands programme.

6.3 Write-offs

	2021 €000	2020 €000
Suspense account balances – net legacy items	1	—

Appropriation Account 2021

Vote 19

Office of the Ombudsman

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 2021 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 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.062 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 circulars 1 and 9 of 2022, 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.

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 December 2020. 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.

Internal financial control issue

During 2021, the Office made an overpayment of €50,000 to a supplier of legal services on foot of a court order. The overpayment arose as a result of an agreed reduction in costs not being applied prior to payment. The overpayment was subsequently recovered in full. No other instances of overpayments have been identified by the Office. The Office will review its controls to ensure this does not reoccur. No other weaknesses in internal financial controls were identified in relation to 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Remote and virtual working continued to be the norm across the Office throughout 2021. Assessments of the impact of Covid-19 on internal financial controls were carried out in February and March 2021, and I can confirm that the controls, both existing and those introduced as a result of the pandemic, continue to be effective.

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

20 June 2022

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 2021 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 2021, 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 appendix to this report. 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

29 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 19 Office of the Ombudsman

Appropriation Account 2021

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Ombudsman function/Office of the Commission for Public Service Appointments	7,164	6,307	6,166
B	Standards in Public Office Commission	1,964	1,525	1,263
C	Office of the Information Commissioner/Office of the Commissioner for Environmental Information	3,516	2,611	2,707
Gross expenditure		**12,644**	**10,443**	**10,136**
	Deduct			
D	**Appropriations-in-aid**	**505**	**366**	**383**
Net expenditure		**12,139**	**10,077**	**9,753**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**2,062,146**	**2,086,305**

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		8,385	8,377
Non pay		2,058	1,759
Gross expenditure		**10,443**	**10,136**
Deduct			
Appropriations-in-aid		**366**	**383**
Net expenditure		**10,077**	**9,753**
Changes in capital assets			
Purchases cash	(138)		
Depreciation	247		
Loss on disposals	10	119	429
Changes in net current assets			
Decrease in stock	1		
Decrease in closing accruals	(310)	(309)	206
Direct expenditure		**9,887**	**10,388**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,676	3,674
Net programme cost		**13,563**	**14,062**

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.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	45
Vote 12	Superannuation and Retired Allowances	1,567	1,583
Vote 13	Office of Public Works	2,066	2,032
Vote 18	National Shared Services Office	13	14
		3,676	**3,674**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	326	513
Current assets			
Stocks		6	7
Other debit balances		32	28
Prepayments	2.5	472	249
Bank and cash		113	161
Net Exchequer funding	2.3	137	110
Total current assets		**760**	**555**
Less current liabilities			
Accrued expenses		75	162
Other credit balances	2.2	282	299
Total current liabilities		**357**	**461**
Net current assets		403	94
Net assets		**729**	**607**
Represented by:			
State funding account	2.4	**729**	**607**

2.1 Capital assets

	IT equipment	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	2,712	58	19	2,789
Additions	55	—	83	138
Adjustments [a]	(361)	(2)	—	(363)
Disposals	(99)	(11)	—	(110)
Cost or valuation at 31 December 2021	2,307	45	102	2,454
Accumulated depreciation				
Opening balance at 1 January 2021	2,222	54	—	2,276
Adjustments	(294)	(1)	—	(295)
Depreciation for the year	247	—	—	247
Depreciation on disposals	(92)	(8)	—	(100)
Cumulative depreciation at 31 December 2021	2,083	45	—	2,128
Net assets at 31 December 2021	**224**	—	**102**	**326**
Net assets at 31 December 2020	490	4	19	513

Note [a] These adjustments relate to the removal of individual items with a value of under €10,000 from the asset register as per the guidance in circular 21/2020.

2.2 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	134	136
Pay related social insurance	72	68
Professional services withholding tax	9	32
Pension contributions	24	26
	239	262
Payroll deductions held in suspense	28	30
Other credit suspense items	15	7
	282	**299**

2.3 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	2,062	2,086
Exchequer grant undrawn	(2,199)	(2,196)
Net Exchequer funding	**(137)**	**(110)**
Represented by:		
Debtors		
Bank and cash	113	161
Debit balances: suspense	32	28
	145	189
Creditors		
Due to the State	(239)	(262)
Credit balances: suspense	(43)	(37)
	(282)	(299)
	(137)	**(110)**

2.4 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			607	1,242
Disbursements from the Vote				
Estimate provision	Account	12,139		
Surplus to be surrendered	Account	(2,062)		
Net vote			10,077	9,753
Expenditure (cash) borne elsewhere	1.1		3,676	3,674
Fixed asset adjustments	2.1		(68)	—
Net programme cost	1		(13,563)	(14,062)
Balance at 31 December			**729**	**607**

2.5 Prepayments

At 31 December	2021	2020
	€000	€000
Software licences	245	119
Other prepayments	227	130
Balance at 31 December	**472**	**249**

2.6 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	247	414
Capital projects	148	—
	395	**414**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,299	8,385	8,377
ii	Travel and subsistence	76	4	14
iii	Training and development and incidental expenses	410	254	258
iv	Postal and telecommunications services	44	42	27
v	Office equipment and external IT services	1,619	1,113	811
vi	Office premises expenses	184	72	101
vii	Consultancy services and value for money and policy reviews	22	38	37
viii	Legal fees	980	535	511
ix	Referendum Commission	10	—	—
		12,644	**10,443**	**10,136**

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 €410,000; outturn €254,000

The underspend of €156,000 related primarily to savings in staff training and development. These savings can be attributed to Covid-19 in that training courses and other staff development courses were greatly curtailed.

v Office equipment and external IT services

Estimate provision €1.619 million; outturn €1.113 million

The underspend of €506,000 was due to a large proportion of IT project work not being completed as planned. This was mainly due to the difficulties encountered in recruiting the necessary staff with the requisite experience. The effects of the pandemic and of the resulting remote working arrangements also contributed to the 2021 underspend.

vi Office premises expenses

Estimate provision €184,000; outturn €72,000

The underspend of €112,000 was due to building overheads and other building related costs being greatly reduced during 2021. The majority of the Office's staff were working remotely for most of the year.

viii Legal fees

Estimate provision €980,000; outturn €535,000

The underspend of €445,000 occurred because it is very difficult to accurately estimate legal fee expenditure. 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 2021 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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	5,768	5,531	5,452
A.2	Administration − non pay	1,396	776	714
		7,164	**6,307**	**6,166**

Programme B Standards in Public Office Commission

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	1,208	1,077	1,013
B.2	Administration − non pay	756	448	250
		1,964	**1,525**	**1,263**

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	2,323	1,777	1,912
C.2	Administration − non pay	1,193	834	795
		3,516	**2,611**	**2,707**

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	74	66	69
2	Receipts from additional superannuation contributions on public service remuneration	410	274	276
3	Miscellaneous	21	26	38
	Total	**505**	**366**	**383**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €139,000 less than the estimate. Explanations for variances are set out below:

2 Receipts from additional superannuation contributions on public service remuneration

Estimate €410,000; realised €274,000

The shortfall of €136,000 was due to an over estimation by the Office when preparing their 2021 budget.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	8
Collected	4	116
Transferred to the Exchequer	(4)	(124)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**134**	**131**

5.2 Pay

	2021	2020
	€000	€000
Pay	7,719	7,737
Higher, special or additional duties allowances	34	21
Overtime and extra attendance	5	11
Employer's PRSI	627	608
Total pay	**8,385**	**8,377**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties	6	1	11,514	11,047
Overtime and extra attendance	6	—	3,178	2,023
Extra remuneration in more than one category	—	—	—	11,290

5.4 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is equivalent to the grade of Assistant Secretary, with an annual gross salary of €157,467 (2020 - €148,892).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by members of the public	Statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings	Total	Total
			2021	2020
Number of cases	—	27	27	26
	€000	€000	€000	€000
Office's own legal costs	—	402	402	348
Payments to/on behalf of the Office				
Compensation	—	—	—	—
Legal costs	—	110	110	13
Other costs	—	—	—	—
2021 Total	—	**512**	**512**	**361**
2020 Total	—	361	361	

Cumulative costs of cases completed in 2021

	Claims by members of the public	Statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings	Total
Number of cases	—	**36**	**36**
	€000	€000	€000
Office's own legal costs	—	495	495
Payments to/on behalf of the Office			
Compensation	—	—	—
Legal costs	—	96	96
Other costs	—	—	—
Total	—	**591**	**591**

Appropriation Account 2021

Vote 20

Garda Síochána

Introduction

As Accounting Officer for Vote 20, 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 2021 for the salaries and expenses of the Garda Síochána, including pensions, etc., for the payment of certain witnesses' expenses, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €13.276 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following:

Land and buildings

The Minister for Justice owns eight Garda stations which are included in the appropriation account of the Office of Public Works (Vote 13).

All other property utilised by An Garda Síochána is owned by the Office of Public Works, and is accounted for in the appropriation account of that Office.

The operating cost statement at Note 1 does not include a computed notional rent amount in respect of properties occupied by An Garda Síochána but owned by the Minister of Justice or by the Office of Public Works. As a result, the full economic cost of the service provided by An Garda Síochána is not reflected in the operating cost statement.

The costs of development of three Garda stations financed by the Garda Vote are included in the appropriation account as detailed in Note 2.1.

An Garda Síochána is working with the Office of Public Works to ensure that all lands are transferred into State ownership.

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month recorded in the fixed asset register. Depreciation is calculated on a monthly basis.

The standard depreciation rates are applied in respect of Garda station development financed by the Garda vote included in the appropriation account, office and IT equipment, and furniture and fittings. The following depreciation rates apply to other capital assets.

- aircraft: 5% per annum
- boats: 10% per annum
- vehicles: 25% per annum
- major operational software systems: 20% 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 An Garda Síochána.

This responsibility is exercised in the context of the resources available to me and my other obligations as the Commissioner of An Garda Síochána. 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 An Garda Síochána and the National Shared Services Office for the provision of financial and payroll shared services.

I rely on letters of assurance from the Accounting Officers of the Department of Justice and of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to An Garda Síochána.

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 and Risk 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 An Garda Síochána
- there are systems aimed at ensuring the security of the ICT systems

- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit and Risk Committee

I confirm that An Garda Síochána 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 An Garda Síochána 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

An Garda Síochána 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.

An Garda Síochána complied with the guidelines with the exception of 47 instances (in excess of €25,000) totalling €15,037,437 (ex VAT) as set out below.

- Thirty-two contracts to a value of €9,569,716 were extended beyond the original contract date without competitive procurement. Steps have been taken with the objective of putting competitive contracts in place for these services.
- Six contracts to a value of €3,269,519 in respect of medical services were rolled over and paid in accordance with Department of Public Expenditure and Reform sanctioned rates for professional services.
- In the other nine cases with a value of €2,198,202, purchase was without competitive procurement.

An Garda Síochána has provided details of 84 instances of non-competitive procurement in the annual return of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

An Garda Síochána 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. Risk management is supported by a Risk and Policy Governance Board, a dedicated Garda Risk Management Unit and a Risk Champion Network.

A risk register is in place, which identifies the key risks facing An Garda Síochána and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by Risk and Policy Governance Board on at least a quarterly basis.

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

Outcome of risk assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 Executive, 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.

Work on resolving control failures is ongoing. The following provides an update in relation to those matters.

Garda payroll and pension overpayments

The overpayment of Garda members and staff salaries arises largely from the late notification of sick leave, retirements, resignations, unpaid maternity leave and family friendly application to the Payroll Shared Service Centre. To 31 December 2021, recovery plans have been agreed in respect of 66% of identified overpaid Garda members and staff salaries.

Recovery plans have been agreed in respect of 7.5% of identified overpaid Garda pensions. The overpayment of Garda pensions is mainly due to the payment of pensions in advance, rather than in arrears which is the public sector norm.

Computer Aided Dispatch (CAD) system

A detailed analysis of incidents on the Garda Computer Aided Dispatch (CAD) system that had been cancelled during 2019 and 2020 was carried out in 2021. The investigation focused on incidents that if not properly investigated could result in ongoing risk to victims. The investigation found that some incidents reported as crimes were not properly recorded at the time. This identified that while all calls were answered, some of the resulting incidents were not transferred to PULSE.

Corrective actions have been implemented to correctly record all incidents and to prevent a recurrence of incidents being incorrectly cancelled.

Review of effectiveness

I confirm that An Garda Síochána has procedures to monitor the effectiveness of its risk management and control procedures. An Garda Síochána'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 An Garda Síochána responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The assessment of the impact of the Covid-19 pandemic continued in 2021 in An Garda Síochána. Associated risks, impacts and mitigating controls and actions form part of An Garda Síochána's risk management process.

An Garda Síochána continued to play an essential role in assisting with the implementation of Covid-19 public health measures and helping to keep people and communities safe during 2021. The other work of policing also continued during this time.

An impact of the pandemic was the publishing of several statutory instruments under the Health Act 1947, a number of which included elements of guidance and enforcement to be carried out by An Garda Síochána. As an essential service in providing these and other policing services, an emergency Covid-19 roster was introduced to maximise availability of personnel and which has a financial impact. This roster continued in 2021.

An internal Covid-19 Coordination Unit was set up to support An Garda Síochána personnel with information and advice relating to Covid-19 within the work environment. The Coordination Unit continues to liaise with the relevant agencies and monitors updates from the Department of Health and/or HSE, the National Public Health Emergency Team and the Cabinet Sub-Committee.

The Senior Leadership Team manages the day to day security, safety, healthcare and operational challenges posed by the pandemic and the associated measures imposed. Where possible work was undertaken remotely, with key financial internal controls maintained and risks mitigated through the provision of secure remote ICT and existing policies/procedures remaining in place.

Regular meetings are held at multiple levels across the organisation and with key external stakeholders, to respond efficiently and effectively to the dynamic changing environment.

An Garda Síochána continues to work closely with all relevant agencies, to adopt measures that are in line with public policy and the evolving situation.

JA Harris
Accounting Officer
An Garda Síochána

25 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 20 Garda Síochána

Opinion on the appropriation account

I have audited the appropriation account for Vote 20 Garda Síochána for the year ended 31 December 2021 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 20 Garda Síochána for the year ended 31 December 2021, 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 appendix to this report. I am independent of An Garda Síochána 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

27 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 20 Garda Síochána

Appropriation Account 2021

			2021	2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Working with communities to protect and serve				
Original	1,952,163			
Deferred surrender	12,750			
Supplementary	45,923			
		2,010,836	2,000,881	1,927,814
Gross expenditure		**2,010,836**	**2,000,881**	**1,927,814**
Deduct				
B **Appropriations-in-aid**				
Original	95,988			
Supplementary	23,023			
		119,011	**122,332**	**117,237**
Net expenditure				
Original	1,856,175			
Deferred surrender	12,750			
Supplementary	22,900			
		1,891,825	**1,878,549**	**1,810,577**

Surplus

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

	2021	2020
	€	€
Surplus	13,276,491	16,328,658
Deferred surrender	—	(12,750,000)
Surplus to be surrendered	**13,276,491**	**3,578,658**

JA Harris
Accounting Officer
An Garda Síochána

25 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		543,101	509,697
Pay		1,252,316	1,225,552
Non pay		205,464	192,565
Gross expenditure		**2,000,881**	**1,927,814**
Deduct			
Appropriations-in-aid		**122,332**	**117,237**
Net expenditure		**1,878,549**	**1,810,577**
Changes in capital assets			
Purchases cash	(59,197)		
Depreciation	27,619		
Loss on disposal	246	(31,332)	(4,367)
Changes in net current assets			
Decrease in closing accruals	(2,649)		
Increase in stock	(10,098)	(12,747)	(11,294)
Direct expenditure		**1,834,470**	**1,794,916**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		25,368	25,503
Net programme cost		**1,859,838**	**1,820,419**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 20 borne elsewhere, net of costs of shared services provided to other Votes.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	16	15
Vote 13	Office of Public Works	21,277	21,826
Vote 18	National Shared Services Office	2,600	2,647
Vote 24	Justice – Financial Shared Services Centre [a]	2,683	2,431
Cost of shared services provided to other Votes		(1,208)	(1,416)
		25,368	**25,503**

Note [a] The costs of superannuation payments made to civilian staff are included in Vote 24 Justice and are not recorded in this account as net allied services expenditure.

Other services

An Garda Síochána cooperates with other services in a variety of ways. The costs involved are not reflected in the table above. Key services include the following.

- Garda transport was made available as escorts to Prison Service personnel conveying prisoners to court.
- Assistance was rendered to An Garda Síochána by the Defence Forces in the disposal of explosive materials, without payment.
- Garda personnel availed of Air Corps aircraft during 2021 without payment. Air Corps support was also provided without charge in relation to the operation of the Garda fixed-wing aircraft and Garda helicopters.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	202,395	173,415
Current assets			
Bank and cash	2.2	36,723	41,662
Stocks	2.3	21,436	11,338
Prepayments	2.9	21,511	22,220
Other debit balances	2.4	23,160	29,159
Accrued income		1,108	1,321
Total current assets		**103,938**	**105,700**
Less current liabilities			
Accrued expenses	2.10	8,056	13,979
Other credit balances	2.5	59,731	58,164
Net Exchequer funding	2.6	152	12,657
Total current liabilities		**67,939**	**84,800**
Net current assets		35,999	20,900
Net assets		**238,394**	**194,315**
Represented by:			
State funding account	2.7	**238,394**	**194,315**

2.1 Capital assets

	Buildings	Aircraft and boats	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000	€000
Gross assets							
Cost or valuation at 1 January 2021	92,003	19,942	86,855	218,570	8,774	10,505	436,649
Additions	—	2,192	8,363	12,871	606	32,813	56,845
Disposals	—	—	(5,976)	(7,355)	(185)	—	(13,516)
Cost or valuation at 31 December 2021	92,003	22,134	89,242	224,086	9,195	43,318	479,978
Accumulated depreciation							
Opening balance at 1 January 2021	4,497	16,258	59,603	176,685	6,191	—	263,234
Depreciation for the year	1,840	512	10,933	13,866	468	—	27,619
Depreciation on disposals	—	—	(5,732)	(7,353)	(185)	—	(13,270)
Cumulative depreciation at 31 December 2021	6,337	16,770	64,804	183,198	6,474	—	277,583
Net assets at 31 December 2021	**85,666**	**5,364**	**24,438**	**40,888**	**2,721**	**43,318**	**202,395**
Net assets at 31 December 2020	87,506	3,684	27,252	41,885	2,583	10,505	173,415

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	30,900	35,851
Commercial bank account balance [a]	5,823	5,811
	36,723	**41,662**

Note [a] An Garda Síochána maintains 107 divisional/unit imprest commercial bank accounts, which will be reduced in line with the rollout of the operating model.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	503	414
Telecommunications stock	2,398	1,806
Clothing	12,097	3,950
Technical Bureau supplies	166	121
United Nations service stock	228	173
Armoury	4,791	4,286
Miscellaneous	1,253	588
	21,436	**11,338**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Advances to OPW	—	2,175
Imprests	713	725
Payroll suspense account (Paypath)	21,409	22,215
Cycle to Work scheme	779	898
Other debit suspense items	261	3,146
	23,160	**29,159**

2.5 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	28,253	28,189
Pay related social insurance	13,297	13,169
Professional services withholding tax	564	2,071
Value added tax	677	1,175
Relevant contracts tax	3	18
Road Traffic Act fines	1,450	1,730
Tax on pension contributions refunds	14	11
Civil Service pension scheme	855	846
Garda division account balances	5,823	5,811
OPW	2,103	—
	53,039	53,020
Payroll deductions held in suspense	4,907	4,426
Garda reward fund (note 5.7)	479	486
Other credit suspense items	1,306	232
	59,731	**58,164**

2.6 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	13,276	3,579
Deferred surrender	—	12,750
Exchequer grant undrawn	(13,124)	(3,672)
Net Exchequer funding	**152**	**12,657**
Represented by:		
Debtors		
Bank and cash	36,723	41,662
Debit balances: suspense	23,160	29,159
	59,883	70,821
Creditors		
Due to the State	(53,039)	(53,020)
Credit balances: suspense	(6,692)	(5,144)
	(59,731)	(58,164)
	152	**12,657**

2.7 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			194,315	178,654
Disbursements from the Vote				
Estimate provision	Account	1,891,825		
Surplus to be surrendered	Account	(13,276)		
Net vote			1,878,549	1,810,577
Expenditure (cash) borne elsewhere	1.1		25,368	25,503
Net programme cost	1		(1,859,838)	(1,820,419)
Balance at 31 December			**238,394**	**194,315**

2.8 Commitments

a) Global commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	34,235	49,628
Capital projects	43,145	77,911
Total of legally enforceable commitments	**77,380**	**127,539**

Note The commitments in relation to the procurement of goods and services at the end of 2021 amounted to €34.235 million. The Go Safe commitment was €19.461 million, which consists of a contract in place until April 2023. Other commitments include ICT €5.265 million, purchase of vehicles €6.447 million, telecommunications €2.068 million, specialist equipment €246,000, clothing €477,000 and the balance of €271,000 across other subheads. Capital projects includes an amount of €163,000 in respect of the refurbishment of Fitzgibbon Street premises.

b) Major capital projects

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Regional/divisional headquarters:					
• Military Road	10,505	32,813	42,982	86,300	86,505

2.9 Prepayments

at 31 December	2021	2020
	€000	€000
National digital radio payments	7,772	7,383
ICT payments	8,260	10,694
Telecoms	4,660	—
Other	819	4,143
	21,511	**22,220**

2.10 Accrued expenses

at 31 December	2021	2020
	€000	€000
ICT	347	2,758
Purchase of vehicles	—	259
Specialist equipment	20	360
Travel and subsistence	1,251	1,117
Fuel and maintenance	676	1,047
Station services	1,356	1,418
Go Safe contract	1,225	1,199
Storage and training	487	629
Communication and other equipment	136	740
ICT equipment	—	124
Clothing	503	934
College	119	195
Other	1,936	3,199
	8,056	**13,979**

2.11 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	4	—

2.12 Contingent liabilities

An Garda Síochána is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	1,223,681			
	Supplementary	31,603			
			1,255,284	1,252,316	1,225,552
ii	Travel and subsistence				
	Original	19,519			
	Supplementary	(3,170)			
			16,349	14,835	17,490
iii	Training and development and incidental expenses				
	Original	21,727			
	Supplementary	1,419			
			23,146	24,030	25,479
iv	Postal and telecommunications services				
	Original	47,947			
	Supplementary	6,714			
			54,661	55,193	46,664
v	Office equipment and external IT services				
	Original	75,912			
	Supplementary	938			
			76,850	77,184	73,351
vi	Maintenance of Garda premises				
	Original	3,792			
	Supplementary	2,058			
			5,850	6,067	2,986
vii	Consultancy services and value for money and policy reviews				
	Original	261			
	Supplementary	489			
			750	666	602

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
viii	Station services				
	Original	23,001			
	Supplementary	4,797			
			27,798	27,380	25,888
ix	Garda Reserve				
	Original	1,395			
	Supplementary	(1,220)			
			175	109	105
			1,460,863	**1,457,780**	**1,418,117**

Significant variations

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

ii Travel and subsistence

Estimate provision €19.519 million; outturn €14.835 million

The shortfall in expenditure of €4.684 million was in the main due to travel restrictions implemented under the Covid-19 pandemic measures. Training courses were significantly curtailed by the Covid-19 pandemic, and subsequently there was savings on travel and subsistence expenditure.

vi Maintenance of Garda premises

Estimate provision €3.792 million; outturn €6.067 million

The increase of €2.275 million was due to meeting essential maintenance requirements of the Garda estate. The size and age profile of the estate requires continuous essential maintenance. Expenditure of €266,000 relates to works implemented as a direct result of Covid-19.

vii Consultancy services and value for money and policy reviews

Estimate provision €261,000; outturn €666,000

The increase of €405,000 is in relation to professional fees and technical advice provided to the organisation.

ix Garda Reserve

Estimate provision €1.395 million; outturn €109,000

The shortfall in expenditure of €1.29 million on Garda Reserve was due to recruitment targets not being achieved and not all members of the Garda Reserve have worked sufficient hours to be eligible for the relevant allowance payment. At 31 December 2021, there were 423 members of the Garda Reserve.

Programme A Working with communities to protect and serve

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	1,223,681			
	Supplementary	31,603			
			1,255,284	1,252,316	1,225,552
A.2	Administration − non pay				
	Original	193,554			
	Supplementary	12,025			
			205,579	205,464	192,565
A.3	Clothing and accessories				
	Original	24,263			
	Supplementary	(8,063)			
			16,200	13,891	22,287
A.4	St. Paul's Garda Medical Aid Society		124	124	124
A.5	Transport				
	Original	27,554			
	Supplementary	2,941			
			30,495	28,849	38,162
A.6	Communications and other equipment				
	Original	26,440			
	Supplementary	3,991			
			30,431	28,814	31,047
A.7	Aircraft				
	Original	1,600			
	Supplementary	1,667			
			3,267	3,597	2,073
A.8	Superannuation, etc.				
	Original	364,953			
	Supplementary	12,200			
			377,153	377,621	354,711
A.9	Witnesses' expenses				
	Original	1,805			
	Supplementary	275			
			2,080	2,132	1,824
A.10	Compensation		16,620	15,075	11,992
A.11	Witness security programme				
	Original	1,198			
	Supplementary	(798)			
			400	400	300

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.12	Capital building programme				
	Estimate provision	34,000			
	Deferred surrender	12,750			
			46,750	46,874	24,227
A.13	Garda College				
	Original	36,371			
	Supplementary	(9,918)			
			26,453	25,726	22,950
			2,010,836	**2,000,881**	**1,927,814**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €35.968 million higher than originally provided. €40.545 million of this related to administration expenditure and has already been explained and the balance of the variance of (€4.577) million was mainly due to the following.

A.3 Clothing and accessories

Estimate provision €24.263 million; outturn €13.891 million

The shortfall in expenditure of €10.372 million was in the main due to a reduced requirement for PPE equipment. €737,000 was invested in PPE equipment to protect Garda members and staff carrying out essential services during the Covid-19 pandemic.

A.5 Transport

Estimate provision €27.554 million; outturn €28.849 million

The additional expenditure of €1.295 million was the result of increases in the cost of fuel and vehicle maintenance.

A.6 Communications and other equipment

Estimate provision €26.44 million; outturn €28.814 million

The increase in expenditure of €2.374 million was due to a number of factors; expenditure of €417,000 on operational equipment provided as part of the Internal Security Fund, which is reimbursed (90%) through EU grant funding and returned via appropriations-in-aid to the Exchequer. The remaining increase is in relation to higher than anticipated spend on communications, CCTV projects and operational equipment.

A.7 Aircraft

Estimate provision €1.6 million; outturn €3.597 million

The increase in expenditure of €1.997 million was due to expenditure of €1.668 million on aircraft upgrades provided as part of the Internal Security Fund, which is reimbursed (90%) through EU grant funding and returned via appropriations-in-aid to the Exchequer. The remaining increase is in relation to increased costs of maintenance and repairs of the Garda helicopters.

A.9 Witness expenses

Estimate provision €1.805 million; outturn €2.132 million

The increase in expenditure of €327,000 was due to the nature of this demand lead operational subhead, which makes it difficult to predict the level and timing of expenditure.

A.10 Compensation

Estimate provision €16.62 million; outturn €15.075 million

The shortfall in expenditure of €1.545 million was due to the unpredictable nature and amounts of compensation awarded.

A.11 Witness security programme

Estimate provision €1.198 million; outturn €400,000

The shortfall in expenditure of €798,000 was due to the nature of this subhead, which makes it difficult to predict the level and timing of expenditure.

A.13 Garda College

Estimate provision €36.371 million; outturn €25.726 million

The shortfall in expenditure of €10.645 million was due to savings in pay related costs of €5.388 million and non-pay costs of €5.257 million. The shortfall was in the main due to delays in the intake and training of Garda recruits/members resulting from the impact of measures imposed as a result of Covid-19 pandemic. In addition, college personnel were reassigned to operational duty with associated salary, wages and allowance costs being charged to Subhead A.1.

Note 4 Receipts

4.1 Appropriations-in-aid

		Estimated		2021 Realised	2020 Realised
		€000	€000	€000	€000
1	Contribution to the Garda Síochána spouses' and children's pension schemes				
	Original	11,278			
	Supplementary	1,082			
			12,360	12,491	12,628
2	Contribution to the Garda Síochána pensions scheme				
	Original	21,528			
	Supplementary	2,798			
			24,326	24,565	24,626
3	Miscellaneous receipts (note 4.2)				
	Original	11,000			
	Supplementary	8,000			
			19,000	20,770	15,762
4	Garda College receipts				
	Original	600			
	Supplementary	(250)			
			350	341	190
5	Firearm fees		3,000	3,466	3,968
6	Safety cameras – certain receipts from fixed charges		14,200	14,623	14,593
7	Receipts from additional superannuation contributions on public service remuneration				
	Original	34,382			
	Supplementary	11,393			
			45,775	46,076	45,470
	Total		**119,011**	**122,332**	**117,237**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €26.345 million more than the estimate. Explanations for variances are set out below.

1 Contribution to the Garda Síochána spouses' and children's pension schemes

Estimate €11.278 million; realised €12.491 million

The increase of €1.213 million was due to an increase in the overall 2021 payroll costs, which resulted in higher contributions.

2 Contribution to the Garda Síochána pensions scheme

Estimate €21.528 million; realised €24.565 million

The increase of €3.037 million was due to an increase in the overall 2021 payroll costs, which resulted in higher contributions.

3 Miscellaneous receipts

Estimate €11 million; realised €20.7 million

The excess receipts of €9.77 million were mainly due to EU receipts of €2.754 million, and €8.67 million from seizures forfeited to the State.

4 Garda College receipts

Estimate €600,000; realised €341,000

The shortfall of €259,000 was due to the college operating at reduced capacity as a result of Covid-19.

5 Firearm fees

Estimate €3 million; realised €3.466 million

The increase of €466,000 was due to the timing of receipts.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €34.382 million; realised €46.076 million

The increase of €11.694 million was due to an increase in the overall 2021 payroll costs, which resulted in higher contributions.

4.2 Analysis of miscellaneous receipts

	2021 €000	2020 €000
Payments for non-public duty services rendered by Gardaí	2,271	3,222
Repayments of car advances	1	4
Recovery in respect of damage to official vehicles and other Garda property	14	11
Proceeds of sales of used vehicles, old stores, forfeited and unclaimed property	8,844	2,540
Fees for accident and malicious damage reports	541	628
Contribution for living quarters	43	44
Recoupment of witnesses' expenses	3	1
Recoupment of salaries	18	44
Percentage charge to insurance companies for collection of insurance premiums	109	98
EU receipts	2,754	875
Taxi licence fees	277	207
Road Traffic Act – fees charged for motoring offences	3,297	2,741
Fingerprint fees for employment and visa purposes	80	67
Garda masts	198	2,801
Carrier liability	569	757
Age cards	164	162
Unclassified items	1,586	1,560
	20,770	**15,762**

4.3 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	1,730	842
Collected	8,550	4,524
Transferred to the Exchequer	(8,830)	(3,636)
Balance at 31 December	**1,450**	**1,730**

4.4 Fixed charge notice receipts

Total receipts from fixed charge notices in 2021 were €23.174 million (2020: €19.113 million). Of this, €14.624 million (2020: €14.59 million) was retained to fund the Go-Safe contract. Of the balance from 2020 of €1.730 million and €8.550 million for 2021 receipts, €8.830 million (2020: €3.636 million) was paid over to the Exchequer in 2021, with the remainder transferred in 2022.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents (FTE) at year end	2021	2020
Garda members	14,192	14,491
Student Gardaí	381	153
Garda staff	3,168	3,113
	17,741	**17,757**

5.2 Pay [a]

	2021 €000	2020 €000
Pay	852,530	839,369
Ex gratia payment – note 5.6	78	1,753
Higher, special or additional duties allowances	508	375
Other allowances	201,140	202,263
Overtime	113,949	98,958
Employer's PRSI	105,029	100,541
Total pay	**1,273,234**	**1,243,259**

Note [a] Includes pay for staff employed in the Garda College, charged to subhead A.13.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	205	10	36,298	48,437
Overtime and extra attendance	14,896	3,978	61,090	52,953
Shift and roster allowances	14,585	10,675	197,917 [a]	59,040
Miscellaneous	15,102	275	79,856	96,075
Extra remuneration in more than one category	14,516	13,251	210,680 [a]	110,401

Note [a] These amounts relate to a payment covering a number of years.

5.4 Other remuneration arrangements

In 2021, sixteen retired civil servants in receipt of civil service pensions were re-engaged on various duties at a total cost of €572,499. Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pension (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €000	2020 €000
Payroll overpayments	973	1,970	2,237
Recovery plans in place	643	1,317	1,461
Pension overpayments	386	899	873
Recovery plans in place	29	233	241

Note The figures above are cumulative and include overpayments still outstanding from previous years.

5.6 Severance/redundancy

A redundancy package was agreed and offered by An Garda Síochána. Severance payments totalling €78,072 were made in 2021.

Rank/grade	Number of recipients	Severance payments €	Added years of notional service	Early payment of pension with no actuarial reduction (years)
Executive Director	1	78,072	—	—

5.7 An Garda Síochána Reward Fund

The purpose of the Fund is to pay awards for Garda bravery and an annual contribution for Garda chaplaincy services from moneys received in relation to Garda disciplinary fines.

The following statement shows the total receipts proper to the Fund in the year, the amount of payments in the period and the balance of the Fund at year-end.

	2021 €000	2020 €000
Balance brought forward on 1 January	486	491
Receipts	66	59
Payments	(73)	(64)
Balance on 31 December	**479**	**486**

5.8 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Commissioner, with an annual gross salary of €271,759 (as at 31 December 2020, €269,068).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2021	2021	2020
		€000	€000	€000
Disclosures Tribunal [a]	2017	4,191	491	801
Hickson Commission of Investigation [b]	2018	49	—	3
			491	**804**

Notes [a] The Disclosures Tribunal was established to investigate protected disclosures made under the Protected Disclosures Act 2014 and certain other matters. Costs are those incurred for legal representation for serving and retired Garda members. The Tribunal's own costs are incurred by the Vote for Justice.

[b] The Hickson Commission of Investigation was established to investigate the response to allegations of child sexual abuse against a named individual.

6.2 Statement of losses (Garda vehicles, etc.)

A total of 594 accidents involving Garda vehicles were reported in 2021 (2020: 641). Damage to official vehicles and other costs amounted to €919,946. Compensation totalling €229,872 was recovered.

6.3 Fraud and suspected fraud

	Number of cases	2021	2020
		€000	€000
Fraud	—	—	—
Suspected fraud	5	1	2

Note There are five detected/alleged fraud instances in 2021, which are currently under Garda investigation (2020: seven).

6.4 Compensation and legal costs

Payments/costs paid by An Garda Siochána in the year

	Claims by employees [b]		Claims by members of the public		Total 2021
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty [c]	Arising from actions of Gardaí in performance of duties	Arising from accidents involving Garda vehicles	
Number of cases	129	50	198	237	614
	€000	**€000**	**€000**	**€000**	**€000**
An Garda Siochána's own legal costs	—	109	632	229	970
Payments by/on behalf of An Garda Siochána					
Compensation	6,601	691	726	1,187	9,205
Legal costs	1,365	256	3,199	302	5,122
Other costs [a]	—	33	38	69	140
2021 Total	**7,966**	**1,089**	**4,595**	**1,787**	**15,437**
2020 Total	4,564	874	4,975	1,494	11,907

Notes

[a] Other costs awarded relate to agency fees, investigator fees, medical fees etc.

[b] Compensation payments amounting to €75,624 (2020: €85,238) were paid on foot of the Occupational Injuries Benefit Scheme which is administered through the Department of Social Protection. These payments are not included in the table above.

[c] These may include part payments over a number of years for individual cases

At 31 December 2021

- 1,535 claims outstanding under the Garda Síochána Compensation Acts (2020: 1,520)
- 254 civil claims outstanding relating to accidents involving Garda vehicles (2020: 279)
- 3,883 civil claims other than those involving Garda vehicles outstanding (2020: 3,338)

Cumulative costs of cases completed in 2021

	Claims by employees		Claims by members of the public		Total
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty	Arising from actions of Gardaí in performance of duties	Arising from accidents involving Garda vehicles	
Number of cases	79	20	252	183	534
	€000	€000	€000	€000	€000
An Garda Siochána's own legal costs	—	110	179	173	462
Payments by/on behalf of An Garda Siochána					
Compensation	2,496	602	1,757	1,568	6,423
Legal costs	1,365	275	3,148	369	5,157
Other costs	—	26	199	110	335
Total	**3,861**	**1,014**	**5,283**	**2,220**	**12,377**

6.5 EU funding

There were five (2020: sixteen) EU funded projects in 2021. The funds received in the year are as follows:

	2021 €000	2020 €000
Atlas 2020	10	—
Internal Security Fund	3,280	874
ROXANNE	—	77
MAGNETO	—	50
GRACE	—	121
JUSTISIGNS 2	4	4
ADEP 2.0	123	238
Protector	127	—
	3,545	**1,364**

Atlas 2020 is a project to support the activities of the transnational law enforcement network.

- Establish a first ATLAS Centre of Excellence in airplane breaching (AIRCRAFT).
- Improved medical support for victims and own forces in hostile areas (MEDIC).
- Improved tactical skills and approaches to counter related incidents in urban areas (BUILDINGS).
- Enhance the capacities of Special Intervention Units (SIUs) for dealing with drone-related risks as well as robots (INOVATION).
- Improve concepts of marksmen deployment in counter-terrorism operations (SNIPER).
- Develop methods of breach objects and buildings (ENTRY).
- Develop best practice methods to integrate negotiation capabilities during Counter Terrorism operations (NEGO).
- Enhance the cooperation between SIUs in cases of operations related to public means of transport (TRANSPORT).

Internal Security Fund (ISF): promote the implementation of an internal security strategy, law enforcement cooperation and the management of the EU's external borders. From 2021 to 2027 the fund is focused on two specific objectives:

- Fight against crime: combating cross-border, serious and organised crime including terrorism and reinforcing coordination and cooperation between law enforcement authorities and other national authorities of EU states, including EUROPOL and relevant non-EU and international organisations.
- Managing risk and crisis: enhancing the capacity of EU states and the union for the effective management of security-related risk and crisis, and preparing for protection of people and critical infrastructure against terrorist attacks and other security related threats.

ROXANNE is a project contributing towards the goal of discovering criminal networks and identifying their members by bridging the strengths of speech and language technologies (SLTs), visual analysis (VA) and network analysis (NA).

MAGNETO is a project aimed at creating technology that will allow law enforcement agencies to analyse and correlate multimedia for organised crime prevention and investigations.

GRACE is a project on forensic data gathering, classification, processing, analysis and speedy exchange of information, supported by advanced AI-powered algorithms, to facilitate closing the technological gap with offenders and significantly improve efficiency in addressing Child Sexual Exploitation cases. In particular, GRACE aims to tackle the inflow of CSEM referrals from the Office of the State Pathologist, providing big data solutions for data ETL (Extract, Transform, and Load), while also aiming to standardise content management.

JUSTSIGN 2 is a project of research within the deaf community and investigation of the experiences of victims of sexual violence and crime when they interact with the police and the legal process. Builds on the previous JUSTISIGNS project.

ADEP Automated Data Exchange Process: is a project on addressing gaps without placing any great financial, IT development or human resource demands on the Member States.

Protector: will implement a protective security strategy specifically designed for places of worship of all faiths, which will be delivered with protective security plans for 25 places of worship located in 5 EU member states. The Project will also establish and strengthen cooperation between public authorities, faith-based leaders and congregations through the development and implementation of an engagement strategy, underpinned by the design and delivery of a security awareness raising campaign, encouraging the reporting of suspicious behaviour and the promotion of appropriate responses to threats.

6.6 Support for representative associations

Included in subhead A.1 is a total of €219,280 (2020: €198,557) in respect of the remuneration of members of An Garda Síochána on special leave with pay to staff representative bodies or assigned to welfare organisations.

In addition, representative associations received funding during 2021 of €284,575 (2020: €303,907) as follows.

Representative associations	2021	2020
	€	€
Grant to Association of Garda Superintendents	58,000	58,000
Grant to Association of Chief Superintendents	58,000	58,000
Sums charged to staff representative bodies and other welfare organisations for the provision of postal, telecommunications and accommodation services.	168,575	187,907

Appropriation Account 2021

Vote 21

Prisons

Introduction

As Accounting Officer for Vote 21, 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 2021 for the salaries and expenses of the Irish Prison Service, and other expenses in connection with prisons, including places of detention and for payment of certain grants.

The expenditure outturn is compared with the sums

a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year and
b) provided by capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €5.43 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

The Minister for Justice owns 13[1] prisons and places of detention, as well as property at the Irish Prison Service College in Portlaoise and property adjacent to the Headquarters building in Longford, and two sites in Dublin: one small site adjacent to Cloverhill Prison and lands acquired for prison development at Thornton Hall, Kilsallaghan, County Dublin.

Land is valued at existing use value or market value (if not in use) in the Statement of Fixed Assets. Prison buildings are valued at average replacement cost per cell. The most recent revaluations took place in 2020 with updated revaluations taking place every five years.

An exception to this accounting treatment related to the lands at Thornton Hall, which had continued to be valued at historic cost including investment in infrastructure and services, on the basis that it is a strategic State asset with potential future use value. Its availability has been identified to the Land Development Agency.

[1] There are 12 prisons and places of detention operational at present. The Training Unit which is part of Mountjoy Prison does not hold prisoners currently but is expected to become operational again subject to ongoing assessment of the risks related to the Covid -19 pandemic.

While it remains a strategic State asset and is subject to ongoing engagement with the Land Development Agency, an updated independent valuation was sought in the context of the 2021 accounts. This also reflects the opinion of the Comptroller and Auditor General in his certificate to the 2020 Accounts that an exceptional accounting treatment for the Thornton Hall lands is not warranted.

The net effect is that the most recent independent valuation puts a value of €6.5 million on the lands and buildings on the site compared with the historic cost of €49.3 million which reflects the acquisition cost and development of the lands. The most recent valuation is based on the existing use and zoning, and takes into account the quality of the agricultural land, location and road frontage. It specifically does not take into account any increased value based on a rezoning of the land for an alternative use.

The asset has now been revalued taking account of the most recent valuation. This position will be kept under review on an ongoing basis and particularly to reflect future use value as a strategic State asset and any further changes in valuation will be reflected in the accounts for the relevant financial year.

Depreciation

Buildings are not depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

With the exception of land and buildings, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Consumables

Supplies for prisoner meals, cleaning, maintenance and workshops are treated as expensed items and are not counted in stocks.

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 Irish Prison Service.

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

The National Shared Services Office provides payroll processing services to the Irish Prison Service.

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

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 Irish Prison Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Prison Service and the Department are exposed. The annual internal audit plans are approved by the Audit Committee and take account of this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. A dedicated audit team has been assigned to work on Prison Service audit issues in 2021, and this brings a greater focus to audit work across the Prison Service. The internal audit function is reviewed periodically by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Irish Prison Service (IPS) 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 in so far as these are within its control.

The Irish Prison Service is compliant with the exception of eighteen contracts (in excess of €25,000) totalling €5,608,548 (ex. VAT) for the year 2021. To date, thirteen of these contracts have been awarded for a value of €5,060,635 following the conclusion of tender competitions.

- Eleven contracts with a value of €3,013,904 are considered non-compliant on the basis that they were extended beyond the original contract date as new competitive processes were not fully completed in partnership with the Office of Government Procurement by the year end. Nine contracts have been awarded to date for a value of €2,583,544, one contract is currently out to tender for a value of €338,233, with the remaining one for €92,127 now to be included in a new ICT framework that is being progressed. The reason for delays in some of the above tender processes was due to security issues as a result of contraband incursions discovered in food supplies for prisoners which necessitated a security review in relation to the supply chain which led to additional security requirements being included in the new tender specifications. In addition, legal issues presented in some tender processes which also led to delays.
- Seven contracts with a value of €2,594,644 are also considered as non-compliant on the basis that it has been necessary to roll-over beyond the original contract date, while updated procurement arrangements were being finalised. To date, four such contracts have been awarded, for a value of €2,477,091 with the other three of value €117,553 now published and in the process of being completed.

The Irish Prison Service has provided details of 41 non-competitive contracts in the annual return in respect of circular 40/2002.

Risk and control framework

The Irish Prison Service 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 for each Prison, Directorate and for the Irish Prison Service at a corporate level which identify the key risks at prison, directorate and organisation level and these have been identified, evaluated and graded according to their significance. The Corporate Risk Register is reviewed and updated by the Irish Prison Service Risk Management Committee (Directors Group) on a quarterly basis and quarterly reviews also take place at prison/directorate level.

The risk register details the controls and actions needed to mitigate risks and 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 Risk Management Committee, 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

The Irish Prison Service'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 Irish Prison Service responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Arising from the recommendations in recent audit reports, the Prison Service is continually reviewing and strengthening financial and other controls in processes in areas such as ICT project management, GDPR compliance and the business continuity/disaster recovery processes.

The Department of Justice and the Irish Prison Service jointly commissioned an external review of the procurement function with a view to strengthening the structures and processes going forward.

Covid-19 pandemic

The impact of Covid-19 has been a central focus at all levels of management across the Irish Prison Service (IPS) since the onset of the pandemic and has had a wide ranging and significant impact on operations during 2020, 2021 and to date in 2022. Prisons are a high risk environment for transmission of such viruses and the Irish Prison Service has been proactive in managing and mitigating against the risk since the beginning of the crisis. The senior management team has been meeting every day since early March 2020 dealing with the day to day security, safety, healthcare, operational and management challenges posed by the pandemic. An Emergency Response Planning Team was also activated on commencement of the crisis, with key stakeholders represented and meetings convened on a weekly basis to identify and implement protection measures and processes to minimise the impact on prisoners and staff in order to ensure prisons can be as Covid free as possible.

As an essential service, the Irish Prison Service has maintained its core custodial and security operations and other services, to varying degrees, in line with the restriction levels in place under the National Framework for *"Living with Covid".*

While key payment controls were maintained throughout the pandemic, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where required. Secure remote access was provided to existing systems allowing staff working remotely to have access to their existing policies, procedures and detailed work manuals. The Irish Prison Service and the Internal Audit Unit are monitoring the changes to the processes introduced during Covid to ensure that they are effective.

There has been a major impact on cost with an estimated €5 million being incurred in 2021 as a result of the pandemic for items such as

- staff costs (particularly in relation to additional locum/agency healthcare staff)
- medical PPE
- virus detection measures
- deep cleaning and infection control
- industrial cleaning
- bedding, laundry and catering contingencies
- ICT for improved prisoner services and remote working for staff.

Covid outbreaks have occurred in all closed prisons over the course of the pandemic. There have been almost 1,000 positive prisoner cases since the beginning of the pandemic. Following the arrival of the Omicron variant and its associated level of transmissibility, two thirds of all confirmed Covid cases amongst the prisoner population have been detected in the last three months. One prisoner fatality was reported in relation to a prisoner with a terminal cancer diagnosis.

The IPS has been extremely challenged during the course of the pandemic in relation to maintaining adequate staffing levels and managing the large increase in both PCR and antigen testing required in order to minimise transmission. There continue to be outbreaks of infections in prisons leading to management and staffing challenges.

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 21 Prisons

Opinion on the appropriation account

I have audited the appropriation account for Vote 21 Prisons for the year ended 31 December 2021 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 21 Prisons for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Justice and of the Irish Prison Service 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 21 Prisons

Appropriation Account 2021

		2021		2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison				
Estimate provision	394,536			
Deferred surrender	5,468			
		400,004	392,389	400,879
Gross expenditure		**400,004**	**392,389**	**400,879**
Deduct				
B **Appropriations-in-aid**		**9,152**	**10,568**	**10,825**
Net expenditure				
Estimate provision	385,384			
Deferred surrender	5,468			
		390,852	**381,821**	**390,054**

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 spending in the following year. €3.601 million of unspent allocations in respect of the capital elements of subhead A.3 Buildings and equipment was carried forward to 2022.

	2021	2020
	€	€
Surplus	9,031,130	7,156,894
Deferred surrender	(3,601,000)	(5,468,000)
Surplus to be surrendered	**5,430,130**	**1,688,894**

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		102,286	110,740
Pay		271,455	271,324
Non pay		18,648	18,815
Gross expenditure		**392,389**	**400,879**
Deduct			
Appropriations-in-aid		**10,568**	**10,825**
Net expenditure		**381,821**	**390,054**
Changes in capital assets			
Purchases cash	(29,173)		
Depreciation	4,074		
Loss on disposals	9	(25,090)	(36,540)
Changes in net current assets			
Decrease in closing accruals	(6,489)		
Decrease in stock	358	(6,131)	(1,710)
Direct expenditure		**350,600**	**351,804**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		76,191	70,031
Net programme cost		**426,791**	**421,835**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 21 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	270	270
Vote 12	Superannuation and Retired Allowances	74,707	68,625
Vote 13	Office of Public Works	145	145
Vote 18	National Shared Services Office	324	332
Vote 24	Justice (Financial Shared Service Centre)	719	639
Vote 43	Office of the Government Chief Information Officer	26	20
		76,191	**70,031**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,386,918	1,404,618
Current assets			
Bank and cash	2.2	17,083	18,859
Stocks	2.3	1,919	2,277
Prepayments	2.4	3,794	2,498
Accrued income		194	56
Other debit balances	2.5	1,617	2,086
Total current assets		**24,607**	**25,776**
Less current liabilities			
Accrued expenses	2.6	3,330	8,385
Other credit balances	2.7	15,010	15,088
Net Exchequer funding	2.8	3,690	5,857
Total current liabilities		**22,030**	**29,330**
Net current assets		2,577	(3,554)
Net assets		**1,389,495**	**1,401,064**
Represented by:			
State funding account	2.9	**1,389,495**	**1,401,064**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	1,358,654	77,947	759	12,862	33,986	1,484,208
Additions	246	2,053	—	510	26,364	29,173
Brought into use	5,193	—	—	—	(5,193)	—
Revaluations [a]	(42,790)	—	—	—	—	(42,790)
Disposals	—	(583)	—	(46)	—	(629)
Cost or valuation at 31 December 2021	1,321,303	79,417	759	13,326	55,157	1,469,962
Accumulated depreciation						
Opening balance at 1 January 2021	—	69,335	677	9,578	—	79,590
Depreciation for the year	—	2,623	20	1,431	—	4,074
Depreciation on disposals	—	(577)	—	(43)	—	(620)
Cumulative depreciation at 31 December 2021	—	71,381	697	10,966	—	83,044
Net assets at 31 December 2021	**1,321,303**	**8,036**	**62**	**2,360**	**55,157**	**1,386,918**
Net assets at 31 December 2020	1,358,654	8,612	82	3,284	33,986	1,404,618

Note [a] This relates to the revaluation of lands at Thornton Hall, Killsallaghan, County Dublin from a historic cost value of €49.3 million to a current use value of €6.5 million.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	16,839	18,724
Commercial bank account balances	244	135
	17,083	**18,859**

Non Vote bank accounts

The Irish Prison Service holds 25 commercial bank accounts. Moneys in these accounts are managed by the Irish Prison Service separately to voted funds and relate to prison shops, a Prisoner Assist Fund and two accounts for prisoners' personal cash. With the exception of gratuity payments to individual prisoners, which originate from the Vote, no moneys due to or paid from the Vote are transmitted through these bank accounts. The amount held at the end of 2021 is €3,478,046 and is not included in the account (2020: €3,295,289). See also Note 6.6.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Uniforms and clothing	1,863	2,241
Miscellaneous	56	36
	1,919	**2,277**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Administration (v). Office equipment and external IT services *(ICT - system maintenance and support including licencing)*	2,709	1,643
A.5 Operational services *(mainly communication services provided by Tetra and other security services)*	576	579
A.4 Prisoner services *(mainly resettlement services costs)*	281	249
A.3 Buildings and equipment (includes *ICT system maintenance and support and building rental costs)*	174	10
A.6 Educational services	50	4
Administration (iv). Postal and telecommunications services	2	11
Administration (iii). Training and development and incidental expenses	2	2
	3,794	**2,498**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Prison imprest accounts	278	250
Payroll suspense account (Paypath)	947	1,472
Other debit suspense items	392	364
	1,617	**2,086**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
A.4. Prisoner services	1,555	3,103
A.3. Buildings and equipment	882	2,658
Admin (v) Office equipment and external IT services	288	1,267
Admin (iii) Training and development and incidental expenses	163	355
Admin (ii) Travel and subsistence	139	86
Admin (iv) Postal and telecommunications services	118	133
A.5. Operational services	103	154
A.6. Educational services	82	94
A.7. Compensation	—	520
A.8. Social disadvantage measures (Dormant accounts funded)	—	15
	3,330	**8,385**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	7,030	6,905
Pay related social insurance	3,698	3,537
Professional services withholding tax	134	115
Value added tax	1,539	2,311
Registered contractors tax	—	27
Tax deducted from pension contribution refunds	1	—
	12,402	12,895
Vote related bank account balances	244	135
Payroll deductions held in suspense	933	919
Other credit suspense items	1,431	1,139
	15,010	**15,088**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	5,430	1,689
Deferred surrender	3,601	5,468
Exchequer grant undrawn	(5,341)	(1,300)
Net Exchequer funding	**3,690**	**5,857**
Represented by:		
Debtors		
Bank and cash	17,083	18,859
Debit balances: suspense	1,617	2,086
	18,700	20,945
Creditors		
Due to the State	(12,402)	(12,895)
Vote related bank account balances	(244)	(135)
Credit balances: suspense	(2,364)	(2,058)
	(15,010)	(15,088)
	3,690	**5,857**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			1,401,064	991,119
Disbursements from the Vote				
Estimate provision	Account	390,852		
Deferred surrender	Account	(3,601)		
Surplus to be surrendered	Account	(5,430)		
Net vote			381,821	390,054
Expenditure (cash) borne elsewhere	1.1		76,191	70,031
Asset revaluation (non cash)	2.1		(42,790)	371,695
Net programme cost	1		(426,791)	(421,835)
Balance at 31 December			**1,389,495**	**1,401,064**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Capital projects	14,985	41,715
Total of legally enforceable commitments	**14,985**	**41,715**

b) Major capital projects

	Cumulative expenditure to 31 December 2020 €000	Expenditure in 2021 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2021 €000	Expected total spend lifetime of project 2020[a] €000
Limerick Prison	31,858	22,396	13,846	68,100	68,100
	31,858	**22,396**	**13,846**	**68,100**	**68,100**

Note [a] The redevelopment of Limerick Prison includes an extension to a current wing of the prison, a new female facility and a number of other related works. It will also provide a new Probation Service premises which is funded, to the value of €3.4 million, by the Office of Public Works.

2.11 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	—	**33**

2.12 Contingent liabilities

The Irish Prison Service is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The contingent liabilities include compensation claims relating to in-cell sanitation which are being dealt with by the State Claims Agency on behalf of the Irish Prisons Service. Any actual amount or timing of potential liabilities is uncertain. See also Note 6.2 Compensation and legal costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A expenditure, to provide complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	267,111	271,455	271,324
ii	Travel and subsistence	2,316	1,645	1,773
iii	Training and development and incidental expenses	3,860	4,020	4,483
iv	Postal and telecommunications services	1,800	1,670	1,474
v	Office equipment and external IT services	7,380	11,313	11,085
vi	Consultancy services and value for money and policy reviews	100	—	—
		282,567	**290,103**	**290,139**

Significant variations

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

ii Travel and subsistence

Estimate provision €2.316 million; outturn €1.645 million

The saving of €671,000 arose as the level of travel-related expenditure continued to be impacted by Covid restrictions in 2021.

v Office equipment and external IT services

Estimate provision €7.38 million; outturn €11.313 million

The excess of €3.933 million is related to additional costs associated with managing the continuation and expansion of ICT services, infrastructure and systems during the COVID pandemic. This included the facilitation of remote working for office-based staff and the provision of services within prisons such as video linking facilities for prisoner families and in-cell services for prisoners.

vi Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €nil

There was no requirement for consultancy services in the year.

Programme A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison

			2021		2020
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A.1	Administration – pay		267,111	271,455	271,324
A.2	Administration − non pay		15,456	18,648	18,815
A.3	Buildings and equipment				
	Estimate provision	60,849			
	Deferred surrender	5,468			
			66,317	54,419	60,241
A.4	Prisoner services		34,256	32,801	34,203
A.5	Operational services		4,500	4,726	5,585
A.6	Educational services		1,265	914	1,424
A.7	Compensation		10,873	9,152	9,087
A.8	Social disadvantage measures (Dormant accounts funded)		226	274	200
			400,004	**392,389**	**400,879**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €7.615 million lower than the estimate provision, notwithstanding an overspend in the administration subheads of €7.536 million (see above). This was offset by savings in other subheads and the variation in the remaining subheads is mainly due to the following.

A.3 Buildings and equipment

Estimate provision €66.317 million; outturn €54.419 million

The saving arose mainly due to the closedown of construction works during national lockdowns in the management of the Covid pandemic. This impacted on the progress of the major redevelopment project at Limerick Prison contributing to the saving of €11.898 million. An amount of €3.601 million of this capital underspend was carried over to 2022 under the deferred capital provisions.

A.5 Operational services

Estimate provision €4.5 million; outturn €4.726 million

The excess of €226,000 is due to additional costs related to the management of the prisons transport fleet.

A.6 Educational services

Estimate provision €1.265 million; outturn €914,000

The saving of €351,000 arose as prison schools were closed for the first quarter of the year. In addition, reduced school attendance was a consequence of infection control measures which in turn gave rise to reduced expenditure in this area.

A.7 Compensation

Estimate provision €10.873 million; outturn €9.152 million

The saving of €1.721 million arose due to less expenditure than expected in relation to in-cell sanitation cases and other compensation areas. This is a demand led expenditure area largely managed by the State Claims Agency on behalf of the Irish Prison Service and expenditure can vary depending on the quantum, number and timing of awards.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	305	443	583
2	Dormant account receipts	226	274	200
3	Receipts from additional superannuation contributions on public service remuneration	8,621	9,851	10,042
	Total	**9,152**	**10,568**	**10,825**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriations-in-aid were €1.416 million higher than the estimate provision of €9.152 million. This is mainly due to the following:

1 Miscellaneous

Estimate €305,000; realised €443,000

The surplus of €138,000 is due to a greater volume of receipts being generated than expected. The largest proportion of receipts relate to illness benefits payments from the Department of Social Protection which increased during the year due to the Coivd-19 pandemic.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €8.621 million; realised €9.851 million

The surplus of €1.23 million is directly related to payroll costs with additional superannuation payments arising.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**3,476**	**3,455**

5.2 Pay

	2021	2020
	€000	€000
Pay	167,717	168,396
Higher, special or additional duties allowances	407	439
Other allowances	39,989	40,747
Extra attendance and overtime	40,591	39,604
Employer's PRSI	22,751	22,138
Total pay	**271,455**	**271,324**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	69	4	25,408	18,347
Extra attendance and overtime	3,110	2,121	54,048	83,449
Shift and roster allowances	2,869	1,474	20,237	19,387
Miscellaneous	3,187	25	13,266	12,958
Extra remuneration in more than one category	3,164	2,916	72,660	101,650

5.4 Other remuneration arrangements

A total of €118,478 was paid to 27 retired civil servants in receipt of civil service pensions who were employed on various duties. Payments ranged from €150 to €19,826. A total of €37,502 was paid to seven retired members of An Garda Síochána, who were employed by the Irish Prison Service on specific duties during 2021.

Appropriate procedures were in place with regard to payments to retired staff in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	226	543,047	506,901
Recovery plans in place	131	272,808	310,024

There were no individuals with overpayment recovery plans who transferred to other departments in 2021. The details listed above include a number of preserved pension cases. A number of additional recovery repayment plans have been put in place in the year to date.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155). The salary of the Accounting Officer is paid from Vote 24 Justice.

Note 6 Miscellaneous

6.1 Prison population

The estimated daily average number of prisoners in 2021 was 3,794 (2020: 3,823).

6.2 Compensation and legal costs

Payments/costs paid by the Irish Prison Service in the year

	Claims by				Total
	employees		prisoners,	members	2021
	Civil claims - injuries while on duty and other issues	Criminal Injuries Compensation Tribunal – prison staff injuries	arising out of injuries and other actions involving prisoners	of the public	
Number of cases	115	57	1,176	34	1,382
	€000	€000	€000	€000	€000
Irish Prison Service's own legal costs	119	—	861	31	1,011
Payments by/on behalf of the Irish Prison Service					
Compensation	1,044	1,505	3,340	103	5,992
Legal costs	191	—	1,799	19	2,009
Other costs	84	—	33	14	131
2021 total	**1,438**	**1,505**	**6,033**	**167**	**9,143**
2020 total	2,537	2,701	3,144	691	9,073

Note

At 31 December 2021, the State Claims Agency recorded 1,465 active claims as outstanding (2020: 2,399). Legal costs incurred by the Prison Service in relation to eight non-compensation cases amounted to €142,813 (2020: €257,730).

The outstanding claims recorded by the State Claims Agency include 909 cases relating to in-cell sanitation. Arising from a related Supreme Court judgement, the State Claims Agency has put in place a scheme to address these claims. The costs of any compensation from this scheme are paid from the Prisons Vote. The amount of €6.033 million paid in compensation and legal costs from the table above, in respect of claims by prisoners includes €3.735 million (2020: €1.477 million) in compensation and €555,000 (2020: €542,000) in legal costs for finalised in-cell sanitation cases. It is estimated by the State Claims Agency that the final cost of in-cell sanitation cases is likely to be in the region of €15 million to €20 million.

At 31 December 2021, the Irish Prison Service has no (2020: €520,011) outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2021

	Claims by			Total
	prison staff	prisoners	members of the public	
Number of cases	52	1,375	21	1,448
	€000	€000	€000	€000
Irish Prison Service's own legal costs	104	1,044	31	1,179
Payments by/on behalf of the Irish Prison Service				
Compensation	577	2,733	110	3,420
Legal costs	227	1,638	35	1,900
Other costs	42	106	3	151
Total	**950**	**5,521**	**179**	**6,650**

6.3 Prisoner funeral expenses

Ex-gratia payments totalling €8,915 were made towards the funeral expenses of four prisoners who died in prison.

6.4 Cash losses

A number of cash losses totalling €4,841 (2020: nil) were identified across five prisons during 2021.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred by the Irish Prison Service in 2021 was €10,013 (2020: €13,387).

6.6 Other financial operations within the Irish Prison Service

Separate to the expenditure reflected in the appropriation account, a number of other financial operations arise within the Irish Prison Service in order to carry out its functions. The operations in question relate to two bank accounts for prisoner cash, prison shops (including a central prison shop bank account), and a Prisoner Assist Programme Fund. The details are as follows:

- **Main prisoners' personal funds account** - A bank account is maintained centrally specifically for prisoners' personal funds and is managed by the Finance and Estates Directorate. As prisoners leave prison, they receive the balance of their personal funds from this account. The balance in the account at 31 December 2021 was €1,430,914 (2020: €1,227,855). This represents the accumulated prisoner balances at year end but also includes the total prison shop sales for December (typically over €600,000 approx.) that will be transferred, shortly after month end, to the appropriate prison shop bank accounts to facilitate payment to suppliers for December purchases.

- **Prisoner funds account** - Since 2020, a further bank account was in use for prisoners' personal funds. This account is also managed by the Finance and Estates Directorate. This account allows prisoners' families to transfer funds by EFT or An Post card to their family member in prison. This was necessary arising from the Covid pandemic and also removes some risk associated with cash handling. Similar to the process in place with the prisons, the funds received into this bank account are transferred on a weekly basis into the main prisoners' personal funds account. The balance in the account at 31 December 2021 was €157,841 (2020: €135,437).

- **Prison shops** - Each prison has an internal shop ('tuck shop') where prisoners can purchase items such as confectionary and toiletry products. The items are paid for from individual prisoner funds. All purchasing for the shop is funded from sales to prisoners and since February 2021, any 'net surplus' generated is transferred to a centrally managed prison shop bank account. (The total of the bank account balances for the 11 prisons shops at 31 December 2021 was €425,954 (2020: €520,697). The value of stock on hand was €351,366 (2020: €343,436).

- **Central prison shop bank account** - From February 2021, a central prison shop bank account is in use, managed by the Finance and Estates Directorate. The funds in this account are generated from the 'net surplus' generated from all prison shops and will fund prisoner hardship through a centrally managed allocation process. The balance in the account at 31 December 2021 was €424,022 (2020: €nil).

- **Prisoner Assist Programme Fund (PAPF)** - The central prison shop bank account was set up to manage the 'net surpluses' generated from prison shops. The balances remaining in the PAPF bank accounts in each prison are being used to fund prisoner hardship and related projects and, as the balances are cleared, the PAPF bank accounts will be closed. The total of the bank account balances at 31 December 2021 was €1,039,315 (2020: €1,411,300).

Voluntary mess committees (VMCs) are currently operating in eight prisons to coordinate the administration of the operation of canteen facilities for prison staff provided through prisoner training kitchens. VMCs operate as separate and independent entities from the Irish Prison Service.

In 2021, at the request of the Public Accounts Committee, the Department of Justice commissioned an independent review of the operation of VMCs within the Irish Prison Service. This review is expected to conclude shortly.

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €3.601 million in capital expenditure in the following subhead that was carried over to 2022.

	€000
Description of subhead:	
A.3 Buildings and equipment	3,601
	3,601

Appropriation Account 2021

Vote 22

Courts Service

Introduction

As Accounting Officer for Vote 22, 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 2021 for such of the salaries and expenses of the Courts Service and of the Supreme Court, the Court of Appeal, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain minor services as are not charged to the Central Fund.

The expenditure outturn is compared with the sums

a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.048 million is liable for surrender to the Exchequer.

The Service is governed by a Board consisting of a chairperson and 17 other members. In accordance with the Courts Service Act 1998, the term of office of the Board is three years. The current Board was established on 9 November 2020. The Board is responsible for determining policies for the Service and for overseeing their implementation. It performs these functions directly and through the committees of the Board.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

Buildings are valued every five years on the basis of depreciated replacement cost. This is the current cost of replacing the asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Land and buildings not in use but required for future development are valued at market value.

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 Courts Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive Officer. 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 the Courts Service and the Financial Shared Services Centre, Killarney for the provision of financial shared services, and the National Shared Services Office for the provision of human resource services and payroll services.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and for the Financial Shared Service Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Courts Service.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.

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 Courts Service
- there are systems aimed at ensuring the security of the ICT systems

- there are appropriate capital investment control guidelines and formal project management disciplines.

Audit and Risk Committee

I confirm that the Courts Service has an Audit and Risk Committee. The Committee is a sub-committee of the Courts Service Board. The role of the Committee is to oversee, advise and support the Board and the Chief Executive Officer/Accounting Officer by reviewing the assurances on a range of matters including the integrity of internal financial controls, risk management and financial statements. The Committee operates under a written charter and reports to the Courts Service Board. It also reviews and approves the internal audit annual work programme.

Internal audit

I confirm that the Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter, which has been approved by the Courts Service Board. Its work is informed by analysis of the financial and operational risks to which the Service 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. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Courts Service 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 Courts Service complied with the guidelines with the exception of 15 contracts (in excess of €25,000), totalling €2,434,458 (ex. VAT) as set out below.

- One contract with a value of €1,248,198 relating to interpretation services. This contract could not be extended as the OGP framework is subject to legal challenges.
- Two contracts with a value of €413,281 relating to delays in putting a central government contract in place for mobile voice and data and fixed voice telephony services. Both contracts are in place since October 2021 and Q1 2022 respectively.
- Two contracts with a value of €235,923 that were replaced by a multi-supplier framework contract in August 2021 for the provision of systems platform support and development services.
- Two instances with a value of €210,633 for services relating to the Fines (Payment and Recovery) Act 2014, beyond the expiry of the original contract. The Courts Service is awaiting the recommendations of a working group on the Act as to whether such services will be required and re-tendered for.
- Four instances with a value of €110,775 for a range of services such as graphic design work, franking machines, digital dictation services, and expert medical reports. Services are being reviewed with a view to fresh procurements where necessary.

- One contract with a value of €64,173 due to project management services that was extended beyond the contract expiry date. A contract is in place since March 2021.
- One contract with a value of €63,685 for time critical courier services. A procurement competition has taken place and a contract is being awarded Q1 2022.
- One instance with a value of €57,563 for costs of telephony services.
- One contract with a value of €30,227 for ICT managed services, a contract is in place since February 2021.

The Courts Service has provided details of 12 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

Governance

Good governance is fundamental to the effective operation of the Service. The Courts Service's *Corporate Governance Framework* sets out the statutory basis within which we operate, including the governance arrangements in place, functions and organisational structure, accountability and audit assurance arrangements. This framework was published in 2016 and updated in 2019. The Courts Service also has an oversight agreement in place with the Department of Justice.

The Service's *Corporate Governance Framework* is, in addition to its compliance with the Civil Service *Corporate Governance Standard*, compliant with the main features of the *Code of Practice for the Governance of State Bodies 2016*.

Risk and control framework

The Service 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 corporate risk register is in place which identifies the key risks facing the Service. These are evaluated and graded according to their significance. The corporate risk register is reviewed quarterly by the Senior Management Team (SMT) and Audit and Risk Committee. Risk management is a standing item for the Courts Service Board and the Chief Risk Officer reports to the Board on the operations of risk management. 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 planned actions needed to mitigate identified 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 SMT, where relevant, on a timely basis. 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 Service has procedures to monitor the effectiveness of its risk management and control procedures. The 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 Service responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account, or that resulted in, or may result in a material loss.

The Service continually reviews and implemented recommendations arising from the Comptroller and Auditor General and internal audit to strengthen the control environment, particularly in the areas of procurement and contract management, record management and ICT security and infrastructure. This is a continuous process and the system and its effectiveness is kept under ongoing review.

Covid-19 control issues

The changes to the working and control environment with remote and virtual working that came about in 2020 as a result of the impact of the Covid-19 pandemic continued through 2021.

As part of the initial response to the pandemic in 2020, a Covid-19 Response Management Team was established to develop a business response plan. A Covid-19 safety management programme was central to the plan. This team continued to operate throughout 2021, which included regular communications with the SMT, the Judiciary and key stakeholders. The team regularly updated and communicated the Covid-19 Safety Management Programme to all Court users, on foot of advice from the National Public Health Emergency Team and the HSE throughout 2021. The following measures introduced in 2020, continued in 2021

- updating of risk assessments of all buildings in compliance with health and safety protocols, retaining some best practice measures such as screens, people flow management and good hygiene measures.
- updating and communicating the Covid-19 Safety Management Programme to reflect various updated government protocols (e.g. *Return to Work Safely Protocol*, Work *Safely Protocol)*.
- remote court hearings and the continued use of video conference.
- prioritising of cases, particularly family law, domestic violence and child custody cases and transitional protocol arrangements for 2022.
- working with Regional Managers, local offices, directorates and Covid-19 Worker Representatives on a continuous basis to ensure that the Covid-19 Safety Management programme was being implemented and complied with.

Key payment controls were maintained throughout the pandemic. However, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where necessary. Secure remote access was provided to existing systems to allow access to staff working remotely.

A total of €4.3 million was incurred on Covid-19 related expenditure in 2021 (€5.4 million in 2020), primarily in relation to ICT, courthouse capital and maintenance. Covid-19 had a significant impact on court fee income, primarily driven by a reduction in licensing and civil business. This resulted in a shortfall in fees of €17.03 million in 2021 (€17.08 million in 2020).

Angela Denning
Accounting Officer
Courts Service

28 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 22 Courts Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 22 Courts Service for the year ended 31 December 2021 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 22 Courts Service for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Courts Service 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

28 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 22 Courts Service

Appropriation Account 2021

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the courts and support the judiciary			
	Original	158,515		
	Deferred surrender	4,895		
	Supplementary	(4,000)		
		159,410	154,092	154,628
Gross expenditure		**159,410**	**154,092**	**154,628**
	Deduct			
B	**Appropriations-in-aid**			
	Original	34,633		
	Supplementary	(7,000)		
		27,633	**27,011**	**32,634**
Net expenditure				
	Original	123,882		
	Deferred surrender	4,895		
	Supplementary	3,000		
		131,777	**127,081**	**121,994**

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. €3.648 million of unspent allocations in respect of the capital elements of subheads A.2 and A.4 were carried forward to 2022.

	2021	2020
	€	€
Surplus	4,695,710	7,251,177
Deferred surrender	(3,648,000)	(4,895,000)
Surplus to be surrendered	**1,047,710**	**2,356,177**

Angela Denning
Accounting Officer
Courts Service

28 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		43,014	50,831
Pay		59,425	57,556
Non pay		51,653	46,241
Gross expenditure		**154,092**	**154,628**
Deduct			
Appropriations-in-aid		**27,011**	**32,634**
Net expenditure		**127,081**	**121,994**
Changes in capital assets			
Purchases cash	(5,632)		
Depreciation	9,153	3,521	3,401
Changes in net current assets			
Increase in closing accruals	1,642		
Increase in stock	(218)	1,424	(1,648)
Direct expenditure		**132,026**	**123,747**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		59,232	53,608
Notional rents [a]		3,605	3,605
Net programme cost		**194,863**	**180,960**

Note [a] Notional rents for Office of Public Works (OPW) owned buildings occupied by the Courts Service.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 22 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	207	198
Vote 12	Superannuation and Retired Allowances	17,330	14,689
Vote 13	Office of Public Works	1,366	436
Vote 18	National Shared Services Office	120	116
Vote 20	Garda Síochána	149	200
Vote 24	Justice – Financial Shared Services Centre	332	303
Central Fund - judicial salaries and pensions		39,728	37,666
		59,232	**53,608**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	344,385	204,675
Current assets			
Bank and cash	2.2	4,777	5,865
Stocks	2.3	444	226
Prepayments	2.4	3,229	3,860
Accrued income		1,054	1,999
Other debit balances	2.5	3,015	4,012
Total current assets		**12,519**	**15,962**
Less current liabilities			
Accrued expenses	2.6	2,954	2,889
Other credit balances	2.7	3,950	4,823
Net Exchequer funding	2.8	3,840	5,054
Total current liabilities		**10,744**	**12,766**
Net current assets		1,775	3,196
Net assets		**346,160**	**207,871**
Represented by:			
State funding account	2.9	**346,160**	**207,871**

2.1 Capital assets

	Land and buildings [a, b]	IT and office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	266,398	59,079	31,626	1,370	358,473
Additions	262	1,294	—	4,076	5,632
Brought into use	676	342	—	(1,018)	—
Revaluations	137,824	—	—	—	137,824
Disposals	—	(24)	(73)	—	(97)
Cost or valuation at 31 December 2021	405,160	60,691	31,553	4,428	501,832
Accumulated depreciation					
Opening balance at 1 January 2021	75,145	47,712	30,941	—	153,798
Depreciation for the year	5,178	3,837	138	—	9,153
Depreciation on revaluations	(5,407)	—	—	—	(5,407)
Depreciation on disposals	—	(24)	(73)	—	(97)
Cumulative depreciation at 31 December 2021	74,916	51,525	31,006	—	157,447
Net assets at 31 December 2021	**330,244**	**9,166**	**547**	**4,428**	**344,385**
Net assets at 31 December 2020	191,253	11,367	685	1,370	204,675

Note [a] Section 26 of the Courts Service Act 1998 provides for the transfer to the Courts Service of legal title in respect of certain land and buildings.

[b] The Courts Service currently owns 46 buildings and five sites. All buildings and sites have been valued and are reflected in the capital assets balances in the table above. Due to a combination of capacity issues with the Valuation Office and the restrictions imposed as a result of the Covid -19 pandemic, 41 buildings/sites have valuations more than five years old. However, the Courts Service has worked with the Valuation Office and it is intended to carry out a number of revaluations in 2022, with the remaining revaluations to be carried out in 2023 and 2024.

2.2 Bank and cash

at 31 December	2021 €000	2020 €000
PMG balances and cash	2,812	3,801
Commercial bank account balance [a]	1,965	2,064
	4,777	**5,865**

Note [a] Represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year. The sum of €11.533 million is not included is the account balance (€9.468 million in 2020) stated above. This principally consists of non-Exchequer funding relating to lodgements of maintenance payments under family law, bail money lodgements and court poor box receipts.

2.3 Stocks

at 31 December	2021 €000	2020 €000
Stationery	136	143
IT consumables	283	46
Miscellaneous	25	37
	444	**226**

2.4 Prepayments

at 31 December	2021 €000	2020 €000
A.2 Administration – non pay	2,691	3,321
A.3 Courthouse (capital works)	538	539
	3,229	**3,860**

2.5 Other debit balances

at 31 December	2021 €000	2020 €000
Advances to OPW	2,393	3,357
Recoupment of salaries	190	168
Other debit suspense items	393	454
Imprests	39	33
	3,015	**4,012**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
A.2 Administration – non pay	2,639	1,633
A.3 Courthouse (capital works)	—	93
A.4 PPP costs	315	1,163
	2,954	**2,889**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	866	1,100
Professional services withholding tax	139	68
Value added tax	60	646
Pay related social insurance	506	507
Fines	111	118
Funds for surrender to the Exchequer [a]	1,965	2,064
	3,647	4,503
Payroll deductions held in suspense	298	318
Other credit suspense items	5	2
	3,950	**4,823**

Note [a] This balance represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	1,048	2,356
Deferred surrender	3,648	4,895
Exchequer grant undrawn	(855)	(2,197)
Net Exchequer funding	**3,841**	**5,054**
Represented by:		
Debtors		
Bank and cash	4,777	5,865
Debit balances: suspense	3,014	4,012
	7,791	9,877
Creditors		
Due to the State	(3,647)	(4,503)
Credit balances: suspense	(303)	(320)
	(3,950)	(4,823)
	3,841	**5,054**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			207,871	209,868
Disbursements from the Vote				
Estimate provision	Account	131,777		
Surplus to be surrendered	Account	(1,048)		
Deferred surrender	Account	(3,648)		
Net vote			127,081	121,994
Expenditure (cash) borne elsewhere	1.1		59,232	53,608
Non cash				
Notional rent	1		3,605	3,605
Non-cash items			3	—
Transfer of assets	2.1		—	(244)
Revaluations	2.1		143,231	—
Net programme cost	1		(194,863)	(180,960)
Balance at 31 December			**346,160**	**207,871**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services		
Other goods and services [a]	12,379	—
ICT [b]	47,822	15,107
Leases [c]	31,498	11,818
Refurbishment loan for Washington Street Courthouse [d]	5,622	7,287
Public Private Partnership projects	629,788	663,923
Total of legally enforceable commitments	**727,109**	**698,135**

Note
[a] The increase in other goods and services commitments in 2021 is primarily driven by the Service entering into a large contract in Q1 2021 for the provision of business and management and ICT consultancy services for the modernisation programme.
[b] The increase in ICT commitments in 2021 is driven by the ICT Unit entering into 14 new contracts in 2021, worth an estimated lifetime value of €33 million at the time of entering.
[c] The increase in lease commitments is primarily driven by the renewal lease of the Phoenix House Building, Smithfield.
[d] This commitment relates to a loan taken out to fund refurbishment of the courthouse at Washington Street, Cork. The principal (capital) element of this loan outstanding at year end, amounting to €5.055 million (2020: €6.435 million) is disclosed under note 2.10(b) – multi-annual capital commitments. The balance of the commitment relates to interest.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2020 €000	Expenditure in 2021 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2021 €000	Expected total spend lifetime of project 2020 €000
Refurbishment loan for Washington Street Courthouse	18,565	1,380	5,055	25,000	25,000

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Project total 2021	Project total 2020
	€000	€000	€000	€000	€000
Criminal Courts Complex	256,493	21,224	310,992	588,709	589,030
PPP bundle	70,217	15,666	318,796	404,679	401,603
	326,710	**36,890**	**629,788**	**993,388**	**990,633**

2.11 Matured liabilities

There were no matured liabilities not discharged at year end (2020: nil).

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		60,215	59,425	57,556
ii	Travel and subsistence				
	Original	3,013			
	Supplementary	(600)			
			2,413	2,433	2,291
iii	Training and development and incidental expenses				
	Original	10,891			
	Supplementary	500			
			11,391	12,014	8,290
iv	Postal and telecommunications services				
	Original	2,003			
	Supplementary	1,300			
			3,303	3,408	2,933
v	Office equipment and external IT services				
	Estimate provision	13,520			
	Deferred surrender	1,000			
			14,520	15,195	15,887
vi	Office premises expenses				
	Original	25,276			
	Supplementary	(5,200)			
			20,076	18,436	16,623
vii	Consultancy services and value for money and policy reviews		100	167	217
			112,018	**111,078**	**103,797**

Significant variations

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

iv Postal and telecommunications services

Estimate provision €2.003 million; outturn €3.408 million

The overspend of €1.405 million on postal and telecommunications was due to additional postage costs to jurors and legal practitioners regarding rescheduling/cancelling of court sittings combined with an increase in postal rates.

vi Office premises expenses

Estimate provision €25.276 million; outturn €18.436 million

The underspend of €6.84 million is due to the following

- deferral of projects due to Covid-19 - €1.4 million
- saving on temporary lease costs during Covid-19 and renegotiations of lease on Dublin headquarters - €1.7 million
- reduction in security cost due to Covid-19 - €300,000.

The estimate provision was in excess of what was required and the surplus was used to meet budgetary commitments in other subheads.

Programme A Manage the Courts and Support the Judiciary

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		60,215	59,425	57,556
A.2	Administration − non pay				
	Original	54,803			
	Deferred surrender	1,000			
	Supplementary	(4,000)			
			51,803	51,653	46,241
A.3	Courthouse (capital works)				
	Estimate provision	4,880			
	Deferred surrender	3,895			
			8,775	6,058	5,564
A.4	PPP costs		38,617	36,956	45,267
			159,410	**154,092**	**154,628**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €9.318 million lower than (originally) provided. €4.940 million of this related to administration expenditure and has already been explained and the balance of the variance of €4.378 million was mainly due to the following:

A.3 Courthouse (capital works)

Estimate provision €8.775 million; outturn €6.058 million

The underspend of €2.717 million is due to the delay in the completion of a number of capital building projects and the delay in the planned purchase of sites in Galway, Naas and Tralee.

Note 4 Receipts

4.1 Appropriations-in-aid

			2021		2020
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Fees				
	Original	31,693			
	Supplementary	(6,300)			
			25,393	24,770	24,612
2	Miscellaneous				
	Original	1,442			
	Supplementary	(700)			
			742	658	1,024
3	Receipts from additional superannuation contributions on public service remuneration		1,498	1,583	1,498
4	Dormant court funds		—	—	5,500
	Total		**27,633**	**27,011**	**32,634**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €7.622 million (28%) less than the estimate.

1 Fees

Estimate €31.693 million; realised €24.77 million

Fee Income in 2021 was lower than the original estimate by €6.923 million due to the level 5 restrictions for the first four months of 2021, closing time restrictions introduced to the hospitality sector, coupled with the Government announcement in July that court fees relating to the renewal of licences in 2021 were to be waived.

2 Miscellaneous

Estimate €1.442 million; realised €658,000

Miscellaneous receipts in 2021 were lower than the original estimate by €784,000 (106%) due to a reduction in receipts from the General Solicitor's Office.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Road Traffic Act fines [a]	3,958	3,588
Other fines [a]	3,159	1,932
Refunds [b]	(10)	(20)
Other receipts [c]	145	108
Transferred to the Exchequer	(7,252)	(5,608)
Balance at 31 December	**—**	**—**

Notes

[a] The increase in Road Traffic Act Fines and other fines receipts is primarily due to the increase in the number of fines imposed/payments made in 2021

[b] There was a decrease in refunds in 2021 compared to 2020 due to: (i) no Fixed Charge Notice refunds in 2021, and (ii) a reduction in the number of appeals heard and results reversed in 2021 (where fines paid) due to Covid-19.

[c] The Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are due to be paid over to the Department of Finance. The 2021 receipts relate to funds lodged in 2014. The balance of these funds as at the 31 December 2021 is €5.812 million.

4.3 Fines and fees collected on behalf of other Departments

Direct payments were made to the following government departments/agencies in respect of fines and fees collected by the Court Service on their behalf in 2021.

	2021 €000	2020 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines [a]	456	485
Excise duty [b]	—	1,200
Department of Environment, Climate and Communications	23	23
Department of Agriculture, Food and the Marine [c]	171	40
Total transferred	(650)	(1,748)
Balance at 31 December	**—**	**—**

Notes

[a] Monies collected relate to court fines imposed where the prosecutor is the Revenue Commissioners.

[b] Monies collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Courts Service on behalf of the Revenue Commissioners. There was no excise duty collected in 2021, driven by the Government announcement in July that court fees relating to the renewal of licences in 2021 were to be waived.

[c] There was a large increase in fines payable to the Department of Agriculture, Food and the Marine in 2021 when compared with 2020. This was due to a number of high value Circuit Court fines received in 2021.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**1,120**	**1,106**

5.2 Pay

	2021 €000	2020 €000
Pay	53,767	52,252
Higher, special or additional duties allowances	313	269
Other allowances	797	815
Overtime	237	212
Employer's PRSI	4,311	4,008
Total pay	**59,425**	**57,556**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	107	8	16,273	17,605
Other allowances	201	12	22,171	20,873
Overtime	115	6	22,227	17,809
Extra remuneration in more than one category	60	14	26,672	22,097

5.4 Other remuneration arrangements

Salary costs of €157,445 were recouped from tribunals and government departments in respect of staff on secondment. There is nil recoupment outstanding for 2021.

5.5 Salary overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	84	241,315	168,637
Recovery plans in place	20	42,256	52,869

There were 44 new cases arising in 2021 with a value of €138,515. Four cases (€13,607) have recoupment plans in place, the remaining 40 (€124,907) do not have recoupment plans in place. 40 cases are brought forward from 2020, 16 cases (€28,648) have recoupment plans in place, the remaining 24 (€74,153) do not have recoupment plans in place.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level III, with an annual gross salary associated with this grade of €202,604 (as at 31 December 2020, €200,598).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Court Service in the year

	Claims by				Total 2021	Total 2020
	employees		members of the public			
	Slips, trips and falls	Other	Slips, trips and falls	Other		
Number of cases	1	5	6	24	36	41
	€000	€000	€000	€000	€000	€000
Court Service's own legal costs	—	9	8	78	95	272
Payments by/on behalf of the Courts Service						
Compensation	—	—	—	198	198	7
Legal costs	11	—	94	124	229	229
Other costs	—	—	—	—	—	-
2021 Total	**11**	**9**	**102**	**400**	**522**	**507**
2020 Total	—	—	2	505	507	

Notes [a] At 31 December 2021, the following claims are outstanding.

- Slip, trip and falls 6 (2020: 2)
- Other 21 (2020: 10)

Cumulative costs of cases completed in 2021

	Claims by				Total
	employees		members of the public		
	Slips, trips and falls	Other	Slips, trips and falls	Other	
Number of cases	1	—	—	8	9
	€000	€000	€000	€000	€000
Court Service's own legal costs	—	—	—	—	—
Payments by/on behalf of the Courts Service					
Compensation	—	—	—	2	2
Legal costs	1	—	—	83	84
Other costs	—	—	—	—	—
2021 Total	**1**	—	—	85	**86**

6.2 Fraud and suspected fraud

	Number of cases	2021	2020
		€000	€000
Fraud	1	2	—
Suspected fraud	—	—	—

The Courts Service identified one case of fraud/irregularity in 2021. This case had a value of €1,950 and has been dealt with in accordance with Courts Service policies and procedures.

6.3 Prompt payment interest

The amount of prompt payment interest and compensation incurred in 2021 was €13,413.

6.4 Deferred surrender

Deferred surrender comprises savings in 2021 of €3.648 million in capital expenditure in the following subheads that were carried over to 2022.

	€000
Description of subhead:	
A.3 Courthouse (capital works)	1,134
A.4 PPP costs	2,514
	3,648

Appropriation Account 2021

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Vote 23, 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 2021 for the salaries and expenses of the Property Registration Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.933 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

Depreciation is charged monthly on a straight line basis.

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 Authority.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive of the Authority. 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 position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

Shared services

Payroll and human resources are provided on a shared service basis by the National Shared Service Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office 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.

In addition, I rely on a letter of assurance from the Accounting Officer of the Department of Justice that the appropriate controls are exercised in the provision of financial shared services to this Office. I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Office and the Department of Justice for the provision of financial shared services.

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.

Compensations claims

The Property Registration Authority (PRA) operate a title system that confers a State guarantee on the title holder. The State is bound to indemnify any person who suffers loss through reliance on the register. In the normal course of its business, the Authority receives compensation claims under Section 120 of the Registration of Deeds and Title Act 1964. Claims may arise due to error, forgery or fraud in relation to registration of title.

I oversee the implementation of a counter fraud framework, the aim of which is to minimise our exposure to and losses from fraud against the registers. This framework guides the implementation of our strategy in maintaining the integrity of the registers, safeguarding registered property rights and protecting public resources.

A summary of payments made under Section 120 of the Registration of Deeds and Title Act 1964 is set out in Note 6.1 to the accounts. No compensation payments were made in 2021 that specifically related to fraud or forgery. A small number of alleged fraudulent applications remain under investigation.

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 Authority

- 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 Authority 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 Authority 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 Authority 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 the procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Authority complied with the guidelines with the exception of one contract (in excess of €25,000) to the value of €51,870 (excluding VAT) which was listed in my annual return in respect of Circular 40/2002. This contract was in respect of the procurement of addition cyber security hardware in light of the increased risks of a cyber-attack in 2021.

In addition, the Authority has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The PRA 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 Authority 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 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 PRA has procedures to monitor the effectiveness of its risk management and control procedures. The PRA'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 management within the PRA 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

As a result of the Covid-19 pandemic, the necessity to provide a safe working environment and the requirement to maintain service delivery, a number of new work practices were introduced, including remote working.

The new work practices, together with inherent risks in operating in a paper-based environment throughout the pandemic, have given rise to a number of newly identified risks. A Covid-19 risk register was in place throughout 2021 and the related risks were actively managed with a range of appropriate mitigating actions in place.

These actions seek to ensure that the new work practices that have been necessitated by the Covid-19 pandemic have not given rise to a weakening of the control environment.

Elizabeth Pope
Accounting Officer
Property Registration Authority

23 June 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 Property Registration Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 2021 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 23 Property Registration Authority for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Property Registration Authority 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

29 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 23 Property Registration Authority

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds	33,061	31,108	31,100
Gross expenditure		**33,061**	**31,108**	**31,100**
	Deduct			
B	**Appropriations-in-aid**	**580**	**660**	**607**
Net expenditure		**32,481**	**30,448**	**30,493**

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 services may be carried over for spending in the following year. €100,000 of unspent allocations in respect of the capital elements of Subhead A.2 was carried forward to 2022.

	2021	2020
	€	€
Surplus	2,033,146	1,294,847
Deferred surrender	(100,000)	—
Surplus to be surrendered	**1,933,146**	**1,294,847**

Elizabeth Pope
Accounting Officer
Property Registration Authority

23 June 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		26,747	26,692
Non pay		4,361	4,408
Gross expenditure		**31,108**	**31,100**
Deduct			
Appropriations-in-aid		**660**	**607**
Net expenditure		**30,448**	**30,493**
Changes in capital assets			
Purchases cash	(739)		
Depreciation	517		
Loss on disposal	7	(215)	(913)
Changes in net current assets			
Decrease in closing accruals	(132)		
Increase in stock	(12)	(144)	58
Direct expenditure		**30,089**	**29,638**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		9,046	7,917
Notional rents		2,279	2,279
Net programme cost		**41,414**	**39,834**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 23 borne elsewhere.

		2021	2020
		€000	€000
Vote 12	Superannuation and Retired Allowances	8,060	6,981
Vote 13	Office of Public Works	841	790
Vote 18	National Shared Services Office	51	55
Vote 24	Justice – Financial Shared Services Centre	94	91
		9,046	**7,917**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	3,382	3,154
Current assets			
Bank and cash	2.2	1,514	1,738
Stocks	2.3	139	127
Prepayments	2.4	680	543
Accrued income		7	5
Other debit balance	2.5	79	72
Net Exchequer funding	2.7	—	11
Total current assets		**2,419**	**2,496**
Less current liabilities			
Accrued expenses		242	222
Other credit balances	2.6	1,462	1,821
Net Exchequer funding	2.7	131	—
Total current liabilities		**1,835**	**2,043**
Net current assets		584	453
Net assets		**3,966**	**3,607**
Represented by:			
State funding account	2.8	**3,966**	**3,607**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	34,472	3,734	1,595	39,801
Additions	166	—	586	752
Disposals	(486)	—	—	(486)
Cost or valuation at 31 December 2021	34,152	3,734	2,181	40,067
Accumulated depreciation				
Opening balance at 1 January 2021	33,025	3,622	—	36,647
Depreciation for the year	495	22	—	517
Depreciation on disposals	(479)	—	—	(479)
Cumulative depreciation at 31 December 2021	33,041	3,644	—	36,685
Net assets at 31 December 2021	**1,111**	**90**	**2,181**	**3,382**
Net assets at 31 December 2020	1,447	112	1,595	3,154

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	877	701
Other commercial bank balances	637	1,037
	1,514	**1,738**

Other commercial bank accounts

The commercial bank account balances represent amounts owing to the Exchequer on 31 December 2021 in respect of registration fees. Not included are non-Exchequer receipts held at the Central Bank in respect of ground rent purchase moneys. The amount held at the end of 2021 is €6 million (2020 €5.8 million).

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	96	84
Miscellaneous supplies	40	29
IT consumables	3	14
	139	**127**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software support	561	457
Estate management	16	19
Administration	—	2
Other prepayments	103	65
	680	**543**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Building charges recoupable	29	46
Payroll deductions held in suspense	50	26
	79	**72**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	374	358
Pay related social insurance	217	211
Value added tax	47	29
Professional services withholding tax	4	3
Extra receipts payable to the Exchequer	637	1,037
	1,279	1,638
Payroll deductions held in suspense	183	183
	1,462	**1,821**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	1,933	1,295
Deferred surrender	100	—
Exchequer grant undrawn	(1,902)	(1,306)
Net Exchequer funding	**131**	**(11)**
Represented by:		
Debtors		
Bank and cash	1,514	1,738
Debit balances: suspense	79	72
	1,593	1,810
Creditors		
Due to the State	(1,279)	(1,638)
Credit balances: suspense	(183)	(183)
	(1,462)	(1,821)
	131	**(11)**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			3,607	2,752
Disbursements from the Vote				
Estimate provision	Account	32,481		
Deferred surrender	Account	(100)		
Surplus to be surrendered	Account	(1,933)		
Net vote			30,448	30,493
Expenditure (cash) borne elsewhere	1.1		9,046	7,917
Non cash expenditure – notional rent	1		2,279	2,279
Net programme cost	1		(41,414)	(39,834)
Balance at 31 December			**3,966**	**3,607**

2.9 Commitments

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	**594**	**531**

2.10 Contingent liabilities

The Authority is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain. This includes the Section 120 compensation cases as described in Note 6.1 below and referred to in the statement on internal financial control.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 23 Property Registration Authority is classified as administration expenditure applied towards a single programme: manage the Land Registry and the Register of Deeds.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	26,977	26,747	26,692
ii	Travel and subsistence	110	6	22
iii	Training and development and incidental expenses	1,570	1,227	1,082
iv	Postal and telecommunications services	900	825	656
v	Office equipment and external IT services	2,867	1,956	2,315
vi	Office premises expenses	612	339	324
vii	Consultancy services and value for money and policy reviews	25	8	9
		33,061	**31,108**	**31,100**

Significant variations

The following note presents an analysis of the expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000)

ii Travel and subsistence

Estimate provision €110,000; outturn €6,000

There was a reduction on Travel and Subsistence due to the holding of meetings remotely throughout 2021.

iii Training and development and incidental expenses

Estimate provision €1.57 million; outturn €1.227 million

The under-spend relates to the small number of Section 120 compensation claims paid in 2021. The timing and outcome of the payment of such claims are difficult to predict.

v Office equipment and external IT services

Estimate provision €2.867 million; outturn €1.956 million

There was an under-spend on ICT capital expenditure due to a restructuring in the manner in which software licences were procured. The movement to a subscription-based arrangement has facilitated a reduction in capital spend.

vi Office premises expenses

Estimate provision €612,000; outturn €339,000

There were no significant office maintenance projects undertaken in 2021 leading to a reduced office premises spend.

Note 4 Receipts

4.1 Appropriations-in-aid

	2021		2020
	Estimated	Realised	Realised
	€000	€000	€000
Receipts from additional superannuation contributions on public service remuneration	580	660	607
Total	**580**	**660**	**607**

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Opening balance at 1 January	1,037	1,799
Land Registry fees	69,811	58,624
Registry of Deed fees	1,123	1,017
Ground rent fees received	53	57
Paid over to Exchequer	(71,387)	(60,460)
Closing balance at 31 December	**637**	**1,037**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**492**	**529**

5.2 Pay

	2021	2020
	€000	€000
Pay	24,628	24,656
Higher, special or additional duties allowances	13	23
Other allowances	69	62
Overtime	125	56
Employer's PRSI	1,912	1,895
Total pay	**26,747**	**26,692**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	6	—	8,302	8,058
Other allowances	22	—	5,047	4,752
Overtime	77	1	12,062	8,283
Extra remuneration in more than one category	10	2	14,651	11,707

5.4 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Assistant Secretary, with an annual gross salary of €157,886 (as at 31 December 2020, €154,775).

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	53	166,193	172,997
Recovery plans in place	38	89,541	117,437

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the PRA in the year

	Claims by employees (personal injury)	Section 120 claims	Total 2021	Total 2020
Number of cases	1	4	5	6
	€000	**€000**	**€000**	**€000**
PRA's own legal costs	18	—	18	—
Payments by/on behalf of the PRA				
Compensation	97	—	97	19
Legal costs	54	14	68	17
Other costs	7	—	7	—
2021 Total	**176**	**14**	**190**	**36**
2020 Total	—	36	36	

Cumulative costs of cases completed in 2021

	Claims by employees (personal injury)	Total
Number of cases	1	**1**
	€000	**€000**
PRA's own legal costs	18	18
Payments by/on behalf of the PRA		
Compensation	97	97
Legal costs	54	54
Other costs	7	7
Total	**176**	**176**

6.2 Fraud and suspected fraud

The PRA are aware of a small number of cases of suspected fraudulent applications for registration. These cases remain under investigation. The cases may result in a payment under Section 120 of the Registration of Title Act 1964.

6.3 Merger

As part of the Public Service Reform Programme, a Government decision was made to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority.

As a result, a new organisation to be called Tailte Éireann will be created. Tailte Éireann will have responsibility for several important functions, including the State property registration system, the State mapping and surveying infrastructure, the State property valuation service and the development and maintenance of State geospatial information.

The Heads of the Bill were published and underwent pre-legislative scrutiny in September 2021. The legislation is on the priority list in the Spring 2022 legislative programme. Progress continues to be made on the draft legislation.

Appropriation Account 2021

Vote 24

Justice

Introduction

As Accounting Officer for Vote 24, 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 2021 for the salaries and expenses of the Office of the Minister for Justice, Probation Service staff and of certain other services, including payments under cash-limited schemes administered by that Office, and payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided by capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €21.773 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.

Structural changes

The number of programmes in the Justice Vote has been reduced from five to two to better reflect the revised structure of the Department arising from the ongoing transformation process: a criminal justice pillar, and a civil justice pillar.

Within the civil justice pillar programme, a new and separate subhead has been created in 2021 for the International Protection Appeals Tribunal (Subhead B.14).

The changes in the Vote structure are reflected in the comparative 2020 expenditure also.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except the following.

Group accounting for fixed assets

Notes 1 and 2 to the appropriation account include the fixed asset values and related depreciation charges for assets owned by the Department and by a number of the bodies under the aegis of the Department whose accounting records are maintained through the Department's financial shared services centre.

Group accounting for bank and cash

Notes 1 and 2 to the appropriation account include bank and cash values held by a number of bodies under the aegis of the Department who also prepare separate financial statements.

Valuation of capital assets

A threshold of €10,000 for the capitalisation of capital assets for asset additions from 1 January 2021 has been applied.

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset is placed in service. Buildings are depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life. Vehicles and equipment are depreciated at a rate of 20% per annum on a straight line basis over their estimated useful lives.

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

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office.

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 Department.

I have provided a letter of assurance to Accounting Officers in receipt of financial shared services from the Department's financial shared services (FSS) centre in Killarney regarding the controls in place.

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 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.

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. Its work is informed by analysis of the financial risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of 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.

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 in so far as these are within its control. It utilises a central supplier agreement database to manually cross check expenditure reports drawn from the financial management system to ensure that expenditure is on foot of appropriate procurement procedures. The vast majority of tender competitions are now being run by, or in conjunction with, the Office of Government Procurement.

The Department is compliant with the exception of eighteen contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €8,081,078 (exclusive of VAT) as set out below. These contracts are considered non-compliant as they were extended beyond the original contract date without a new competitive process or project. The current situation in respect of those contracts is as follows.

- Three contracts with a combined value of €4.2 million have been replaced by new contracts that were competitively procured.
- Competitions to replace eleven contracts with a combined value of €3 million are already in the tender process or the necessary preparations are being made to go to the market as soon as possible.
- Three contracts with a combined value of €788,000 were extended to allow for transition to new systems and one contract with a value of €64,000 was extended to facilitate a move to a new site.

The Department has provided details of 41 non-competitive contracts in their annual return in respect of circular 40/2002.

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. There is a Risk Committee in place to oversee the management of risk across the Department.

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 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 assign 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 the appropriate level of management, 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

Arising from the recommendations in recent audit reports, the Department is continually reviewing and strengthening financial and other controls in processes in areas such as ICT project management, GDPR compliance and the administration of grants.

The Department has also commissioned a review of the procurement function with a view to strengthening the structures and processes going forward. No other weaknesses in internal financial control were identified in 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The assessment of the impact of Covid-19 has been a central focus at all levels of management across the Department since the onset of the pandemic. Risk was assessed through the establishment of the Covid-19 Response Management Group and the work of the Occupational Health and Safety Unit. New risks included business continuity impact, remote working and additional biological agent controls.

There were impacts on the legislative front including in relation to measures which were led by the Department of Health. These included the legislative changes to Garda powers. The changes in relation to international travel and actions required of people arriving in the State had implications for the Border Management Unit operations in Dublin Airport. The pandemic also led to the temporary extension of immigration permissions by this Department in 2021 also.

While key payment controls were maintained throughout the pandemic, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where required. Secure remote access was provided to existing systems allowing staff working remotely to have access to their existing policies, procedures and detailed work manuals. The Finance and Procurement Unit and Internal Audit continued to monitor the effectiveness of the changes made to the processes introduced during Covid-19.

It has been necessary to maintain a staff presence in some of the Department's offices throughout the pandemic and senior management and management of the individual offices have worked very closely with the Occupational Health and Safety Unit to ensure that the appropriate measures are in place to protect the safety of staff at all times and are in accordance with public health guidelines. The limitations in the numbers of staff attending the office at any one time has inevitably given rise to delays in processing cases, particularly in high volume operational areas such as immigration service delivery. While work has continued remotely, aspects of the case work needs to be done in-office, particularly where more paper based processes apply. The processes are being kept under review and increased automation, where possible will improve matters, but it was not possible for certain areas to be able to return to pre-Covid productivity levels during 2021 given the limits on the number of staff able to attend in office.

The Department has arranged a number of surveys, seminars and guides on best practice during the pandemic. There are regular updates provided and contact is maintained with teams through zoom calls and other forms of communication.

Some of the specific measures undertaken at Departmental level include

- guidance on working from home effectively issued to all staff
- remote working guidelines for managers was developed and issued to all managers
- development of a dedicated Covid-19 resource repository on Department's portal
- HR wellbeing initiative roll-out.

Oonagh McPhillips
Accounting Officer
Department of Justice

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 24 Justice

Opinion on the appropriation account

I have audited the appropriation account for Vote 24 Justice for the year ended 31 December 2021 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 24 Justice for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Justice 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 appendix to this report.

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 2021.

Seamus McCarthy
Comptroller and Auditor General

30 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 24 Justice

Appropriation Account 2021

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Criminal justice pillar				
	Original	319,191			
	Deferred surrender	3,900			
	Supplementary	12,580			
			335,671	316,117	256,209
B	Civil justice pillar				
	Original	156,923			
	Supplementary	217			
			157,140	150,911	142,997
Gross expenditure					
	Original	476,114			
	Deferred surrender	3,900			
	Supplementary	12,797			
			492,811	**467,028**	**399,206**
	Deduct				
C	**Appropriations-in-aid**				
	Original	76,605			
	Supplementary	12,796			
			89,401	**90,513**	**72,192**
	Net expenditure				
	Original	399,509			
	Deferred surrender	3,900			
	Supplementary	1			
			403,410	**376,515**	**327,014**

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. €5,122,000 of unspent allocations in respect of the capital elements of Subhead A.21 Forensic Science Ireland was carried forward to 2022.

	2021	2020
	€	€
Surplus	26,894,827	23,979,793
Deferred surrender	(5,122,000)	(3,900,000)
Surplus to be surrendered	**21,772,827**	**20,079,793**

Oonagh McPhillips
Accounting Officer
Department of Justice

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		339,446	277,527
Pay		78,797	73,460
Non pay		48,785	48,219
Gross expenditure		**467,028**	**399,206**
Deduct			
Appropriations-in-aid		**90,513**	**72,192**
Net expenditure		**376,515**	**327,014**
Changes in capital assets			
Purchases cash	(53,168)		
Depreciation	5,022		
Disposals cash	1		
Loss on disposals	1	(48,144)	(17,574)
Changes in net current assets			
Decrease in closing accrual	(515)		
Increase in stock	(746)	(1,261)	11,848
Direct expenditure		**327,110**	**321,288**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		50,401	48,962
Notional rents		4,860	4,860
Net programme cost		**382,371**	**375,110**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 24 borne elsewhere, net of costs of shared services provided to other Votes.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	373	334
Vote 12	Superannuation and Retired Allowances	45,791	39,546
Vote 13	Office of Public Works	8,418	12,810
Vote 18	National Shared Services Office	247	248
Vote 20	Garda Síochána	160	209
Vote 43	Office of the Government Chief Information Officer	70	83
Central Fund – Ministerial pensions		205	193
Cost of shared services provided to other Votes		(4,863)	(4,461)
		50,401	**48,962**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	90,645	42,501
Current assets			
Bank and cash	2.2	19,875	17,763
Stocks	2.3	1,820	1,074
Prepayments	2.4	5,376	5,718
Accrued income		3,974	3,608
Other debit balances	2.5	4,129	3,958
Total current assets		**35,174**	**32,121**
Less current liabilities			
Accrued expenses	2.6	7,477	8,098
Deferred income		187	57
Other credit balances	2.7	18,949	15,899
Net Exchequer funding	2.8	5,055	5,822
Total current liabilities		**31,668**	**29,876**
Net current assets		3,506	2,245
Net assets		**94,151**	**44,746**
Represented by:			
State funding account	2.9	**94,151**	**44,746**

2.1 Capital assets [a]

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	6,901	2,093	108,071	2,697	22,644	142,406
Additions	—	237	2,910	37	49,984	53,168
Brought into use	—	—	4,113	—	(4,113)	—
Transfer out [b]	—	(27)	—	—	—	(27)
Disposals	—	—	(179)	—	—	(179)
Cost or valuation at 31 December 2021	6,901	2,303	114,915	2,734	68,515	195,368
Accumulated depreciation						
Opening balance at 1 January 2021	1,722	1,413	94,360	2,410	—	99,905
Depreciation for the year	138	286	4,535	63	—	5,022
Depreciations on transfer out [b]	—	(27)	—	—	—	(27)
Depreciation on disposals	—	—	(177)	—	—	(177)
Cumulative depreciation at 31 December 2021	1,860	1,672	98,718	2,473	—	104,723
Net assets at 31 December 2021	**5,041**	**631**	**16,197**	**261**	**68,515**	**90,645**
Net assets at 31 December 2020	5,179	680	13,711	287	22,644	42,501

Note [a] The statement of capital assets reflects assets for the entire Department including a number of agencies in Vote 24 who also prepare separate financial statements.

[b] Motor vehicle with original cost of €27,000 was transferred from the Department to An Garda Síochána.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	11,888	9,516
Commercial bank account balances	7,987	8,247
	19,875	**17,763**

The commercial bank account balances include bank balances with a value of €1.422 million for a number of agencies in Vote 24 who also prepare separate financial statements.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	120	132
Forensic consumables	713	486
IT consumables	57	48
Residence permits/travel documents	796	244
Miscellaneous	90	128
Equipment/clothing	44	36
	1,820	**1,074**

2.4 Prepayments

at 31 December	2021 €000	2020 €000
Administration (v). Office equipment and external IT services *(ICT system maintenance and support including licencing)*	1,766	3,262
Administration (ix). Financial shared services *(mainly ICT system maintenance and support including licencing)*	1,088	714
A.21 Forensic Science Ireland *(maintenance of scientific equipment etc.)*	997	572
B.6 Insolvency Services Ireland *(mainly ICT system maintenance and media awareness campaign*)	614	492
A.4 Garda Síochána Ombudsman Commission	458	398
A.6 Criminal Asset Bureau	207	197
B.5 Property Services Regulatory Authority *(various administrative costs including ICT systems maintenance and support including licencing)*	124	19
A.19 Private Security Authority *(various administrative costs including targeted media campaigns)*	98	9
Other subheads *(various costs including ICT support and maintenance)*	24	55
	5,376	**5,718**

2.5 Other debit balances

at 31 December	2021 €000	2020 €000
Advances to the Office of Public Works	3,414	2,342
Imprests	52	55
Recoupable travel pass scheme expenditure	233	250
Criminal Assets Bureau receivership	105	20
Payroll suspense account (Paypath)	200	970
Other debit suspense items	125	321
	4,129	**3,958**

2.6 Accrued expenses

at 31 December	2021 €000	2020 €000
A.15 and A.16 Criminal Legal Aid Schemes	5,102	5,073
B.10 Coroners Service *(various expenses including legal costs)*	592	66
Administration (iii). Training and development and incidental expenses *(various expenses including legal costs)*	470	765
Administration (v). Office equipment and external IT services	274	548
Administration (iv). Postal and telecommunications services	198	170
A.21 Forensic Science Ireland *(various expenses including consumables, chemicals and equipment)*	154	131
A.8 Probation Services – operating expenses	134	117
A.23 Commissions and special inquiries	98	232
A.14 Compensation for personal injuries criminally Inflicted	51	469
Other subheads (*various administration and operating costs across 22 other subheads)*	404	527
	7,477	**8,098**

2.7 Other credit balances

at 31 December	2021 €000	2020 €000
Amounts due to the State		
Income tax	2,224	2,088
Pay related social insurance	1,280	1,237
Professional services withholding tax	2,308	1,712
Value added tax	330	497
Balances in departmental accounts	7,987	8,247
	14,129	13,781
Payroll deductions held in suspense	686	687
ESF advance of social inclusion project funding 2014–2020	1,374	1,374
Asylum, Migration and Integration Fund 2014–2020 advance payments	2,700	—
Extra receipts payable to the Exchequer	37	26
Other credit suspense items	23	31
	18,949	**15,899**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	21,773	20,080
Deferred surrender	5,122	3,900
Exchequer grant undrawn	(21,840)	(18,158)
Net Exchequer funding	**5,055**	**5,822**
Represented by:		
Debtors		
Bank and cash	19,875	17,763
Debit balances: suspense	4,129	3,958
	24,004	21,721
Creditors		
Due to the State	(14,129)	(13,781)
Credit balances: suspense	(4,820)	(2,118)
	18,949	(15,899)
	5,055	**5,822**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			44,746	39,723
Disbursements from the Vote				
Estimate provision	Account	403,410		
Deferred surrender	Account	(5,122)		
Surplus to surrender	Account	(21,773)		
Net vote			376,515	327,014
Expenditure (cash) borne elsewhere	1.1		50,401	48,962
Non cash expenditure – notional rent	1		4,860	4,860
Net programme cost	1		(382,371)	(375,110)
Capital asset transfer	2.1		—	(703)
Balance at 31 December			**94,151**	**44,746**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	11,356	13,779
Capital projects	31,687	81,772
Total of legally enforceable commitments	**43,043**	**95,551**

b) Major capital projects

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Forensic Science Ireland	**19,141**	**49,373**	**31,004**	**99,518**	**99,518**

2.11 Matured liabilities

There were no matured liabilities un-discharged at year end 2021 or in the previous year.

2.12 Contingent liabilities

Please refer to Note 6.1 in relation to committees, commissions and special inquiries.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021			2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	67,078			
	Supplementary	7,340			
			74,418	74,356	69,221
ii	Travel and subsistence				
	Original	985			
	Supplementary	(299)			
			686	513	535
iii	Training and development and incidental expenses				
	Original	9,154			
	Supplementary	9,599			
			18,753	17,572	18,699
iv	Postal and telecommunications services		2,096	2,615	2,734
v	Office equipment and external IT services		17,766	16,132	13,948
vi	Office premises expenses		3,055	4,501	4,050
vii	Consultancy services and value for money and policy reviews		68	336	89
viii	Research		1,286	637	741
ix	Financial shared services [a]		6,757	6,693	6,135
x	Justice and policing transformation programme				
	Original	10,000			
	Supplementary	(4,600)			
			5,400	4,227	5,527
			130,285	**127,582**	**121,679**

Note [a] Financial shared services centre pay costs of €4,440,667 (2020: €4,239,131) are included in the costs of financial shared services. This cost is charged to Programme A – Criminal Justice Pillar, sub-head A.1 Administration – pay.

Significant variations

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

ii Travel and subsistence

Estimate provision €985,000; outturn €513,000

The underspend of €472,000 mainly arose from the curtailment of Departmental travel due to the impact of the Covid-19 restrictions.

iii Training and development and incidental expenses

Estimate provision €9.154 million; outturn €17.572 million

The excess of €8.418 million compared with the allocation of €9.154 million was mainly comprised of legal costs and settlements (€4.9 million) and other administrative costs and fees (€3.9 million) including contracted services offset by an underspend in other areas within the subhead such as staff training and development (€400,000).

iv Postal and telecommunications services

Estimate provision €2.096 million; outturn €2.615 million

The excess expenditure of €519,000 was mainly due to the higher than anticipated postal costs related to the issue of resident permit cards as part of the immigration registration process.

vi Office premises expenses

Estimate provision €3.055 million; outturn €4.501 million

The excess of €1.45 million primarily related to higher than expected costs of rental/lease of accommodation and increased office cleaning requirements arising from Covid-19.

vii Consultancy services and value for money and policy reviews

Estimate provision €68,000; outturn €336,000

The excess of expenditure of €268,000 was primarily related to more specialist external consultancy advice required than expected in a number of areas in the Department including Internal Audit and Criminal Justice Policy.

viii Research

Estimate provision €1.286 million; outturn €637,000

The saving of €649,000 was primarily due to research projects which were delayed due to the impact of Covid-19 particularly where face to face fieldwork was planned. The time taken during the planning and procurement process for other projects resulted in these projects not commencing until the latter half of 2021 and hence payment will not fall due until 2022.

x Justice and policing transformation programme

Estimate provision €10 million; outturn €4.227 million

The saving of €5.773 million compared with the original allocation was mainly due to less expenditure than expected in relation to the Justice aspect of the programme. This includes projects such as the Immigration Service Delivery modernisation programme which incurred less expenditure pending more detailed planning and completion of procurement. There were also supply chain delays in the procurement and delivery of certain technical equipment to support remote working.

Programme A Criminal Justice Pillar

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	26,789			
	Supplementary	2,422			
			29,211	28,978	27,083
A.2	Administration − non pay				
	Original	16,759			
	Supplementary	1,551			
			18,310	17,608	17,182
A.3	Office of the Inspector of Prisons		1,954	1,349	638
A.4	Garda Síochána Ombudsman Commission		11,273	11,583	11,124
A.5	Garda Síochána Inspectorate		1,315	1,010	1,079
A.6	Criminal Asset Bureau		9,961	10,111	10,401
A.7	Probation Services – salaries, wages and allowances				
	Original	24,499			
	Supplementary	(800)			
			23,699	23,308	21,949
A.8	Probation Services – operating expenses		4,885	4,141	4,002
A.9	Probation Services – services to offenders		17,532	17,529	16,866
A.10	Community Service Order Scheme		3,075	2,527	1,984
A.11	Youth Justice Interventions		14,514	15,110	13,919
A.12	Victims of crime including sexual crimes and domestic abuse		4,104	3,744	2,001
A.13	Mental Health (Criminal Law) Review Board		439	289	302
A.14	Compensation for personal injuries criminally inflicted				
	Original	11,016			
	Supplementary	(4,000)			
			7,016	2,301	6,815

A.15	Legal Aid – criminal				
	Original	69,000			
	Supplementary	8,000			
			77,000	73,466	62,224
A.16	Legal Aid – custody issues				
	Original	3,000			
	Supplementary	3,500			
			6,500	6,031	4,257
A.17	Parole Board		1,331	589	133
A.18	Crime prevention measures		1,197	1,049	489
A.19	Private Security Authority		3,835	3,744	3,285
A.20	Domestic, sexual and gender based violence - awareness raising and training		2,997	2,700	2,464
A.21	Forensic Science Ireland				
	Original	72,730			
	Supplementary	3,900			
			76,630	72,384	33,779
A.22	Office of the State Pathologist		988	1,119	1,088
A.23	Commissions and special inquiries				
	Original	6,324			
	Supplementary	1,907			
			8,231	6,658	6,406
A.24	Social disadvantage measure (dormant accounts funded)		9,674	8,789	6,739
			335,671	**316,117**	**256,209**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €6.97 million lower than originally provided (including the deferred capital provision), notwithstanding an overspend of €3.038 million in relation to administrative expenditure. This has been offset by savings in programme subheads and the variation in expenditure is mainly due to the following.

A.3 Office of the Inspector of Prisons

Estimate provision €1.954 million; outturn €1.349 million

The saving of €605,000 was primarily due to delays in the recruitment of additional staff. The Office had projected that these posts could be filled earlier in the year, but due to competing demands in the public appointments process, the posts were filled later than anticipated with some posts still vacant at year end. Support costs projected for new staff including new ICT equipment, training, travel and subsistence were also directly impacted by the delay in recruitment. Also, a proportion of the saving is due to the establishment and running of an Expert Panel which was expected in 2021 but will now be in place in 2022.

A.5 Garda Síochána Inspectorate

Estimate provision €1.315 million; outturn €1.01million

The saving of €305,000 was mainly attributable to a reduced requirement for expenditure on office maintenance, caused by a deferral of maintenance works, non-replacement of equipment, a reduction in office running costs and general administrative costs due to a move to remote working to comply with the public health requirements for most of 2021 (€232,000). In addition, the time taken to fill a vacancy at Deputy Chief Inspector through the Public Appointments Service, resulted in a saving in the pay budget (€73,000).

A.7 Probation Services – salaries, wages and allowances

Estimate provision €24.499 million; outturn €23.308 million

The savings of €1.191 million compared with the original estimate provision arose due to a number of vacancies and delays in filling posts. The necessary recruitment processes are in place and progress is being made on filling the vacancies.

A.8 Probation Services – operating expenses

Estimate provision €4.885 million; outturn €4.141 million

The savings of €744,000 arose as a result of planned expenditure associated with the office fit out of the new Limerick Probation Service building being less than anticipated and reduced travel and subsistence expenditure due to Covid-19 restrictions in 2021.

A.10 Community Service Order Scheme

Estimate provision €3.075 million; outturn €2.527 million

The saving of €548,000 arose due to a number of vacancies and the subsequent delays in filling posts.

A.12 Victims of crime including sexual crimes and domestic abuse

Estimate provision €4.104 million; outturn €3.744 million

The saving of €360,000 arose due to a number of entities not spending their allocated funding due to the Covid-19 pandemic.

A.13 Mental Health (Criminal Law) Review Board

Estimate provision €439,000; outturn €289,000

The saving of €150,000 was due to an anticipated increase in workload not materialising in 2021 due to a delay in the transition of the Central Mental Hospital to its new location at the National Forensic Mental Health Service campus in Portrane, Co Dublin. This is now expected to occur during 2022 and will lead to an increase in the bed capacity for patients detained under the Criminal Law (Insanity) Act 2006, whose detention the Board reviews.

A.14 Compensation for personal injuries criminally inflicted

Estimate provision €11.016 million; outturn €2.301 million

The saving of €8.715 million compared with original estimate was mainly due to three large awards which were made by the Criminal Injuries Compensation Tribunal and not accepted by the applicants by year end. Therefore, payment could not be made. In addition, a number of scheduled appeal hearings that were commenced in 2021 were adjourned by the Tribunal to provide the applicants with an opportunity to submit additional documentation, with decisions on those cases consequently not being made during 2021.

A.15 Legal Aid – criminal

Estimate provision €69 million; outturn €73.466 million

The excess in expenditure of €4.466 million compared with the original allocation of €69 million is largely due to the increased volume of payments in 2021. A proportion of this increase is related to timing issues in that there was a particularly large volume of payments in the first quarter of 2021 which related to 2020 due to Covid-19 related processing delays in Court Offices. However, it is a demand led scheme and there is an increase in the volume of District, Circuit and Higher Courts claims for payment.

A.16 Legal Aid – custody issues

Estimate provision €3 million; outturn €6.031 million

The excess in expenditure of €3.031 million compared with the original allocation of €3 million is partly due to the increase in the number and cost of claims under extradition and European arrest warrant cases. In addition, the 2021 costs includes arrears of solicitor costs which were paid in relation to certain applications for bail which are also provided for under this scheme.

A.17 Parole Board

Estimate provision €1.331 million; outturn €589,000

The saving of €742,000 is due to a number of factors including the timing of the establishment of the Parole Board on a statutory basis (not until end July 2021), which resulted in payroll and non-pay savings. The Parole Board also saved on accommodation costs and on travel and subsistence payments due to the impact of operational restrictions based on public health measures regarding Covid-19.

A.18 Crime prevention measures

Estimate provision €1.197 million; outturn €1.049 million

A saving of €148,000 arose due to a number of crime prevention initiatives not proceeding as anticipated during 2021.

A.20 Domestic, sexual and gender based violence - awareness raising and training

Estimate provision €2.997 million; outturn €2.7 million

A saving of €297,000 arose from a number of entities not spending their allocated funding due to the impact of Covid-19 pandemic, and new projects taking longer than expected to get up-and-running.

A.22 Office of the State Pathologist

Estimate provision €988,000; outturn €1.119 million

The excess expenditure of €131,000 allocation mainly arose due to the requirement to engage additional locum pathologists in support of the State Pathologist service during 2021.

A.23 Commissions and special inquiries

Estimate provision €6.324 million; outturn €6.658 million

The excess expenditure of €334,000 compared with the original allocation of €6.324 million is mainly due to third party legal costs, the timing and quantum of which can be difficult to predict with accuracy.

A.24 Social disadvantage measure (dormant accounts funded)

Estimate provision €9.674 million; outturn €8.789 million

The saving of €885,000 mainly arose in relation to the Social Enterprise Funding Kickstart project. The scheme was only launched in November 2021 and hence the funding allocated was not fully utilised.

Programme B Civil Justice Pillar

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
B.1	Administration – pay				
	Original	44,942			
	Supplementary	4,918			
			49,860	49,819	46,377
B.2	Administration − non pay				
	Original	29,755			
	Supplementary	3,149			
			32,904	31,177	31,037
B.3	Central Authority		135	40	62
B.4	Legal Services Regulatory Authority		1,001	1,000	1,000
B.5	Property Services Regulatory Authority		2,999	2,994	2,438
B.6	Insolvency Services Ireland		7,569	7,340	6,730
B.7	Gambling Regulatory Authority		200	—	—
B.8	Judicial Appointments Commission		254	—	—
B.9	Judicial Council		1,754	379	365
B.10	Coroner Service				
	Original	13,055			
	Supplementary	(5,000)			
			8,055	6,904	4,500
B.11	Legal Aid Board		44,575	44,575	42,207
B.12	Free Legal Advice Centres		294	294	98
B.13	Immigration and international protection programmes				
	Original	4,933			
	Supplementary	(1,796)			
			3,137	2,524	4,373
B.14	International Protection Appeals Tribunal				
	Original	4,750			
	Supplementary	(1,054)			
			3,696	3,369	3,305
B.15	Irish Film Classification Office		707	496	505
			157,140	**150,911**	**142,997**

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 €6.01 million lower than originally provided, notwithstanding an overspend of €6.299 million in relation to administrative expenditure. This has been offset by savings in programme subheads and the variation in expenditure is mainly due to the following.

B.7 Gambling Regulatory Authority

Estimate provision €200,000; outturn €nil

There was no expenditure in 2021. While the formal programme to establish a Gambling Regulatory Authority began in October 2020, with some delay due to Covid-19, it is currently still in early stages. It is envisaged that expenditure will be incurred in 2022 with the appointment of a CEO designate, for which the competition is underway in Quarter 1 2022.

B.8 Judicial Appointments Commission

Estimate provision €254,000; outturn €nil

The saving arose as legislation proposing the establishment of the Judicial Appointments Commission has yet to be enacted.

B.9 Judicial Council

Estimate provision €1.754 million; outturn €379,000

The saving of €1.375 million arose due to delays in recruiting staff and a consequential delay in putting other logistical supports in place during 2021. It is expected that additional staff and other structures will be put in place in 2022, thus increasing expenditure in this subhead.

B.10 Coroner Service

Estimate provision €13.055 million; outturn €6.904 million

The saving of €6.151 million compared with the original allocation of €13.055 million was mainly due to the public facing elements of the Stardust Inquest not commencing in 2021, as planned. While the scheduling of the inquests is entirely a matter for the Senior Dublin Coroner, it is expected that the public facing elements of the inquests are expected to commence as soon as possible in 2022 once the necessary preliminary hearings which have been ongoing throughout 2021 conclude.

B.13 Immigration and international protection programmes

Estimate provision €4.933 million; outturn €2.524 million

A saving of €2.41 million arose compared with the original estimate provision of €4.933 million. The restrictions in place due to Covid-19 resulted in lower than anticipated costs for panel members in the International Protection Office as hearings and interviews had to be postponed and rescheduled in line with Government guidelines. Savings were also realised as travel restrictions and other factors resulted in lower than anticipated numbers for repatriations and deportations.

B.14 International Protection Appeals Tribunal

Estimate provision €4.750 million; outturn €3.369 million

The saving of €1.381 million compared with the original allocation of €4.750 million was mainly due to reduced Tribunal members' fees in 2021. This arose due to a reduction of the number of cases processed due to Covid-19 control measures. Other non-payroll expenses were also less than anticipated such as postal and interpretation costs due to the lower levels of appeals processed in the context of Covid-19 restrictions.

B.15 Irish Film Classification Office

Estimate provision €707,000; outturn €496,000

The saving of €211,000 is directly related to lower volumes of business mainly in relation to the submission of DVDs for classification and the cinema closure for the first half of the year, due to the impact of the Covid-19 pandemic. Staff numbers also reduced in 2021 resulting in savings.

Note 4 Receipts

4.1 Appropriations-in-aid

				2021	2020
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Film censorship fees				
	Original	600			
	Supplementary	150			
			750	822	810
2	Data Protection Fees		—	—	—
3	EU receipts				
	Original	13,000			
	Supplementary	8,000			
			21,000	21,000	9,691
4	Miscellaneous receipts		573	628	2,229
5	Immigration registration fees				
	Original	28,000			
	Supplementary	7,000			
			35,000	35,547	31,445
6	Visa fees				
	Original	3,000			
	Supplementary	(300)			
			2,700	3,019	3,082
7	Dormant accounts receipts				
	Original	9,674			
	Supplementary	(1,400)			
			8,274	8,734	6,598
8	Private Security Authority fees		2,564	2,565	2,643
9	Nationality and citizenship certificates fees				
	Original	12,000			
	Supplementary	(1,600)			
			10,400	9,983	8,852
10	Legal Services Regulatory Authority levy on professional bodies				
	Original	1,300			
	Supplementary	(250)			
			1,050	1,050	—
11	Property Services Regulatory Authority fees				
	Original	2,000			
	Supplementary	250			
			2,250	2,250	2,210

12	Insolvency Service of Ireland fees		680	499	767
13	Receipts from additional superannuation contributions on public service remuneration				
	Original	3,214			
	Supplementary	946			
			4,160	4,416	3,865
			89,401	**90,513**	**72,192**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/-5% and €100,000). Overall, appropriations-in-aid were €13.9 million higher than (originally) provided. This is reflected in the increased allocation of €12.796 million in the technical supplementary estimate. The surplus in receipts is mainly due to the net effect of the following variances.

1 Film censorship fees

Estimate €600,000; realised €822,000

The surplus in receipts was mainly related to an increase in cinema submissions for classification in the latter half of the year directly related to the reopening of cinemas.

3 EU receipts

Estimate €13 million; realised €21 million

The additional EU receipts of €8 million were mainly due to additional European Social Fund receipts being made available through the Managing Authority, which is the Department of Further and Higher Education, Research, Innovation and Science. This was largely as a result of an increase in the co-financing rate agreed with the EU due to the pandemic for claims submitted in the period 1 July 2020 to 30 June 2021.

5 Immigration registration fees

Estimate €28 million; realised €35.547 million

A surplus in receipts of €7.547 million arose compared with the original estimate provision of €28 million. Receipts under this category can be unpredictable, notwithstanding the impact of Covid-19, as it can be influenced by a number of variables including the economic environment. The closure of the Registration Office in Dublin for part of 2021 had a negative impact on registration fees. However, the continued success of the Online Registration Renewal System for Dublin based applications and the reopening of the Registration Office in May 2021, earlier than initially forecasted, were the main contributing factors to the surplus in receipts. The volumes were greater than estimated across both first time applicants and renewals. Registration and renewals outside of Dublin, which are administered by the Garda National Immigration Bureau (GNIB), continued throughout the pandemic as Garda stations remained open.

7 Dormant accounts receipts

Estimate €9.674 million; realised €8.734 million

The shortfall in receipts of €940,000 mainly arose as funding for the Social Enterprise Funding Kickstart project was not fully drawn down. The scheme was launched later in the year than originally expected.

9 Nationality and citizenship certificates fees

Estimate €12 million; realised €9.983 million

A shortfall in receipts of €2.017 million arises compared with the original estimate provision of €12 million. It was not possible to host in-person ceremonies in 2021 due to Covid-19 restrictions, hence a new process whereby applicants signed an affidavit declaring loyalty to the State was in effect for the year. This process allowed in excess of 11,500 decisions to issue, with over 9,000 applicants granted Naturalisation Certificates. However, a lower adoption rate for pre-approved applicants under the affidavit process compared to the in-person ceremonies mainly contributed to the short-fall in income.

10 Legal Services Regulatory Authority levy on professional bodies

Estimate €1.3 million; realised €1.05 million

The shortfall in funding of €250,000 compared with the original allocation reflects the amount of the recoupment that the Authority was in a position to make in 2021. The total receipts related to an advance of funding of €1 million provided in respect of 2021 and €50,000 in respect of previous funding advances. The Authority is primarily funded by way of a levy of the legal profession (solicitors and barristers) set out in Part 7 of the Legal Services Regulation Act 2015 (the 2015 Act).

11 Property Services Regulatory Authority fees

Estimate €2 million; realised €2.25 million

The additional income of €250,000 compared with the original estimate is mainly related to the fact that an anticipated reduction in licence applications due to a downturn in the sector because of the pandemic did not actually materialise. Hence, the licence income held up better than expected in 2021.

12 Insolvency Service of Ireland fees

Estimate €680,000; realised €499,000

The shortfall of €181,000 is mainly due to bankruptcy fees of €167,000 which were not approved until late 2021 and brought to account as an appropriations–in–aid in early 2022.

13 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.214 million; realised €4.416 million

The surplus receipts of €1.202 million are directly related to payroll costs and were greater than expected.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	26	25
Collected	37	26
Transferred to the Exchequer	(26)	(25)
Balance at 31 December	**37**	**26**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Department	1,578	1,386
Agencies	1,472	1,406
Total	**3,050**	**2,792**

5.2 Pay

Remuneration of Department staff

	2021 €000	2020 €000
Pay	70,935	66,404
Higher, special or additional duties allowances	182	202
Other allowances	2,433	2,099
Overtime and extra attendances	568	773
Employer's PRSI	6,199	5,573
Total pay [a]	**80,317**	**75,051**

Note [a] The total pay figure is distributed across subheads A.1, A.23 and B1.

Remuneration of Agency staff

	2021 €000	2020 €000
Pay	83,911	76,275
Higher, special or additional duties allowances	111	104
Other allowances	2,993	3,027
Overtime and extra attendance	1,644	1,563
Employer's PRSI	5,689	5,188
Total pay [a]	**94,348**	**86,157**

Note [a] The total pay figure is distributed across subheads A.3, A.4, A.5, A.6, A.7, A.10, A.17, A.19, A.21, A.22, B.4, B.5, B.6, B.9, B.10, B.11, B.13, B.14 and B.15.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Department staff				
Higher, special or additional duties allowances	28	6	39,739	28,528
Overtime and extra attendance	220	16	23,379	40,990
Shift and roster allowances	206	17	13,440	13,011
Miscellaneous	239	11	23,657	20,614
Extra remuneration in more than one category	223	125	30,512	27,514
Agency staff				
Higher, special or additional duties allowances	16	5	24,291	23,239
Overtime and extra attendance	54	7	19,273	19,384
Shift and roster allowances	—	—	—	—
Miscellaneous	249	39	23,845	18,846
Extra remuneration in more than one category	24	12	33,430	35,201

5.4 Other remuneration arrangements

Payments totalling €94,354 was paid to 16 retired civil servants who were in receipt of civil service pensions in 2021. In addition, an amount of €111,384 was paid to 14 former public servants who were engaged in various roles in 2021. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and other provisions) Act 2012.

A total of €2,137,420 was paid through payroll to 177 individuals in respect of duties performed in relation to various boards, committees and commissions, etc.

The account includes expenditure of approximately €291,600 in respect of four officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department.

The account does not include expenditure in respect of the salaries of 13 officers who were serving outside the Department for all or part of 2021 in other Government departments/offices.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments [a]	127	554,435	677,900
Recovery plans in place	67	347,703	331,812

Eleven overpayment recovery plans in respect of nine individuals to the value of €10,025 were transferred to seven government departments/offices in 2021

Note [a] This figure excludes overpayment amounts for 15 employees (2020: 19 employees) where the amount due is pending calculation.

5.6 Severance/redundancy

There were no severance /redundancy payments to staff during 2021.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officers current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2021	2021 €000	2020 €000
Permanent commissions				
Criminal Injuries Compensation Tribunal [a]	1974		298	154
Fixed purpose commissions				
Morris Tribunal [b]	2002	68,784	4	5
Location of Victims Remains [c]	2007	8,149	79	218
Independent Review Mechanism and five inquiries established during 2017 under Section 42 of the Garda Síochána Act 2005 [d]	2014	2,039	319	335
Disclosures Tribunal [e]	2017	14,552	4,926	4,331
Independent Reporting Commission [f]	2017	131	24	27
White Commission of Investigation [g]	2018	1,742	660	908
Study on Familicide and Domestic Homicide Reviews [h]	2019	504	194	159
Scoping review of circumstances leading to death of Shane O' Farrell [i]	2019	423	154	269
		96,324	**6,658**	**6,406**

Note [a] The costs in relation to the Criminal Injuries Compensation Tribunal will continue as the work of the Tribunal is ongoing, with a significant number of applications under the scheme to be considered.

[b] The Morris Tribunal was established in 2002 and it published its final report in 2008. The cost of the Tribunal to date is almost €68.8 million with expenditure in 2021 amounting to circa €4,000 with regards to minor administrative costs.

[c] The work of the Independent Commission for the Location of Victims Remains is ongoing, with three victims' remains still to be recovered. The main costs arise with regard to excavations for remains where sites can be identified. The Commission's activity and associated costs are largely dependent on the information made available to it with regard to the victims whose remains it is seeking to locate. Expenditure in 2021 of approximately €79,000 was incurred. Over half was discharged for ongoing administrative expenses (which includes payments to the investigators), with the remainder associated with searches and reconstitution work. This brings the total spend to date to just under €8.15 million and further payments are anticipated.

[d] Following the work of the Independent Review Mechanism, the Minister for Justice set up five inquiries under section 42 of the Garda Síochána Act 2005 in 2017 to inquire into five separate Garda investigations. Since their inception, the five inquiries have shared accommodation and administrative support. Two of these inquiries were concluded in April 2018, one concluded in October 2020, a further one concluded in October 2021 and the remaining inquiry is ongoing. Expenditure of circa €319,000 was incurred in 2021.

[e] The Disclosures Tribunal was established in February 2017 with Mr Justice Peter Charleton, a judge of the Supreme Court, as the sole member. The Tribunal was established following a review by Mr Justice Iarfhliath O'Neill of two protected disclosures made to the then Tánaiste alleging a campaign at the highest level in the Garda Síochána to discredit the whistleblower, Sgt Maurice McCabe, who made allegations of wrongdoing in the Gardaí. Mr Justice Charleton laid his third interim report before the Dáil in October 2018.

Expenditure of €2.753 million was incurred in relation to this module in 2021. It is not possible to accurately estimate the final cost of the first module of the Tribunal as it will depend on a number of factors including the quantum of remaining third party legal costs which are expected to be discharged in 2022.

Mr Justice Seán Ryan took up his appointment in December 2018 to conduct the inquiry into the remaining term of reference as provided for in the instrument establishing the Tribunal. Justice Ryan finalised the fourth interim report regarding Garda Nicholas Keogh in July 2021. It is anticipated the Tribunal will conclude hearings as regards two other members of An Garda Síochána in the first half of 2022 and it is expected that the Tribunal will submit its fifth interim report on these cases in late 2022.

Justice Ryan made orders for costs regarding Module 2 in July 2021 but these are as yet to be billed to the Department.

Expenditure of €2.173 million was incurred in relation to this module in 2021.

[f] The Independent Reporting Commission (IRC) was established in 2017 with the intention to run for a period of five years to 2021. It is a four-member cross border body established under the 2015 Fresh Start Agreement engaging in wide ranging consultations in order to report annually on the progress in Northern Ireland on implementing the agreed initiatives to counter all forms of paramilitarism. The third report from the IRC was presented to the Irish and UK Governments in November 2020.

[g] A Commission of Investigation was established in November 2018 in response to complaints or allegations of child sexual abuse made against Bill Kenneally and related matters. This Commission was to establish what, if any, level of knowledge of the offences committed by Bill Kenneally was held by a number of organisations including An Garda Síochána, the Roman Catholic Diocese of Waterford, the South Eastern Health Board, Basketball Ireland and certain political figures in the relevant time period. While it was initially expected that the Commission would run for one year with an approximate cost of €1.3 million, initial preparatory work was more significant than expected. Hearings commenced in 2019 but were suspended pending consultations with parties. Mr Justice Barry Hickson, stepped down from his role in the Commission with effect from 30 June 2021 and has been replaced by Mr Justice Michael White.

[h] The then Minister for Justice established a group to carry out a Study on Familicide and Domestic Homicide Reviews in May 2019. It has conducted research and held consultations with a wide range of stakeholders including State agencies, family members of victims and non-governmental organisations (NGOs). The final report of the group is expected to be submitted to the Minister for Justice shortly.

[i] In January 2019, the then Minister for Justice appointed retired District Court Judge Gerard Haughton to carry out a scoping exercise into a number of matters surrounding the circumstances leading to the death of Shane O'Farrell. Judge Haughton's work on the scoping exercise is ongoing with finalisation of the report expected this year.

6.2 Ex-gratia payments

Ex-gratia payments amounting to €407,245 (2020: €69,372) were made in respect of the non-statutory Legal Aid Scheme for Criminal Assets Bureau type actions. This scheme is applicable to persons who are respondents and/or defendants in any court proceedings brought by, or in the name of, the Criminal Assets Bureau, including court proceedings under the Proceeds of Crime Act 1996, the Revenue Acts and the Social Welfare Acts and applications made by the Director of Public Prosecutions under Section 39 of the Criminal Justice Act 1994.

Ex-gratia payments amounting to €1,924,800 (2020: €1,980,621) were made in respect of the non-statutory Garda Station Legal Aid Advice Scheme. This scheme provides that where a person is detained in a Garda station for the purpose of the investigation of an offence and s/he has a legal entitlement to consult with a solicitor and the person's means are insufficient to enable him/her to pay for such consultation, that consultations with solicitors will be paid for by the State.

Ex-gratia payments amounting to €489,426 (2020: €158,560) were made in respect of 11 other cases related to other legal proceedings.

An ex-gratia payment amounting to €1,358 (2020: €20,308) was made by the Coroners' service in relation to the cost of legal representation at an inquest into the death of a person in State custody.

6.3 Drugs Initiative Fund

An amount of €350,183 (2020: €365,425) was received from the Drugs Initiative Fund and is accounted for through a suspense account. The funding is provided under the National Drugs Strategy 2009 – 2016 and relates to a number of Local Drug Task Force owned projects which are Probation Service supported initiatives.

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	5	550	555	395
	€000	€000	€000	€000
Department's own legal costs	2	309	311	307
Payments by/on behalf of Department				
Compensation	82	409	491	1,311
Legal costs	19	11,658	11,677	10,363
Other costs	5	39	44	—
2021 Total	**108**	**12,415**	**12,523** [a]	**11,981**
2020 Total	73	11,908	11,981	

Notes

[a] Of the total of €12.523 million, €9.89 million (79%) relates to the immigration areas of the Department. The remaining legal costs were incurred across a number of areas including the Department's criminal legislation function, the Garda Síochána Ombudsman Commission, International Protection Appeals Tribunal, Property Services Regulatory Authority and the Probation Service.

[b] At 31 December 2021, it is estimated that there were 629 cases outstanding. The comparative figure for 2020 is not readily available.

[c] Costs are reimbursed to the State Claims Agency on receipt of periodic invoices and any costs for cases settled near the end of the prior year are reimbursed on receipt of invoices in the new financial year. Details of any outstanding costs at year end are not readily available.

Cumulative costs of cases completed in 2021

	Claims by		
	employees	members of the public	Total
Number of cases	5	522	527
	€000	€000	€000
Department's own legal costs	2	86	88
Payments by/on behalf of Department			
Compensation	82	409	491
Legal costs	19	11,654	11,673
Other costs	5	14	19
Total	**108**	**12,163**	**12,271**

Note

[a] Generally the total cost impacts at the time and year of settlement. This is particularly the position in relation to immigration cases which account for the majority of expenditure in this area.

6.5 EU funding [a]

The outturns shown in Subheads A.9, A.11 and B.13 include payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns were as follows.

	2021		2020
	Estimate	Outturn	Outturn
Subhead description:	€000	€000	€000
ESF - Programme for Employability, Inclusion and Learning (PEIL) 2014 – 2020 (ESF)	21,000 [b]	21,000	8,022
Asylum, Migration and Integration Fund (AMIF) 2014 – 2020 [c]	—	2,700 [d]	1,577
Other EU receipts	—	—	92
	21,000	**23,700**	**9,691**

Notes

[a] The Department also received advance funding from the EU in 2021 which is administered through suspense accounts.

[b] The original estimate was €13 million but was increased to €21 million through the technical supplementary estimate process (Section 4.3 subhead 3 refers).

[c] An amount of €8.763 million was received in EU funding under the SOLID Funds EU Programme 2007-2013. Of this amount €1.003 million of expenditure incurred has been deemed ineligible by EU auditors. There were three specific funding streams involved – European Integration Fund, European Refugee Fund and European Return Fund. The main reason for the ineligible expenditure related to inadequate back-up documentation available for certain transactions from funded bodies, including in relation to three projects that dissolved during or shortly after the end of the programme period in 2013. Hence, the difficulty in obtaining additional documentation during the course of the audit. As this programme was a precursor to the current Asylum, Migration and Integration fund (AMIF), it is likely that a reduction of €1,002,546 will be made to future funding under this programme. This matter will be finalised during 2022 in conjunction with the Department of Children, Equality, Disability, Integration and Youth who now administer this fund. It is not expected that a similar situation will arise again due to the processes and controls now in place and administered by the EU Funds Unit established in the Department in 2016.

[d] Responsibility for the Asylum, Migration & Integration Fund (AMIF) transferred to the Department of Children, Equality, Disability, Integration and Youth during 2020. However, a receipt under this fund was lodged to the Justice bank account in December 2021, held in a suspense account and remitted to the correct Department in early 2022 (Note 2.7 Other credit balances refers).

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of €5.122 million in capital expenditures in the subhead A.21 Forensic Science Ireland that were carried over to 2022.

Appendix A Accounts of bodies under the aegis of the Department of Justice

The following table lists the bodies under the aegis of the Department. It indicates, as at end March 2022, the period to which the last audited financial statements relate and the date on which 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
Criminal Assets Bureau	2020	17 Dec 2021	29 Dec 2021	28 Feb 2022
Garda Síochána Ombudsman Commission	2020	29 Oct 2021	5 Nov 2021	16 Dec 2021
Insolvency Service of Ireland	2020	21 Dec 2021	18 Jan 2022	11 Mar 2022
Legal Aid Board	2020	21 Dec 2021	8 Feb 2022	Pending
Private Security Authority	2020	2 Jun 2021	16 Jun 2021	22 Oct 2021
Property Services Regulatory Authority	2020	31 May 2021	2 Jun 2021	17 Sep 2021
Legal Services Regulatory Authority	2020	15 Dec 2021	25 Feb 2022	Pending

Appropriation Account 2021

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required 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 2021 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €192,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Commission

The Irish Human Rights and Equality Commission is an independent statutory body, established on 1 November 2014 under the Irish Human Rights and Equality Commission Act 2014. The statutory mandate of the Commission is to protect and promote human rights and equality in Ireland and to build a culture of respect for human rights, equality and intercultural understanding. The Commission is Ireland's National Human Rights Institution and National Equality Body. It is also Ireland's National Rapporteur on Anti Human Trafficking.

The Commission has fifteen members, one of whom is the Chief Commissioner. The provisions of the Act are designed to ensure the independence of the Commission in its work. Members of the Commission are appointed by the President of Ireland, following a resolution by both Houses of the Oireachtas. The Commission is a body corporate. It accounts directly to the Oireachtas for its statutory functions and the members independently determine its policy and activities. The executive, led by the Director as Accounting Officer, implements the strategy and policies of the Commission.

The Commission must prepare every three years a strategy statement which must be laid before the Houses of the Oireachtas. The Commissions Strategy Statement 2022-2024 was laid before the Oireachtas in December 2021. The Commission must also, no later than six months after the end of each financial year, prepare an annual report on its activities which is laid before the Houses of the Oireachtas and is subsequently published.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the following additions.

Depreciation rate for leasehold improvements

Leasehold premises improvements are depreciated at a rate of 5% per annum on a straight line basis.

Depreciation basis

Depreciation is charged on a monthly basis.

Valuation of capital assets

A threshold of €10,000 for the capitalisation of capital assets for asset additions has been applied from 1 January 2021.

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 Irish Human Rights and Equality Commission.

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

Payroll and human resources services are provided to the Irish Human Rights and Equality Commission on a shared services basis by the National Shared Services Office. 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 payroll and human resources shared services.

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

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 and Risk 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 and the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Irish Human Rights and Equality Commission
- 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 Irish Human Rights and Equality Commission 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 and Risk Committee

I confirm that the Irish Human Rights and Equality Commission has an internal audit function (currently outsourced) with appropriately trained personnel. Its work is informed by analysis of the financial risks to which the Irish Human Rights and Equality Commission is exposed and its annual internal audit plans, approved by me and the Audit and Risk Committee, 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 and Risk Committee.

I have put procedures in place to ensure that the reports of the internal audit function are followed up.

During 2021 the chair of the audit and risk committee resigned four months prior to the end of his term. This occurred due to delays in agreeing a new Audit and Risk Committee charter and in agreeing the precise relationship of the ARC to the Commission and to the Accounting Officer. It is expected that these matters will be resolved in 2022.

Non-compliance with procurement rules

I confirm that the Irish Human Rights and Equality Commission 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.

In 2021, the Commission complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €219,915 (ex. VAT). Details are set out below:

- Awareness campaign services with a value of €34,830 were obtained after the expiry date of the contract.
- Four contracts with a total value of €185,085 were put in place for specialist legal advice in carrying out our statutory legal functions.

The Irish Human Rights and Equality Commission has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Irish Human Rights and Equality Commission 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 Irish Human Rights and Equality Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by senior management, the Audit and Risk Committee and the Irish Human Rights and Equality Commission regularly. 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, the Audit and Risk Committee and the Commission, where relevant, in a timely manner. 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 Irish Human Rights and Equality Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Irish Human Rights and Equality Commission'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, the Audit and Risk Committee and the senior management within the Irish Human Rights and Equality Commission 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The recommendations from two audits undertaken in 2020 which examined Covid-19 controls issues were implemented during 2021.

- A health and safety risk assessment of our Green Street offices, following the installation of Covid-19 suppression controls.
- An audit review of internal financial controls which incorporated the Office of the Comptroller and Auditor General Insight on the Impact of Covid-19 on Control Environment (September 2020). This included a review of the effect of remote working on the internal financial control environment.

Laurence Bond
Accounting Officer
Irish Human Rights and Equality Commission

17 June 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 25 Irish Human Rights and Equality Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2021 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 25 Irish Human Rights and Equality Commission for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Irish Human Rights and Equality Commission 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

21 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Irish Human Rights and Equality Commission Function	7,014	6,817	6,154
Gross expenditure		**7,014**	**6,817**	**6,154**
	Deduct			
B	**Appropriations-in-aid**	**81**	**76**	**70**
Net expenditure		**6,933**	**6,741**	**6,084**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**192,105**	**648,867**

Laurence Bond
Accounting Officer
Irish Human Rights and Equality Commission

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		3,642	2,944
Non pay		3,175	3,210
Gross expenditure		**6,817**	**6,154**
Deduct			
Appropriations-in-aid		**76**	**70**
Net expenditure		**6,741**	**6,084**
Changes in capital assets			
Purchases cash	(120)		
Depreciation	158	38	78
Changes in net current assets			
Decrease in closing accruals		(286)	(129)
Direct expenditure		**6,493**	**6,033**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		88	8
Net programme cost		**6,581**	**6,041**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

		2021	2020
		€000	€000
Vote 18	National Shared Services Office	9	8
Vote 43	Office of the Government Chief Information Officer	79	—
		88	**8**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,643	1,681
Current assets			
Bank and cash		83	214
Prepayments	2.2	465	190
Other debit balances		1	4
Net Exchequer funding	2.5	75	—
Total current assets		**624**	**408**
Less current liabilities			
Accrued expenses	2.3	23	34
Other credit balances	2.4	159	140
Net Exchequer funding	2.5	—	78
Total current liabilities		**182**	**252**
Net current assets		442	156
Net assets		**2,085**	**1,837**
Represented by:			
State funding account	2.6	**2,085**	**1,837**

2.1 Capital assets

	Leasehold improvements	Furniture and fittings	IT and office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	1,746	360	356	2,462
Additions	—	—	120	120
Cost or valuation at 31 December 2021	1,746	360	476	2,582
Accumulated depreciation				
Opening balance at 1 January 2021	421	170	190	781
Depreciation for the year	87	35	36	158
Cumulative depreciation at 31 December 2021	508	205	226	939
Net assets at 31 December 2021	**1,238**	**155**	**250**	**1,643**
Net assets at 31 December 2020	1,325	190	166	1,681

2.2 Prepayments

at 31 December	2021	2020
	€000	€000
Training and development and incidental expenses	341	52
Office premises expenses	98	128
Office equipment and external IT services	21	9
Consultancy and VFM and policy reviews	5	—
Salaries, wages and allowances	—	1
	465	**190**

2.3 Accrued expenses

at 31 December	2021	2020
	€000	€000
Office equipment and external IT services	10	6
Training and development and incidental expenses	6	21
Office premises expenses	5	5
Postal and telecommunications services	2	2
	23	**34**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Salaries	1	—
Income tax	52	49
Pay related social insurance	40	34
Professional services withholding tax	47	44
Pension contributions	—	4
Universal social charge	10	9
Value added tax	8	—
Tax saver ticket	1	—
	159	140

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	192	649
Exchequer grant undrawn	(267)	(571)
Net Exchequer funding	**(75)**	**78**
Represented by:		
Debtors		
Bank and cash	83	214
Debit balances	1	4
	84	218
Creditors		
Due to the State	(159)	(140)
	(159)	(140)
	(75)	**78**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Net assets at 1 January			1,837	1,786
Disbursements from the Vote				
Estimate provision	Account	6,933		
Surplus to be surrendered	Account	(192)		
Net vote			6,741	6,084
Expenditure (cash) borne elsewhere	1.1		88	8
Net programme cost	1		(6,581)	(6,041)
Balance at 31 December			**2,085**	**1,837**

2.7 Commitments

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services [a]	1,740	1,217
Non-capital grant programmes	101	13
Legal and other projects	138	115
Total of legally enforceable commitments	**1,979**	**1,345**

Note [a] Lease of premises commitment is €393,896 per year up to 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 25 Irish Human Rights and Equality Commission is classified as administration expenditure applied towards a single programme: Irish Human Rights and Equality Commission Function.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	4,002	3,642	2,944
ii	Travel and subsistence	55	4	17
iii	Training and development and incidental expenses	1,573	1,638	1,738
iv	Postal and telecommunications services	40	75	34
v	Office equipment and external IT services	274	320	413
vi	Office premises expenses	600	511	614
vii	Consultancy services and value for money and policy reviews	470	627	394
		7,014	**6,817**	**6,154**

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €470,000; outturn €627,000

The increase on expenditure of €157,000 on consultancy services and policy review was due to increased specialist legal assistance required to support our increased human rights and equality litigation activity pursued by IHREC in accordance with its statutory functions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	81	73	58
2	Miscellaneous	—	3	12
	Total	**81**	**76**	**70**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**73**	**63**

5.2 Pay

	2021	2020
	€000	€000
Pay	3,288	2,639
Higher, special or additional duties allowances	13	30
Overtime	1	—
Employer's PRSI	340	275
Total pay	**3,642**	**2,944**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	1	1	12,740	22,829
Overtime	1	—	934	—

5.4 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	5	4,225	—

The Irish Human Rights and Equality Commission is engaging with the National Shares Services Office with a view to putting recoupment plans in place.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary was on the Director scale, and the total annual gross salary was €120,225 (€117,670, at 31 December 2020).

Appropriation Account 2021

Vote 26

Education

Introduction

As Accounting Officer for Vote 26, 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 2021 for the salaries and expenses of the Office of the Minister for Education, for certain services administered by that Office, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €27.843 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 circulars 1 and 9 of 2022 have been applied in the preparation of the account.

Transfer of functions

The education welfare functions operated by TUSLA transferred from the Department of Children, Equality, Disability, Integration and Youth to the Department of Education with an effective date of 1 January 2021.

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

National Shared Services Office

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

Department of Further and Higher Education, Research, Innovation and Science

The Department is providing a shared service to the Department of Further and Higher Education, Research, Innovation and Science across a number of business and corporate areas. A notional charge has been applied under Note 1.1 Net allied services to reflect the use of assets and costs attributable to the shared service.

The arrangements governing these shared services are subject to a process of on-going joint development and documentation. This includes agreements between the two Departments setting out the governance arrangements, service delivery, reporting requirements in respect of Education Shared Business Services and IT Services, capital planning and programmes services and finance related functions.

Department of Children, Equality, Disability, Integration and Youth

TUSLA is an aegis body of the Department of Children, Equality, Disability, Integration and Youth that provides educational services to the Department of Education. The Department's arrangements for governing these services are set out in agreements between both Departments and TUSLA.

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 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
- 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.

Internal Audit, European Social Fund 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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans 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 the Accounting Officer and by the Audit Committee. Procedures are in place to ensure that recommendations included in internal audit reports are tracked for implementation by management.

The ESF Audit Authority (ESF AA) is a section within the internal and EU Audit Unit and is functionally independent and operates in accordance with its written charter. It reports to the European Commission on the conduct of its audit programme in respect of compliance with the regulatory requirements of the European Union in relation to the management, control and audit of European Social Fund (ESF) funds in Ireland. As the European Social Fund is managed by a unit within the Department of Further and Higher Education and Research, Innovation and Science (Vote 45), the ESF AA reports to that Department's Audit Committee in accordance with its Charter.

Non-compliance with procurement rules

I confirm that the Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant procurement guidelines. The Department complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €524,154 (ex VAT) as set out below.

- Four contracts in the value range €50,000 to €100,000, totalling €273,470 due to contracts being rolled over for business continuity reasons pending initiation of a tendering process.
- A framework of contracts worth €250,684 where the contracts were extended for business continuity reasons pending finalisation of new contract awards.

All cases are being kept under active review and action is being taken where feasible. The Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

The Department has provided details of 20 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 risks are signed off at head of business unit level and noted by the Management Board member responsible for that business area. The register details the controls and actions needed to mitigate risks and the register is used, along with other relevant processes, to ensure that risks are managed or mitigated.

In addition, the Department has a Risk Committee, which assists me and the Management Board to fulfil their risk management responsibilities. The risk committee has a number of functions including

- defining and maintaining risk management policy and standards for the management of corporate risks
- ensuring that roles and responsibilities for risk management are clearly defined and communicated across the Department
- reviewing new risks which carry a medium (amber) or high (red) risk rating and the proposed mitigations
- presenting periodic reports to the Management Board summarising the status of the risk management programme and
- highlighting major areas of risk (if any).

The Department's governance framework sets out the governance procedures, processes and principles that underpin the work of the Department. It is kept under ongoing review.

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 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.

ICT security

The Department has a strong commitment to the security of its ICT systems and implements multiple cybersecurity protocols and measures to avoid, detect, counteract, or remediate security risks to information, computer systems, physical property and other assets.

The Department's cyber security protocols are supported by the work of the National Cyber Security Centre and the National Computer Security Incident Response Team, (CSIRT), which provides early warnings, alerts, announcements and dissemination of information about risk and incidents to the Department.

The Department is also supported by security expertise from multiple third party security organisations. Relevant ICT staff members have security qualifications and ICT security arrangements are subject to review by the internal audit unit.

Covid-19 control issues

As a result of Covid-19, my Department’s staff were required to mainly work from home during 2021. Internal Audit conducted an assessment of the impact of Covid-19 on internal financial controls and mobile security during Q4 2020 and Q1 2021. The results of these assessments were presented to the Audit Committee on 24 March 2021. These assessments have provided me with reasonable assurance that the financial control risks were and continue to be adequately managed. The Department has also continued its use of electronic documentation for audit trail and work efficiency purposes and this has had no impact on internal financial controls.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2021 that resulted in losses that require disclosure in the appropriation account.

Payroll shared services

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer for the National Shared Services Office has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

Education sector corporate governance

The eleven state bodies under the aegis of the Department of Education are overseen by relevant policy divisions within the Department, who are supported by other relevant Divisions across the Department, including the Department’s Sectoral Governance Unit.

Responsibility for delivery on the mandate and functions of the Department's aegis bodies rests in the first instance with each Board and the Chairperson of the respective board. The relationship between the Department and each of the bodies under its aegis is typically governed by

- the legislative underpinning of the body, and
- Department of Public Expenditure and Reform's 2016 *Code of Practice for the Governance of State Bodies* in conjunction with the supporting annexes to that code.

During 2021, the Department continued to roll out a formal review process, the Compliance Assurance Return (CAR) to aid the Department in being assured as to the extent to which its in-scope aegis bodies adhere to the core components of the 2016 Code of Practice. This review process also provided assurance on the extent to which the aegis bodies are complying with evolving governance and statutory requirements.

The governance material gathered from the assurance return process is utilised to enable the Department to further consider appropriate governance work programmes to roll out in future years. It is intended that the assurance return will remain as a feature of the governance oversight work programme in 2022. The Department continues to work with its aegis bodies to ensure, where appropriate, that the oversight conditions laid out in the Code of Practice are satisfied and that robust performance delivery agreements or equivalent are in place for each body. As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the Code have been agreed and documented in order to satisfy the Code's 'comply or explain' requirements.

Within the wider education sector, a sectoral code of practice aligned to the 2016 Code of Practice and the specific regulatory frameworks of the Education and Training Boards (ETBs) is in place.

The Department continues to avail of membership of a Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance and aids the Department with the supply of timely advice and information supports to enhance good governance and to aid in the continuing professional development of the Department's staff.

Education sector shared service implementation

In 2021, the Department continued the roll out of its shared services plan, investigating the opportunities for shared service initiatives across the entire education sector and actively participating in the roll out of traditional shared services across the Civil Service. The key projects which have been progressed during 2021 are as follows.

- **Payroll shared services for the ETB sector**: As of December 2021, eleven out of sixteen ETBs are now receiving payroll services from the Shared Service Centre. Four of the sixteen are receiving travel and subsistence services. It is expected that the roll out of services will continue through 2022 with three additional ETBs receiving payroll services and seven ETBs scheduled to transition their travel and subsistence during 2022. The final ETBs will transition to payroll and travel and subsistence shared services during Q1 and Q2 of 2023.

- **eRecruitment for the ETB sector**: Work is under way to provide additional eRecruitment services to two of the ETB's transitioning to payroll services in Q2 2022 on the existing ETB payroll system. This is an expansion in the scope of services to ensure that the final ETB's transitioning to shared service do not experience a reduction in recruitment functionality in their transition to the new payroll system. This programme of work will expand to cover the remaining ETB's during 2022 and into 2023.

- **Financial shared services for the ETB sector**: During 2021 the team continued consolidating the remaining ETBs on to a single software platform. As of December 2021, ten of the ETB's were using the same software solution. A further three transitioned at the start of January 2022 and two more will transition in July 2022 leaving one ETB scheduled for transition in Q1 2023. The design, implementation and roll-out of shared services on the basis of this consolidated software footprint is under review at present with a transition plan to be agreed later in 2022. The team has completed extensive work on new terms and conditions for a software as a service (SAAS) solution during 2021 and work is ongoing with OGP and CSSO with a plan to publish a new public procurement in 2022

- **Schools employee payroll shared services project:** This is a project to replace the Departments current payroll systems for teaching and non-teaching staff. In 2021, market engagement continued with extensive work to develop new terms and conditions for a software as a service (SAAS) solution. The functional and technical specifications have also been developed and work is ongoing with OGP and CSSO with a view to going to the market during 2022.

- **Procurement reform**: The Inaugural meeting of the Education Procurement Programme Board (EPPB) took place during 2021 and two working groups have been established for Construction and ICT. These groups will work to progress procurement seeking to address gaps for the Education Sector. Work continued gathering data through the multi-annual procurement plans (MAPPS) in the ETB sector. This work has captured useful forecast information which will identify gaps and drive the demand for frameworks and contracts at a central level thereby helping to address the compliance challenges over time.

- **Reporting and data analytics hub for the sector:** Work commenced in 2021 with a view to establishing a reporting and data analytics hub for the shared service functions. This work will be further developed in 2022.

- **Establishing a Project Management Office for the Division**: Work commenced in 2021 on the development of a Programme Management Office for the Major Operations Division. This work will be further advanced in 2022.

Bernie McNally
Accounting Officer
Department of Education

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 26 Education

I have audited the appropriation account for Vote 26 Education for the year ended 31 December 2021 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 26 Education for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Education 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 appendix to this report.

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 2021.

Seamus McCarthy
Comptroller and Auditor General

23 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 26 Education

Appropriation Account 2021

			2021	2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A First, second and early years education				
Original	8,960,901			
Supplementary	320,000			
Gross expenditure		**9,280,901**	**9,263,008**	**8,595,589**
Deduct				
B **Appropriations-in-aid**				
Original	317,191			
Supplementary	53,000			
		370,191	**380,141**	**354,947**
Net expenditure				
Original	8,643,710			
Supplementary	267,000			
		8,910,710	**8,882,867**	**8,240,642**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**27,843,162**	**137,911,743**

Bernie McNally
Accounting Officer
Department of Education

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		9,160,015	8,496,735
Pay		85,207	83,036
Non pay		17,786	15,818
Gross expenditure		**9,263,008**	**8,595,589**
Deduct			
Appropriations-in-aid		**380,141**	**354,947**
Net expenditure		**8,882,867**	**8,240,642**
Changes in capital assets			
Purchases cash	(124,308)		
Depreciation	1,855		
Loss on disposal	2	(122,451)	(95,917)
Changes in net current assets			
Increase in closing accruals	14,276		
Increase in stock	(3)		
		14,273	1,096
Direct expenditure		**8,774,689**	**8,145,821**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		27,428	23,799
Notional rents		3,196	3,221
Net programme cost		**8,805,313**	**8,172,841**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 26 borne elsewhere, less the cost of services provided to Vote 45.

		2021 [a] €000	2020 [a] €000
Vote 9	Office of the Revenue Commissioners	146	127
Vote 12	Superannuation and Retired Allowances	25,122	22,088
Vote 13	Office of Public Works	2,886	3,079
Vote 18	National Shared Services Office	171	150
Vote 43	Office of the Government Chief Information Officer	239	—
Central Fund - ministerial pensions		274	238
Apportioned cost of shared services for Vote 45		(1,410)	(1,883)
		27,428	**23,799**

Notes [a] The net allied services expenditure figures do not include figures related to aegis bodies or agencies of the Department. The net allied services expenditure has been assigned directly to the Vote and where this was not appropriate it was apportioned based on agreed allocation of costs between Vote 26 and Vote 45.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	409,372	285,994
Current assets			
Bank and cash	2.2	171,819	148,319
Stocks		83	80
Prepayments	2.3	18,519	17,162
Overpayments for recoupment	5.5	7,060	7,168
Secondment costs for recoupment		482	611
Amounts due from the EU		10	10
Other debit balances	2.4	1,898	3,399
Accrued income		2,362	1,986
Total current assets		**202,233**	**178,735**
Less current liabilities			
Accrued expenses	2.5	51,582	33,795
Salary recoupment to other departments and agencies		—	48
EU moneys for distribution		8,508	1
Other credit balances	2.6	162,290	151,216
Net Exchequer funding	2.7	2,929	511
Total current liabilities		**225,309**	**185,571**
Net current assets		(23,076)	(6,836)
Net assets		**386,296**	**279,158**
Represented by:			
State funding account	2.8	**386,296**	**279,158**

2.1 Capital assets

	Land and buildings	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	204,725	7,040	25,357	75,663	312,785
Additions	44,579	—	723	82,445	127,747
Assets brought into use	10,086	—	1,169	(11,255)	—
Disposals	(11,530)	—	(49)	—	(11,579)
Adjustment [a]	—	—	—	9,018	9,018
Cost or valuation at 31 December 2021	247,860	7,040	27,200	155,871	437,971
Accumulated depreciation					
Opening balance at 1 January 2021	—	6,716	20,075	—	26,791
Depreciation for the year	—	38	1,817	—	1,855
Depreciation on disposals	—	—	(47)	—	(47)
Adjustments	—	—	—	—	—
Cumulative depreciation at 31 December 2021	—	6,754	21,845	—	28,599
Net assets at 31 December 2021	**247,860**	**286**	**5,355**	**155,871**	**409,372**
Net assets at 31 December 2020	204,725	324	5,282	75,663	285,994

Note [a] The adjustment of €9.018 million comprises pre-2021 capital expenditure on eight sites acquired during 2021 (€10.109 million) and the restatement of pre-2021 capital expenditure on three devolved projects (€1.106 million). This additional expenditure is offset by the removal of pre-2021 expenditure on a patron-owned site that had previously been reported as an asset under development (€2.197m).

General information note

There are no State-owned lands or buildings controlled by the Department of Education without a valuation except for some Education centres for which a valuation is currently outstanding. Land and buildings owned by the Department are controlled and managed as follows.

1 Transfer of school properties 2021

The Department treats the transfer of the control of an asset to a school authority as a disposal for accounting purposes in this account. Ownership is not transferred. The school properties, or parts thereof, which transferred during 2021 are included in the table below.

Name of school	Valuation [a]
	€000
Greystones Community National School, Co. Wicklow	10,790
St. Patrick's National School, Diswellstown, Castleknock, Dublin 15	740
	11,530

Note [a] The total figure included for technical disposals comprises the cost of the site on which the school is built and the actual costs incurred in bringing the school to its present condition including an accrual for works completed in 2021 not yet paid for and for retention monies.

2 Primary level

There were 3,239 national schools in operation on 31 December 2021. The majority of these schools are denominational and are owned by the relevant diocesan authority. The exceptions are as follows.

- Sites for 58 first-level schools are owned and controlled/managed by the Minister for Education.
- In the case of 168 schools, the schools are operating on sites or buildings owned or leased by the Department but the school is controlled/managed by the Board of Management. Seven are operating in temporary or permanent accommodation on sites not owned by the Department.

3 Post-primary level

There are a total of 728 post primary schools. 358 schools are privately owned. The remainder are operating as follows.

- 14 comprehensive schools, 82 community schools and 27 secondary schools owned by the Minister for Education are controlled/managed by Boards of Management.
- There are 247 post primary schools which are primarily vested in Education and Training Boards under the Education and Training Board Act 2013. 28 of these schools are in the ownership of the Minister for Education.
- Sites for 36 second-level schools are owned and controlled/managed by the Minister for Education.

4 Other

Following the enactment of the Children Act 2001, the only outstanding matter relating to one children's detention centre is the notification to the Property Registration Authority by the Office of the Chief State Solicitor (CSSO) of the change of ownership of the school property from the Minister for Education to Tusla (the Child and Family Agency). The CSSO have been instructed by the Department to notify the Property Registration Authority of the change of ownership. This property is not included as an asset in Note 2.1 above as the property is not in the control of the Minister, rather it is in the control of the institution's own authority.

The Minister is one of two guarantors of the Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh which is used for the Middletown Centre for Autism.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	170,939	147,814
Commercial bank account balances	877	502
Petty cash	3	3
	171,819	**148,319**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Advance to Bus Éireann – school transport	8,990	8,905
Advance to State Examinations Commission	182	2,038
ICT support and licensing contracts	1,790	1,409
Pre-funding of school building projects	5,728	991
Rental of temporary school accommodation	—	1,257
Shared Services implementation	342	828
School broadband contracts	498	683
Other administration	138	58
Other programme	851	993
	18,519	**17,162**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Agency payments OPW	124	21
Amounts due from the Redress Special Account	—	49
Payroll suspense	1,444	216
Cycle to work scheme	66	61
Energy Building Programme	—	2,545
Travel pass scheme	187	60
Recoupable salaries	22	130
Schools Broadband Programme	—	250
Shared offices' costs recoupment	52	64
Superannuation related payovers	3	3
	1,898	**3,399**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Schools capital programme	39,856	17,117
Schools PPP unitary charges	4,560	4,375
Bus Éireann	4,166	8,687
Other programme	2,188	2,868
Other administration	812	748
	51,582	**33,795**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	79,902	75,808
Pay related social insurance	54,990	51,442
Universal social charge	15,175	14,502
Local property tax	327	295
Professional services withholding tax	973	792
Value added tax	4,598	2,381
Pension contributions	42	51
	156,007	145,271
Transfer of functions	195	3,684
Agency payments to OPW	393	1,320
Cycle to work scheme	—	1
Energy Building Programme	4,794	—
Payroll suspense	773	422
Miscellaneous	128	518
	162,290	**151,216**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	27,843	137,912
Exchequer grant undrawn	(24,914)	(137,401)
Net Exchequer funding	**2,929**	**511**
Represented by:		
Debtors		
Bank and cash	171,819	148,319
Other debit balances	1,898	3,399
Amounts due from the EU	10	10
	173,727	151,728
Creditors		
Due to the State	(156,007)	(145,271)
EU moneys for distribution	(8,508)	(1)
Other credit balances	(6,283)	(5,945)
	(170,798)	(151,217)
	2,929	**511**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			279,158	269,464
Disbursements from the Vote Estimate provision	Account	8,910,710		
Surplus to be surrendered	Account	(27,843)		
Net vote			8,882,867	8,240,642
Expenditure (cash) borne elsewhere	1.1		27,428	23,799
Non cash expenditure – capital assets [a]	1		(1,040)	(85,127)
Non cash expenditure – notional rent	1		3,196	3,221
Net programme cost			(8,805,313)	(8,172,841)
Balance at 31 December			**386,296**	**279,158**

Note [a] The non-cash items comprise

	€000
• Accounting treatment for the disposal of construction assets	(11,530)
• Restatement (increase) of the capital assets under development total to include pre 2021 expenditure	9,018
• Net increase in capital accruals	(1,967)
• Cost of assets included as additions to the 2021 asset register but not paid for until 2022	3,439
	(1,040)

2.9 Commitments

at 31 December	2021	2020
	€000	€000
Global commitments		
Procurement of goods and services	6,126	7,123
Non-capital grant programmes [a, b]	2,180,020	2,171,185
Capital grant programmes [c]	22,800	500
Capital projects [d]	590,553	310,792
Public private partnership projects	1,055,903	1,107,272
Total of legally enforceable commitments	**3,855,402**	**3,596,872**

Note [a] Non-capital grant programmes include grants that will be made to aegis bodies and other organisations including schools to fund current expenditure including pay.

[b] The 2020 non-capital grant programmes commitment figure has been restated to include commitments in respect of functions that were transferred to Vote 26 from Vote 40 with effect from 1 January 2021 and to remove other funding that was previously reported as non-capital grant commitments.

[c] Capital grant programmes relate to grants that will be made to aegis bodies for all capital projects, including education and training boards.

[d] Capital projects are those managed and overseen by the Department itself.

Major capital projects

Capital projects involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2020 [b]	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020 [b]
	€000	€000	€000	€000	€000
Primary and post primary schools (subhead A.15) [a, b]	**838,245**	**160,015**	**354,007**	**1,352,267**	**1,003,495**

Note [a] A breakdown of the above table is presented in Appendix B

[b] The cumulative expenditure to 31 December 2020 and the expected total spend 2020 lifetime spend have been restated primarily due to the following:

- for new school projects contractually committed in 2021 where pre-2021 expenditure has now been included
- for four projects which have been removed as they are finalised, or the total project cost is now under the €10 million threshold or the outstanding commitment is less than €10,000

Unitary payments of public private partnership projects

The Department has to date entered into six separate contracts to design, build, finance, maintain and operate bundles of schools under the public private partnership (PPP) model. PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed. In addition to the table below, a brief summary of each PPP project is provided at Appendix C.

Name of PPP project	Cumulative expenditure to 31 December 2020	Expenditure in 2021 [a]	Legally enforceable commitments to be met in subsequent years	Project total 2021	Project total 2020
	€000	€000	€000	€000	€000
Five pilot schools	204,636	10,881	67,099	282,616	282,222
1st bundle	100,162	9,120	134,301	243,583	241,752
2nd bundle	124,267	11,933	193,816	330,016	327,627
3rd bundle	114,882	14,956	279,419	409,257	406,048
4th bundle	44,103	7,479	157,512	209,094	207,115
5th bundle	23,986	8,175	223,756	255,917	254,544
	612,036	**62,544**	**1,055,903**	**1,730,483**	**1,719,308**

Note [a] The expenditure reflected at the end of 2021 relates specifically to capital payments i.e. unitary charges. The expenditure in the table above is included in the overall outturn of €63.496 million on subhead A.16. The subhead also includes certain grant payments to PPP provided schools.

Significant variations in PPP project costs

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2020 to 2021.

Indexation

The Department makes monthly unitary charge payments to the relevant PPP company on all operational PPP projects. The unitary charge payment is made up of two elements, a fixed cost element and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI). An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

Refinancing

PPP project funding may be refinanced, with the consent of the Department, during or after the construction phase. The refinancing gain is shared between the PPP company and the Department under terms outlined in the PPP Project Agreement. Refinancing was successfully achieved for schools bundle 4 in December 2018; for schools bundle 3 in January 2019; and for schools bundle 2 in December 2020.

Schools bundle 1

The increase in costs from 2020 to 2021 of €1.831 million relates to the yearly indexation review which results in a revision to the calculation of the projections.

Schools bundle 2

The increase in costs from 2020 to 2021 of €2.389 million relates to the yearly indexation review which results in a revision to the calculation of the projections.

Schools bundle 3

The increase in costs from 2020 to 2021 of €3.209 million relates to the yearly indexation review which results in a revision to the calculation of the projections.

Schools bundle 4

The increase in costs from 2020 to 2021 of €1.979 million relates to the yearly indexation review which results in a revision to the calculation of the projections.

Schools bundle 5

The increase in costs from 2020 to 2021 of €1.373 million relates to the yearly indexation review which results in a revision to the calculation of the projections.

Liquidations and examinerships 2021

All of the construction projects impacted by the liquidation and/or examinership of Carillion and three other contractors have achieved substantial completion as at the end of 2021.

Expenditure on rental of temporary school premises

During 2021, expenditure under subhead A15.3 included amounts totalling €29.5 million in respect of the rental of temporary school premises (2020: €29.4 million).

2.10 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	**22,426**	**8,479**

2.11 Contingent liabilities

Middletown Centre for Autism

A pension liability in the region of €1,800,000 as at the end of 2021 (2020 : €480,000), may arise in relation to an agreement between the Department of Education for Northern Ireland Local Government Pension Scheme and the Department of Education. The increased liability is attributable to a change in the actuarial assumptions uses to determine the valuation of the pension liability. In the agreement, dated 16 November 2007, the Departments guaranteed payment in full of any pension liabilities of Middletown Centre for Autism Ltd in the event that the Centre ceases to exist or is otherwise unable to discharge its pension liabilities. The Centre continues to operate and this liability is not expected to arise in the immediate future.

Litigation regarding Leaving Certificate 2020 and calculated grades

At year end 2021, no judicial review proceedings remained in train in regard to matters arising from Leaving Certificate 2020 other than an awaited Supreme Court judgement in respect of two appeals. The lead case in relation to challenges to the process of national standardisation with the calculated grades scheme concluded in March 2021 with judgement in the Minister's favour. However, the High Court awarded costs to the Applicant as the case was considered to be one with a public interest dimension. The costs in that case which will be the dominant component of the contingent liability arising under this heading remain to be confirmed by the State Claims Agency who will seek payment from the Department in due course. The majority of the other cases were then withdrawn and no third party costs arose. Costs may yet arise in respect of a Supreme Court Appeal in two cases and in respect of two cases which were settled during 2021. The aggregate expenditure cannot be quantified at this time pending the final determination of costs in the respective cases.

Schools remediation programme

The Department continues to pursue legal proceedings in relation to structural defects discovered in 40 schools built by Western Building Systems. The Department has paid for remediation works in these schools. The costs of remediation is met from a contingency provision within the capital budget.

Remediation work has taken place on these schools allowing for the removal of precautionary measures. The Department is continuing to complete the required remediation as part of a wider remediation/ refurbishment/retrofit programme of works that will also future proof the schools from a climate perspective. The recovery of costs of remediation to the Exchequer are subject to ongoing legal proceedings outlined above.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure has been allocated to Programme A to present a complete programme costing.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	64,828	65,665	63,906
ii	Travel and subsistence	1,658	498	657
iii	Training and development and incidental expenses	1,510	1,493	1,620
iv	Postal and telecommunications services	1,907	2,737	2,404
v	Office equipment and external IT services	10,050	9,333	7,717
vi	Office premises expenses	1,388	1,136	1,351
vii	Consultancy and other services	114	—	—
viii	National Educational Psychological Service [a]	21,973	22,131	21,198
		103,428	**102,993**	**98,853**

Note [a] The National Educational Psychological Service subhead is primarily a pay subhead. Pay expenditure is allocated to A1 Administration pay subhead and non-pay expenditure is allocated to A2 Administration non-pay under Programme A

Significant variations

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

ii Travel and subsistence

Estimate provision €1.658 million; outturn €498,000

The decrease in expenditure of €1.16 million relative to the estimate provision was due to reduced foreign and domestic travel on official business as a direct impact of the Covid-19 pandemic

iv Postal and telecommunications services

Estimate provision €1.907 million; outturn €2.737 million

The increase in expenditure of €830,000 relative to the estimate provision was due to the pro-rata apportionment methods applied to allocations for the transfer of functions to the Department of Further and Higher Education, Research, Innovation and Science and actual postage costs exceeding the estimate provision.

vii Consultancy and other services

Estimate provision €114,000; outturn €nil

This allocation is intended to cover the cost of consultancy for business units that do not have their own budget for this type of expenditure. In 2021, there was no requirement to draw from this subhead.

Programme A First, Second and Early Years Education

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		83,990	85,207	83,036
A.2	Administration − non pay		19,438	17,786	15,817
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers				
	Original	2,727,777			
	Supplementary	54,000			
			2,781,777	2,781,360	2,603,395
A.4	Salaries, wages and allowances (including incidental payments) of secondary comprehensive and community school teachers				
	Original	1,492,837			
	Supplementary	(21,000)			
			1,471,837	1,460,743	1,432,071
A.5	Grants to Education and Training Boards in respect of ETB teachers' salaries				
	Original	666,810			
	Supplementary	10,000			
			676,810	667,343	628,141
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools				
	Original	650,134			
	Supplementary	17,000			
			667,134	669,113	613,725
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)		106,869	104,999	112,036

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.8	Superannuation etc. in respect of teaching and non-teaching staff				
	Original	1,304,925			
	Supplementary	8,000			
			1,312,925	1,310,197	1,250,804
A.9	School transport services				
	Original	321,469			
	Supplementary	(20,000)			
			301,469	289,511	224,791
A.10	Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions				
	Original	567,254			
	Supplementary	58,000			
			625,254	626,347	547,792
A.11	Grants to education bodies working in the primary and post primary sectors		155,895	142,077	53,955
A.12	Teacher education		38,974	30,748	29,190
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission				
	Original	2,550			
	Supplementary	10,000			
			12,550	1,641	2,797
A.14	Miscellaneous grants and services				
	Original	59,479			
	Supplementary	106,000			
			165,479	161,354	149,777
A.15	Primary and post primary infrastructure				
	Original	694,500			
	Supplementary	98,000			
			792,500	851,086	782,840

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.16	Public private partnership costs	68,000	63,496	65,422
		9,280,901	**9,263,008**	**8,595,589**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €302.107 million higher than originally provided.

A.9 School transport services

Estimate provision €321.469 million; outturn €289.511 million

The decrease in expenditure of €31.958 million relative to the estimate provision was primarily due to the reduced costs arising during the school closure at the start of the year and the lead in time required for the implementation of 50% capacity in line with public health guidelines

As part of the supplementary estimates a €20 million decrease in estimate provision for this subhead was approved. This was used to offset against supplementary increases in the estimate provisions approved for other subheads in the Vote.

A.10 Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions

Estimate provision €567.254 million; outturn €626.347 million

The increase in expenditure of €59.093 million relative to the estimate provision was primarily due to

Covid-19 grants for term 1 of the 2021/22 school year that were paid to schools for PPE, hand sanitiser, cleaning and supervision that was originally allocated for in the central government Covid-19 contingency reserve and not in this Department's Vote 26 (€58 million).

A supplementary of €58 million was approved for this subhead to provide for the increase in expenditure arising from the term 1 2021/22 Covid grants.

A.11 Grants to education bodies working in the primary and post primary sectors

Estimate provision €155.895 million; outturn €142.077 million

The decrease in expenditure of €13.818 million relative to the estimate provision was primarily due to the following.

- The National Council for Special Education (NCSE) recorded savings across a number of areas including slower than planned recruitment and savings under the School Inclusion Model and In-School Therapy projects (€7.9 million).
- The cancellation of the junior cycle examinations and the reduced number of students sitting the leaving certificate examinations following the introduction of accredited grades resulted in savings for the State Examinations Commission (€4.9 million).
- Planned activities under the Music Generation programme did not take placed as planned due to Covid-19 restrictions (€1.6 million).
- Activities planned by the National Council for Curriculum and Assessment (NCCA) and An Chomhairle um Oideachas Gaeltachta & Gaelscolaíochta (COGG) not taking place as planned due to Covid-19 (€700,000)
- Increase in expenditure on the expansion of the school completion programme during 2021 (€1.4 million).

A.12 Teacher education

Estimate provision €38.974 million; outturn €30.748 million

The decrease in expenditure of €8.226 million relative to the estimate provision was primarily due to the following.

- Savings due to continuing professional development courses being held online and outside of class contact time rather than face-to face (€5.5 million).
- Savings due to lower than anticipated take up on a number of programmes including those offered by the Centre for School Leadership (€2.5 million).
- Savings due to funding retained by Education Support Centres at the end of 2020 which was offset in the 2021 grant payments in compliance with Circular 13/14 (€1.4 million).
- Savings were offset by increased expenditure in other areas including the provision of new and expanded post-primary upskilling programmes to meet demand in particular subjects (€1.4 million).

A.13 Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission

Estimate provision €2.550 million; outturn €1.641 million

The decrease in expenditure of €909,000 relative to the estimate provision was primarily due to the following.

- Capital expenditure allocated for the victims of institutional abuse not being carried out in 2021 (€500,000).
- Lower than anticipated running costs of the Redress Board and Commission to Inquire into Child Abuse during 2021 (€425,000).

A supplementary of €10 million was approved for this subhead to cover potential costs of the ex-gratia scheme arising from the implementation of the European Court of Human Rights Judgement in O'Keeffe v Ireland. However, subsequently it was agreed that the payment of €4.492 million for such costs should to be made from subhead A14.

A.14 Other grants and services

Estimate provision €59.479 million; outturn €161.354 million

The increase in expenditure of €101.875 million relative to the estimate provision was primarily due to the following.

- Expenditure arising from additional EU funding secured in July 2021 under the National Recovery and Resilience Plan for the provision of high speed broadband connectivity to primary schools outside of the National Broadband Plan (€750,000) and to address the digital divide in schools (€49.454 million).
- Expenditure on ICT grants due to schools for 2022 brought forward for earlier payment in 2021 (€50 million).
- Additional expenditure on the Schools Broadband programme arising from faster than anticipated delivery of high speed connectivity (€1.8 million).
- Additional expenditure arising from the expansion of the Shared Services Implementation programme in 2021 (€2.0 million)
- Expenditure on the ex-gratia scheme arising from the implementation of the European Court of Human Rights Judgement in O'Keeffe v Ireland. (€4.492 million).
- Savings due to a reduced number and volume of teacher training events under PDST-TiE arising from Covid-19 (€1.917 million).

A supplementary of €106 million was approved for this subhead to provide for the increases in expenditure under the Schools ICT programme (€50m) and the National Recovery and Resilience Plan (€56m).

A.15 Primary and post primary infrastructure

Estimate provision €694.5 million; outturn €851.086 million

The increase in expenditure of €156.586 million relative to the estimate provision was primarily due to the following.

- Managing significant expenditure pressures in the school building programme that were mainly driven by the requirement to provide additional capacity through the provision of modular accommodation, the impact of construction inflation, Covid and labour/material shortages across the overall capital programme along with increased pressures on the Emergency Works Scheme (€126 million).
- Enhanced minor works grants being provided as part of the Covid related supports to schools for ventilation and other related works (€30 million).

A supplementary of €98 million along with a virement of €50 million current expenditure savings was approved for this subhead to provide for these increases in expenditure. The remaining increases in expenditure were provided from capital expenditure savings arising across a range of other subheads within the Vote.

A.16 Public private partnership costs

Estimate provision €68 million; outturn €63.496 million

The decrease in expenditure of €4.504 million relative to the estimate provision was primarily due to the following.

- Lower than anticipated costs in respect of minor works and operational costs across the schools bundles (€867,000).
- Lower than anticipated inflation levels in 2021 resulting in lower indexation costs on unitary charge payments across the schools bundles (€1.41 million).
- Lower than anticipated drawdown of the ICT and % for art grants (€271,000).
- Reduced unitary charges in respect of agreed service and availability failures across all school bundles (€233,000).
- A delay in the completion of the Pilots School Review resulted in savings (€95,000).
- Lower than anticipated costs relating to temporary SEN accommodation at St. Caiman's Community School, Shannon, Co. Clare (€100,000).
- Expenditure relating to Carlow Institute of Further Education and Training being met from additional funding provided from the Department of Further and Higher Education, Research, Innovation and Science (€1.4 million).

Note 4 Receipts

4.1 Appropriations-in-aid

				2021	2020
		Estimated		Realised	Realised
		€000	€000	€000	€000
B.1	Superannuation contributions				
	Original	147,438			
	Supplementary	24,000			
			171,438	170,097	172,429
B.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts [a]		325	1,478	728
B.3	Receipts from additional superannuation contributions on public service remuneration				
	Original	161,946			
	Supplementary	15,000			
			176,946	175,886	169,289
B.4	Secondments/overpayments		3,824	5,480	5,047
B.5	Miscellaneous				
	Original	3,658			
	Supplementary	14,000			
			17,658	27,200	7,454
	Total		**370,191**	**380,141**	**354,947**

Note [a] A breakdown of EU receipts of €1.478 million under B.2 is provided in the table under Note 6.5 EU funding.

Significant variations

The following outlines the reasons for significant variations in appropriations in aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €62.95 million higher than the estimate forecast. Explanations for variances are set out below:

B.1 Superannuation contributions

Estimate €147.438 million; realised €170.097 million

The increase of €22.659 million relative to the estimate provision was due to receipts being higher than the provision allocated. This increase includes contributions due to a rise in the number of teachers (partly due to additional Covid-19 teaching posts put in place) and SNAs and from an increase in salaries under the public service pay agreements.

A supplementary of €24 million was approved for this subhead to provide for these increases in receipts.

B.2 Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts

Estimate €325,000; realised €1.478 million

The increase of €1.153 million relative to the estimate provision was primarily due to the following.

- Peace IV Programme receipts which were profiled under B5 miscellaneous that are now accounted for under this subhead. (€1.1 million).
- A payment in respect of the Centre for European Schooling being higher than anticipated (€116,000).

B.3 Receipts from additional superannuation contributions on public service remuneration

Estimate €161.946 million; realised €175.886 million

The increase of €13.94 million relative to the estimate provision was due to receipts being higher than the provision allocated. This increase includes a rise in the number of teachers (partly due to additional Covid-19 teaching posts put in place), SNAs and other civil and public servants and from an increase in salaries under the public service pay agreements.

A supplementary of €15 million was approved for this subhead to provide for these increases in receipts.

B.4 Secondments/overpayments

Estimate €3.824 million; realised €5.48 million

The increase of €1.656 million relative to the estimate provision was primarily due to overpayment recovery receipts (€400,000) and secondment recoupments (€1.2 million) being higher than anticipated.

B.5 Miscellaneous

Estimate €3.658 million; realised €27.2 million

The increase of €23.542 million relative to the estimate provision was primarily due to the following.

- Receipt of refunds made by schools of unspent Covid-19 related capitation grants provided for the 2020/21 school year (€19.257 million).
- The varied nature of receipts in this category. It is difficult to predict with any degree of certainty the level of receipts that may fall to be collected in a particular year.

A supplementary of €14 million was approved for this subhead to provide for the increased receipts arising from the refunds of unspent Covid-19 related capitation grants. Additional refunds were received after the supplementary estimates figures were agreed during 2021.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Receipts from conscience money	—	2
Transferred to the Exchequer	—	(2)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Department	1,453	1,335
First and second level	92,180	90,966
Agencies	466	458
Total	**94,099**	**92,759**

5.2 Pay costs

Departmental staff	2021	2020
	€000	€000
Pay	81,140	78,364
Higher, special or additional duties allowances	528	392
Other allowances	32	35
Overtime	876	773
Employer's PRSI	6,747	6,268
Total pay	**89,323**	**85,832**

Note [a] The financial details in this table relate solely to salaries and allowances paid to employees of the Department and staff in the National Educational Psychological Service

[b] The total pay figure is reflected under A.1 (€85.207 million) and A.14 (€4.116 million for shared services implementation projects)

First and second level education staff	2021 €000	2020 €000
Pay	5,171,233	4,939,699
Higher, special or additional duties allowances	—	—
Other allowances	6,333	5,866
Overtime	599	765
Employer's PRSI	487,452	450,882
Total pay [a]	**5,665,617**	**5,397,212**

Note [a] The total pay figure for 2020 relating to ETBs has been restated. The ETB pay figure relating to the cost of ETB teacher salaries, ETB special needs assistants and ETB non-teaching staff has been provided directly by the ETBs. The ETB pay figure per the 2020 published accounts was based on the draft 2020 ETB financial statements. Allowances, overtime and employer's PRSI were included under the pay heading in the 2020 published accounts as a breakdown of expenditure was not available. The 2020 comparative figures have been adjusted to reflect the breakdown provided by ETBs.

Agency staff	2021 €000	2020 €000
Pay	26,335	24,328
Higher, special or additional duties allowances	208	126
Other allowances	74	77
Overtime	1,931	757
Employer's PRSI	2,326	2,005
Total pay [a,b]	**30,874**	**27,293**

Note [a] Total pay for 2021 includes pay costs for agencies that are under the remit of this Vote.

[b] Total pay for 2021 is primarily based on returns from agencies. The 2020 figures per the published 2020 accounts were primarily based on the most recently audited agency financial statements. The 2020 comparative figures have been restated and primarily based on returns from agencies.

5.3 Allowances and overtime payments — Departmental staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	122	16	22,002	20,614
Other allowances	17	—	5,509	5,413
Overtime	253	11	16,215	17,722
Extra remuneration in more than one category	36	8	15,434	14,849

The details of allowances and overtime payments in this table relate solely to Departmental administrative and National Educational Psychological Service staff.

5.3 Allowances and overtime payments — first and second level

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	—	—	—	—
Other allowances	3,945	3	26,540	10,269
Overtime	247	15	21,803	16,105
Extra remuneration in more than one category	134	—	6,230	13,316

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020 [a]
			€	€
Higher, special or additional duties allowances	61	2	14,606	7,805
Other allowances	43	1	13,272	12,940
Overtime	195	77	37,219	29,642
Extra remuneration in more than one category	63	39	38,650	12,403

Note [a] The Department was not in a position to provide details of allowances and overtime paid to agencies for the 2020 accounts. This information has now been included.

5.4 Other remuneration arrangements

Forty retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €85,000 (2020: €157,000) which included travel and subsistence costs of €1,000 (2020: €18,000). The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Administration staff salary overpayments			
Overpayments	87	230,865	382,179
Recovery plans in place	20	70,370	129,026

One overpayment recovery plan in respect of one individual to the value of €3,251 was transferred in the year to an other department.

Teacher/non-teacher and retired personnel overpayments			
Overpayments	4,958	6,003,349	5,871,335
Recovery plans in place	361	1,040,603	1,325,066

During the course of 2021, a total of 1,462 overpayment cases were repaid in full with a repayment value of €1,260,909.

Supplementary pension overpayments			
Overpayments	91	825,924	914,529
Recovery plans in place	77	655,233	778,430

Overpayments as a result of an under-deduction of the Public Service Pension Reduction

Some 89 pensioner's cases were identified in 2018, where an under-deduction in the public service pension reduction took place resulting in overpayments. The Department is considering next steps with a view to bringing the matter to a conclusion. It is now estimated the value of the overpayment is in the region of €1 million.

5.6 Severance/redundancy

During 2021, 13 special needs assistants were paid redundancy via the Department's school payrolls, in the Department's capacity as paymaster for certain schools. The total redundancy payment was €160,874 and included payment for both statutory and non-statutory redundancy sums as appropriate. Three individuals received redundancy payments in excess of €10,000. The highest redundancy received by an individual in 2021 was €38,382. There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any of the 13 individuals.

During 2021, there were no redundancies paid to individuals via the Department's administrative payrolls.

Grade	Severance payment	Added years of notional service	Early payment of pension with no actuarial reduction
	€		
Special needs assistant	160,874	—	—
Total	**160,874**	**—**	**—**

5.7 Salary of Accounting Officer

As at 31 December 2021 the Accounting Officers salary was at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155.).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to 31 December 2021	Expenditure in 2021	Expenditure in 2020
		€000	€000	€000
Commission to Inquire into Child Abuse	1999	84,800	533	598
Residential Institutions Redress Scheme [a, b]	2002	1,245,395	900	1,780
		1,330,195	**1,433**	**2,378**

Note [a] In addition to the overall expenditure of €1.245 billion on the Residential Institutions Redress Scheme at the end of 2021, a further €10 million expenditure was incurred in respect of court settlements pursuant to the 2002 Indemnity agreement, whereby religious congregations are not liable for any cases settled in court and outside of the redress scheme.

[b] At the end of 2021, the cumulative administration costs for the Residential Institutions Redress Board was €64.5 million and €10.03 million for the Residential Institutions Review Committee.

Total contributed by religious congregations

Contributions from the 18 religious congregations that managed most of the children's residential institutions have been made under two distinct rounds. They are:

- the legally binding 2002 Indemnity agreement that provided for contributions of €128 million; and
- the additional voluntary offers made in the aftermath of the publication of the Ryan Report in 2009, including cash and properties which were valued by the congregations at €352.61 million.

The table below summarises the total amounts offered under the two rounds and the amounts received to date. These amounts comprise both cash contributions and the value of property transfers.

	Offered €million	Realised €million
2002 indemnity agreement	128.00	124.94
2009 voluntary offers	352.61 [a]	117.23 [b]
Total	**480.61**	**242.17**

Note [a] The €352.61 million figure is as valued by the congregations.

[b] The transfers of 16 properties have been completed but a valuation has yet to be obtained in one case.

Total amount outstanding from religious congregations

All cash offered under the 2002 indemnity agreement, amounting to €65 million, has been received. Two properties have yet to fully transfer under the terms of the agreement.

By the end of 2021 voluntary cash contributions offered in 2009 or subsequent years, amounting to €111.48 million have been received. This included the first instalment of an additional cash contribution of €1 million towards the development of the National Children's Hospital as provided for in Section 43 of the Residential Institutions Statutory Fund (RISF) Act 2012. A further contribution may also be received, arising from the disposal of a certain property which was not accepted for transfer to the State, but the amount involved is not yet known. It is important to note these are voluntary cash contributions.

A total of 16 of the properties offered voluntarily in 2009 have fully transferred and significant progress has been made in relation to the two remaining properties. Further work is required to progress the offer by the Congregation of Christian Brothers. This offer included playing fields.

The full 2009 value of the voluntary offers is unlikely to be achieved because certain offers were not accepted and because the market value of the properties transferred, or disposed of, was in most cases lower than the value placed on them by the congregations at the time the offer was made. This position may change as remaining property transfers are finalised.

Total future commitments

The Redress Board and the Commission to inquire into Child Abuse are expected to close over the coming period. It is expected that the additional expenditure will be in the order of €2 million.

The legislation establishing the Commission to Inquire into Child Abuse and the Residential Institutions Redress Board provided that the records of individuals would be kept confidential and destroyed on the dissolution of the bodies. However, the Government subsequently decided that the records were of such potential historical significance that they should be retained and sealed in the National Archives. As a result, the Redress bodies cannot be dissolved until the matter of the final destiny of their records is resolved. In October 2020, the Government announced that a National Centre of Research and Remembrance would be established, which would be given responsibility for records relating to institutional abuse, including those of the Commission to Inquire into Child Abuse and the Redress Board. Therefore, the closure of the bodies is now dependent on the progression of this whole of government approach.

Special account established under Section 43 of the RISF Act 2012

Section 43 of the 2012 Act provides that contributions from congregations that are in excess of the €110 million limit set down in Section 29 of that Act are to be placed in a special account in the name of the Minister for Health to be used only for purposes related to the development of a new national paediatric hospital. In 2021, a further contribution of €500,000 was lodged to the special account, bringing the total lodged to the account to €1.479 million.

6.2 Compensation and legal costs

6.2 (A) Payments/costs incurred during the year

	Claims by		Total	Total
	Employees	Members of the public	2021	2020
Number of cases				
	€000	**€000**	**€000**	**€000**
Department's own legal costs	43	809	852	1,020
Payments by/on behalf of Department				
Compensation	60	4,849	4,909	1,094
Legal costs	17	878	895	716
Other costs	—	265	265	63
Total	**120**	**6,801**	**6,921**	**2,893**

Note a At 31 December 2021, the following claims are outstanding:

- Personal 88
- Other 2

6.2 (B) Cumulative costs of cases completed in 2021

	Claims by		Total
	Employees	Members of the public	2021
Number of cases	5	78	83
	€000	**€000**	**€000**
Department's own legal costs	43	818	861
Payments by/on behalf of Department			
Compensation	71	3,934	4,005
Legal costs	18	167	185
Other costs	—	308	308
Total	**132**	**5,227**	**5,359**

6.3 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	—	—	12
Suspected fraud/irregularities	4	87	—
		87	**12**

In the period between the signature of the 2020 appropriation account and 31 March 2022, the Department was made aware of four cases of suspected fraud/irregularities. One of these cases is closed. The other three cases remain open with no value yet identified in one case.

6.4 Arbitration and conciliation

Expenditure in 2021 includes payments of €2,935,491 (2020: €4,599,005) made to contractors and others to cover costs as a result of conciliation and arbitration proceedings. There were 12 cases in 2021 (2020: 14 cases). Figures include VAT, legal and professional fees.

The 2020 figures have been restated to include adjudication fees that were not reported in the 2020 appropriation account.

6.5 EU funding

Receipts in relation to EU funding received during 2021 and lodged to appropriations-in-aid is detailed in the table below:

EU funding category	2021 €000	2020 €000
B2.3 EC education projects	370	471
B2.3 Miscellaneous PEACE IV Programme refund	1,108	257
	1,478	**728**

European Commission education projects

Receipts in 2021 under European Commission education projects included compensatory payments for administrative expenses incurred in providing for the Centre for European Schooling, Dunshaughlin, Co. Meath and activities under Ireland's participation in the European Commission's Eurydice information network.

PEACE IV Programme refund

Receipts received in 2021 related to expenditure incurred as part of the PEACE IV programme which operates on the basis of recoupment of 80% from the Commission. Ireland contributes 21% of overall programme costs, while the Northern Ireland Executive contributes the remainder.

6.6 Direct EU funding to bodies under the Department's aegis

In addition to the grant from the Vote, direct EU aid to bodies under the aegis of the Department during 2021 was as shown below.

Aegis body	2021 €000	2020 €000
National Council for Curriculum and Assessment (NCCA)	—	43
National Centre for Guidance in Education (NCGE)	31	—
	31	**43**

Aegis body	Purpose of funding
National Centre for Guidance in Education	Euroguidance Centre projects

6.7 Write-offs

The following sums were written off in the year.

	2021 €000	2020 €000
Payroll overpayments	15	15
School salary grant	9	—
Cycle to work suspense account	1	—
Schools Broadband Programme	—	1,190
	25	**1,205**

6.8 Late payment interest

	2021 €000	2020 €000
Total net interest paid	**15**	**6**

6.9 Educational trusts

Educational trusts totalling €2.421 million were invested on behalf of the Department in a common investment fund under the stewardship of the Charities Regulator at the close of 2021 (2020: €2.083 million). The Minister for Education remains the trustee of these educational trusts.

Appendix A Accounts of bodies and funds under the aegis of the Department of Education

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2022 the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Education and Training Boards (ETBs)				
Cavan and Monaghan	2020	Sep 2021	Oct 2021	Nov 2021
City of Dublin	2020	Dec 2021	Dec 2021	Feb 2022
Cork	2019	Sep 2020	Oct 2020	Dec 2020
Donegal	2020	Sep 2021	Sep 2021	Nov 2021
Dublin and Dún Laoghaire	2020	Dec 2021	Jan 2022	Mar 2022
Galway and Roscommon	2020	Jan 2022	Jan 2022	Mar 2022
Kerry	2019	Dec 2020	Jan 2021	Feb 2021
Kildare and Wicklow	2020	Dec 2021	Jan 2022	Mar 2022
Kilkenny and Carlow	2020	Jan 2022	Feb 2022	To be laid
Laois and Offaly	2020	Dec 2021	Dec 2021	Feb 2022
Limerick and Clare	2020	Dec 2020	Jan 2021	Mar 2021
Longford and Westmeath	2020	Sep 2021	Sep 2021	Nov 2021
Louth and Meath	2019	Nov 2020	Nov 2020	Jan 2021
Mayo, Sligo and Leitrim	2019	Dec 2020	Jan 2021	Feb 2021
Tipperary	2020	Dec 2021	Jan 2022	Mar 2022
Waterford and Wexford	2020	Sep 2021	Oct 2021	Nov 2021
Aegis bodies				
National Council for Curriculum and Assessment (NCCA)	2020	Jun 2021	Jun 2021	Jul 2021
National Council for Special Education (NCSE)	2020	Dec 2021	Dec 2021	Dec 2021
State Examinations Commission (SEC)	2020	Nov 2021	Dec 2021	Jan 2022
The Teaching Council	2020	Jul 2021	Jul 2021	To be laid
Educational Research Centre	2020	Jun 2021	Jul 2021	Sep 2021
Caranua	2020	Mar 2021	Mar 2021	Jul 2021
Redress Special Account	2020	Aug 2021	Aug 2021	Sep 2021

Appendix B Major capital commitment projects involving total expenditure of €10 million or more

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
Subhead A.15		**€000**	**€000**	**€000**	**€000**	**€000**
1	Hansfield Educate Together Secondary School, Dublin 15	17,370	—	187	17,557	17,557
2	Gaelscoil na nDeise, Carrickphierish Campus, Waterford	15,213	—	26	15,239	15,222
3	St Colmcille's, Dublin 16 [a]	16,326	—	342	16,668	16,617
4	Ardgillan Community College, Balbriggan, Co. Dublin	13,653	—	166	13,819	13,756
5	Temple Carrig Secondary School, Wicklow	12,855	—	391	13,246	13,195
6	St John's Primary School, Rathmullen	12,861	250	1,295	14,406	14,355
7	Coláiste Ghlór na Mara, Balbriggan, Co. Dublin	14,773	—	227	15,000	14,936
8	Bremore Educate Together Balbriggan, Co. Dublin	22,835	—	1,226	24,061	24,061
9	Le Chéile Secondary School, Mulhuddart, Dublin 15	19,984	—	218	20,202	20,138
10	Portlaoise Parish School, Co. Laois	16,326	21	734	17,081	16,998
11	Newpark Comprehensive, Blackrock, Co. Dublin	14,106	—	481	14,587	14,536
12	Carrigaline Post Primary School, Co. Cork	14,542	—	222	14,764	14,713
13	Limerick Educate Together, Mungret, Limerick	12,503	—	205	12,708	12,708
14	St Aidan's Parish School, Enniscorthy, Co. Wexford	10,932	—	497	11,429	11,243

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
		€000	€000	€000	€000	€000
15	Michael Street National School, New Ross, Co Wexford	11,065	—	409	11,474	11,474
16	Sancta Maria College, Rathfarnham, Co Dublin	13,475	67	3,164	16,706	16,639
17	Clonkeen College, Blackrock, Co. Dublin	12,867	—	76	12,943	12,892
18	Kinsale Community College, Co. Cork	11,943	255	19	12,217	11,918
19	Christian Brothers Secondary School, Thomas street, Wexford	15,705	14	186	15,905	15,840
20	Arklow Vocational School, Co. Wicklow	12,338	8	260	12,606	12,450
21	Scoil Phobail, Clifden, Co. Galway	10,349	111	40	10,500	10,450
22	Scoil Naofa Oilbhear Pluincead, Malahide, Co. Dublin	16,585	961	1,128	18,674	17,356
23	Stewarts School Palmerstown, Dublin 20	16,985	2,910	—	19,895	19,479
24	Kingswood Community College, Tallaght, Dublin 24	21,358	270	19	21,647	21,469
25	Coláiste Mhuire, Knockbeg, Carlow	16,686	102	467	17,255	17,183
26	Presentation College Athenry, Co. Galway	20,598	—	214	20,812	20,748
27	Maynooth Post Primary Schools, Co. Kildare	46,993	5,009	1,061	53,063	51,702
28	Gaelscoil Teach Giuise, Tallaght, Dublin 24	11,809	—	22	11,831	11,831
29	Mercy Convent Primary School, Naas, Co. Kildare	6,781	2,825	2,532	12,138	10,967
30	St. Mochta's National School, Clonsilla, Dublin 15	12,272	52	258	12,582	12,501

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
		€000	€000	€000	€000	€000
31	Tullamore College, Tullamore, Co. Offaly	11,426	10	105	11,541	11,541
32	Holy Family Special School, Cootehill, Co. Cavan	11,407	3,740	1,007	16,154	15,835
33	CBS Primary School, New Road, Ennis, Co. Clare	11,357	189	134	11,680	11,625
34	Citywest Educate Together National School, Fortunestown Lane, City West, Dublin 24	14,324	270	15	14,609	14,558
35	Claregalway Educate Together National School, Lakeview Claregalway,Co. Galway	15,078	271	61	15,410	15,277
36	Gairmscoil Mhuire, Athenry, Co. Galway	22,440	860	362	23,662	22,948
37	Lusk Community College, Lusk, Co. Dublin	16,529	750	485	17,764	16,615
38	Davis College, Mallow, Co. Cork	11,976	462	322	12,760	12,670
39	Coláiste Chiaráin, Croom, Co. Limerick	20,147	939	405	21,491	20,135
40	Scoil Bhríde National School, Knockmay, Portlaoise, Co. Laois	9,951	—	157	10,108	10,058
41	SN Lusca, Lusk, Co. Dublin	11,032	—	107	11,139	11,088
42	St. Columba’s Boys National School, Douglas West, Co. Cork	14,426	253	338	15,017	14,895
43	St. Patrick's School, Bohreen Hill, Enniscorthy, Co. Wexford	14,846	3,021	524	18,391	16,646
44	Clonakilty Community College, Clonakilty, Co.Cork	11,234	669	112	12,015	11,821

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
		€000	€000	€000	€000	€000
45	Powerstown Educate Together National School, Tyrrelstown, Dublin 15	10,822	74	147	11,043	11,016
46	Swords Post Primary, Swords, Co. Dublin	26,713	279	657	27,649	27,540
47	Naas Community College, Naas, Co. Kildare	9,364	11,474	3,597	24,435	24,223
48	Coláiste Chiaráin, Summerhill, Athlone, Roscommon	23,613	875	410	24,898	24,692
49	Gracepark, Educate Together National School, Drumcondra, Dublin 9	12,116	335	178	12,629	12,462
50	Gaelcholaiste Charrig Ui Leighin, Carrig Ui Leighin, Co. Corcaigh	21,992	16,745	882	39,619	38,042
51	St. Paul's National School, Navan, Co. Meath	8,174	4,953	81	13,208	12,286
52	Maynooth Boys National School, Maynooth, Co. Kildare	899	4,780	6,872	12,551	11,913
53	St Conleths and Marys National School, Newbridge, Co. Kildare	977	5,231	10,282	16,490	15,325
54	St Patrick's National School, Corduff, Dublin 15	1,790	3,701	12,581	18,072	17,876
55	St Pauls Secondary School, Monasterevin, Co. Kildare	2,443	7,913	12,791	23,147	22,321
56	St David's Holy Faith Secondary, Kimberly Road, Greystones, Co. Wicklow	1,132	6,463	8,479	16,074	15,809
57	St. Mary's Secondary School, Ballina, Co Mayo	1,233	7,217	6,535	14,985	14,807

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
		€000	€000	€000	€000	€000
58	St Colman's Community College, Middleton, Co. Cork	16,586	791	316	17,693	17,490
59	Ratoath College, Ratoath, Co. Meath	9,407	1,454	183	11,044	10,623
60	St Conleth's Community College, Newbridge, Co. Kildare	10,864	5	124	10,993	10,988
61	Dublin 7 Educate Together, Fitzwilliam Place North, Dublin 7	1,157	6,556	8,510	16,223	15,436
62	Cherrywood Educate Together National School, Sallynoggin, Dublin 18 [a, b]	17	2,903	12,395	15,315	—
63	Blackwater Community School, Lismore [a ,b]	763	3,403	13,656	17,822	—
64	Malahide and Portmarnock Educate Together Secondary School, Swords, Co. Dublin [a, b]	472	6,849	9,740	17,061	—
65	Edmund Rice College Carpenterstown/ Castleknock , Dublin 15 [a, b]	174	7,586	20,276	28,036	—
66	Meán Scoil an Chlochair, Kilbeggan [a, b]	673	1,033	20,247	21,953	—
67	Scoil Mhuire gan Smál, Blarney [a, b]	1,139	6,237	21,322	28,698	—
68	Douglas/ Rochestown Educate Together (Carr's Hill) [a, b]	340	4,128	14,919	19,387	—
69	Ballinteer Educate Together, Dublin 16 [a, b]	289	4,115	14,880	19,284	—
70	Pelletstown Educate Together National School, Dublin 15 [a, b]	600	3,194	9,300	13,094	—
71	Ennistymon Community School, Co. Clare [a, b]	1,443	3,518	25,638	30,599	—
72	Gaelscoil Cnoc Liamha, Knocklyon, Dublin 16 [a, b]	128	3,095	8,722	11,945	—

		Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
		€000	€000	€000	€000	€000
73	St Patrick's Boys National School, Clane, Co. Kildare [a, b]	466	194	12,693	13,353	—
74	St Mary's Donnybrook, Dublin 4 [a, b]	845	4,423	6,556	11,824	—
75	Scoil Mhichil Naofa, Athy, Co.Kildare [a, b]	302	207	12,830	13,339	—
76	Gaelcholáiste Chiarraí, Trá Lí, Co Chiarraí [a ,b]	922	5,069	11,497	17,488	—
77	Gaelcholáiste Luimnigh, Meal Sior Anraí Luimneach [a, b]	1,158	500	21,342	23,000	—
78	Scoil an Athar Tadhg, Cork East County [a, b]	437	337	9,370	10,144	
79	Little Angels Special School, Letterkenny Co Donegal [a, b]	534	89	15,793	16,416	—
	Total [f]	**838,245**	**160,015**	**354,007**	**1,352,267**	**1,003,495**

Note [a] Eighteen new schools' projects were contractually committed to in 2021

[b] The cumulative expenditure to 31 December 2020 and the expected total spend 2020 lifetime spend have been restated primarily due to the following:

- for new school projects contractually committed in 2021 where pre-2021 expenditure has now been included
- for projects which have been removed as they are finalised, or the total project cost is now under the €10m threshold or the outstanding commitment is less than €10,000.

Significant variations subhead A.15

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2020 to 2021:

22 Scoil Naofa Oilbhear Pluincead, Malahide, Co. Dublin

Increase in expected total spend: €1.318 million

The increase in commitments was due primarily to change orders in respect of Board of Management funded requests, contaminated soil, air aspiration, top soil, additional preliminaries and insurances, mechanical alterations, additional stone build up to ball court and car park, additional rainwater pipes and additional ducting and other necessary works to doors, additional guard rails and radiant panels installed.

27 Maynooth Post Primary Schools, Co. Kildare

Increase in expected total spend: €1.362 million

The increase in commitments related primarily to the resequencing of the programme of works for the school campus project, which had been impacted by Covid-19 related delays. This was necessary to ensure that one of the schools on the campus was in a position to open on the site in September 2021, in order to meet urgent enrolment needs at the schools. Additional design team fees associated with this issue were also incurred.

29 Mercy Convent Primary School, Naas, Co. Kildare

Increase in expected total spend: €1.171 million

The increase in commitments was due primarily to change orders as part of the enabling works contract to make the building weathertight following termination of the previous contractor's obligation to complete the works. Repairs to temporary school roof, replacement of weather damaged glazing, replace scaffolding, cleaning of weather stained concrete etc. to achieve certification in advance of tendering for completion works contract.

36 Gairmscoil Mhuire, Athenry, Co. Galway

Increase in expected total spend: €715,000

The increase in commitments involved the installation of a temporary footpath to ensure safety for students on the opening of the school while awaiting the delivery of a footbridge by Galway County Council and also includes for security, fencing, changes to room layout and additional design team fees.

37 Lusk Community College, Lusk, Co. Dublin

Increase in expected total spend: €1.149 million

The increase in commitments was due primarily to change orders in respect of additional fixings to windows, retention of temporary accommodation, re-measuring substructure, stud partitions and plasterboard ceilings, change in location of switch room, external soffit, variations to fire alarm and additional fire stopping requirements, alterations and additional workforce required during phase 1, works required to drainage and foul water system, other miscellaneous alterations deemed necessary and % for art and utilities.

39 Coláiste Chiaráin, Croom, Co. Limerick

Increase in expected total spend: €1.356 million

The increase in commitments in relation to this project was primarily due to change orders relating to further issues with ground conditions and delay costs associated with same.

43 St. Patrick's School, Bohreen Hill, Enniscorthy, Co. Wexford

Increase in expected total spend: €1.745 million

The increase in commitments was due primarily to change orders in respect of fire safety, additional steel bracing, additional electrical provisions as required in a special school, alterations to foul and mains water, booster pumps and Extension of Time claim.

50 Gaelcholáiste Charrig Uí Leighin, Carrig Uí Leighin, Co. Corcaígh

Increase in expected total spend: €1.577 million

The increase in commitments was due primarily to change orders with respect to the unforeseen need to provide additional raw materials for the project, primarily steel, to address design related issues on the project.

51 St.Paul's National School, Navan, Co. Meath

Increase in expected total spend: €922,000

The increase in commitments was due primarily to change orders in respect of unforeseen ground conditions, car charging points and ductwork for broadband and % for Art and utilities.

52 Maynooth Boys National School, Maynooth, Co. Kildare

Increase in expected total spend: €637,000

The increase in commitments was due primarily to change orders for additional measures to ensure safe construction during the Covid emergency, additional electrical and mechanical works to include data points, cabling and EV Chargers, excavation and removal of contaminated soil, trenching for ESB.

53 St Conleths and Marys National School, Newbridge, Co. Kildare

Increase in expected total spend: €1.165 million

The increase in commitments was due primarily to change orders in respect of additional measures to ensure safe construction during the Covid emergency, installation of additional accommodation for SNU base during construction, generator to temporary accommodation in advance or ESB connection, additional finishes to internal walls as part of refurb, data cabling to temporary accommodation.

55 St Pauls Secondary School, Monasterevin, Co. Kildare

Increase in expected total spend: €827,000

The increase in commitments was due primarily to utility costs processed in 2021.The bulk of these additional costs relate directly to connection charges by Irish Water for works to connect the schools accommodation to the mains water supply.

61 Dublin 7 Educate Together, Fitzwilliam Place North, Dublin 7

Increase in expected total spend: €787,000

The increase in commitments was primarily due to increases in costs arising from the implementation of the Covid co-operation framework in accordance with Government guidance, as well as an increase in design team fees associated with various changes to the original scope of service for the design team.

Appendix C Information Note on Public Private Partnerships Projects (PPPs)

As at the end of 2021, the Department has six separate contracts to design, build, finance and maintain education accommodation under the Public Private Partnership (PPP) model. PPPs are a structured arrangement between public sector bodies and private sector investors for providing infrastructure projects which would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made upfront. The costs are paid by the Department in the form of a monthly unitary charge spread over 25 years. The first unitary charge is payable once construction has been completed.

Education PPP projects to date have been, and continue to be, designed, built, financed and maintained (DBFM) by the selected tenderer.

There are six schools projects – Pilots, School Bundles 1, 2, 3, 4 and 5. All six contracts provide for a 25 year operational period. The buildings will remain in State ownership for the duration of the contract, with the PPP Company granted a licence to build the facilities and maintain them for a period of 25 years.

Five Pilot Schools PPP

The five post primary schools in the Pilots School PPP bundle are located in Dunmanway and Ballincollig, Co. Cork; Tubbercurry, Co. Sligo; Clones, Co. Monaghan and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects Ltd in November 2001. The operational phase of the schools commenced in January 2003.

1st Bundle PPP schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools); Banagher and Ferbane (both in Co. Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

2nd Bundle PPP schools

A contract for the design, build, financing and operation of five post primary schools and one primary school in Burkeen, Wicklow Town, Co. Wicklow; Athboy, Co. Meath; Kildare Town, Co. Kildare; Abbeyfeale, Co. Limerick and Bantry, Co. Cork (two schools) was signed with Maquarie Partnerships for Ireland in June 2010. These schools became operational between July 2011 and October 2011.

3rd Bundle PPP schools

There are seven post primary schools and one primary school in the 3rd Bundle PPP Project. They are located in Ballinamore, Co. Leitrim; Letterkenny, Co. Donegal; Gorey, Co. Wexford; Doughiska, Co. Galway (two schools); Doon, Co. Limerick; Tramore, Co. Waterford and Athlone, Co. Westmeath. The contract for the design, build, financing, operation and maintenance of the schools was signed with BAM PPP PGGM Infrastructure Cooperative UA in November 2012. All eight schools became operational between November 2013 and May 2014.

4th Bundle PPP schools

There are four post primary schools in the 4th Bundle PPP Project. They are located in Tulla, Co. Clare; Skibbereen, Co. Cork; Dundalk, Co. Louth and Carrick-on-Suir, Co. Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. These schools became operational between March and May 2016.

5th Bundle PPP schools

There are four post primary schools, one primary school and one further education college in the 5th Bundle PPP Project. They are located in Carlow (one school and one IFE); Kells, Co. Meath; Bray, Co. Wicklow (two schools) and Wexford. The contract for the design, build, financing and maintenance of the schools was signed in July 2016 with Inspired Spaces Bundle 5 (Ireland) Ltd. Two schools in Bray and one in Wexford achieved service commencement in 2018. The school in Kells achieved service commencement in June 2019, the remaining school and IFE in Carlow achieved service commencement in July and August 2019 respectively.

Appendix D Direct funding from Vote 26 to Education and Training Boards (by subhead)

The following table lists the direct funding to Education and Training Boards (ETBs) during 2021 by subhead with comparative figures for 2020.

		2021 ETB funding amount €000	2020 ETB funding amount €000
Programme A - First, second and early years education			
A.3	Salaries, wages and allowances (including incidental payments) of primary teachers	243	25
A.5	Grants to Education and Training Boards in respect of ETB teachers' salaries	667,343	628,141
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	49,318	45,227
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	75,406	82,434
A.9	School transport services	1,323	610
A.10	Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions	102,357	101,873
A.11	Grants to education bodies working in the primary and post primary sectors	367	380
A.12	Teacher education	1,933	2,079
A.14	Miscellaneous grants and services	16,622	18,602
A.15	Primary and post primary infrastructure	164,477	169,022
A.16	Public private partnerships costs (PPP)	18	12
Grant total paid to ETBs		**1,079,407**	**1,048,405**

Appropriation Account 2021

Vote 27

International Co-operation

Introduction

As Accounting Officer for Vote 27, 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 2021 for certain official development assistance, including certain grants, and for contributions to certain international organisations involved in development assistance and for the salaries and expenses in connection therewith.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.752 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, with the exception of the following:

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost.

The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising on foreign currencies are translated into euro at the rate of exchange prevailing at the date of settlement. At programme country mission level, transactions arising on foreign currencies are translated into euro at the market rate of exchange prevailing at the beginning of that month.

Grant refunds

Refunds of grants, which were funded out of the bilateral co-operation and humanitarian assistance fund, are returned to the fund on receipt.

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 HR 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 this 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.

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 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

- 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.

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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Due to the ongoing Covid-19 pandemic the staff of the Evaluation and Audit Unit continued to work remotely during the year. The Unit's work plan for the year took account of this context, was approved by the Management Board (and agreed by the Audit Committee) and was implemented as planned. The plan continued to include greater emphasis on real time business advisory work.

Non-compliance with procurement rules

I confirm that 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 complied with the guidelines with the exception of one contract (2020: nil) with a value of €80,000 (2020: €nil). This contract had previously been awarded under a competitive process but it was extended due to the ongoing Covid-19 pandemic. A competitive process will be carried out in 2022.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

Missions' tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function include a review of compliance with local taxes in each mission's internal audit review. The Department also includes training on local tax rules as part of its training programme for staff in advance of overseas postings.

In addition, appropriately qualified accountants and internal auditors in the missions keep this compliance under review.

Significant financial risks

By its nature, development assistance carries inherent risks, which I acknowledge and seek to manage and mitigate. Robust controls are in place at head office, as outlined above, which are supplemented by additional controls in partner countries as set out below.

Enhancing internal control environment

In addition to the controls in place at head office, the following controls are operated in partner countries to mitigate the risks inherent in development assistance

- Each embassy, in addition to the Ambassador, has a designated Head of Development with responsibility for the management of the aid programme.
- In addition to the Ambassador and Head of Development, the embassy management structure includes appropriately qualified and experienced development specialists and programme managers/advisers.
- There is a rigorous planning and approval process for each country programme, which includes the development of a mission strategy which covers Ireland's political, trade and development interests in each case. Mission strategies can be for up to five years, tailored to local circumstances. Each mission strategy is assessed at the outset through an independent external quality assurance (EQA) process prior to approval; is subject to a mid-term review process to review progress against goals and objectives; and is assessed via a final independent evaluation in advance of the next strategy cycle.
- Robust annual business planning processes are in place at all missions including identification and assessment of risks to business plan implementation and the controls in place to manage these risks. Business plans and risk registers are developed in consultation with head office, and are monitored and updated, as necessary, on a quarterly basis. Significant mission risks are reported upward to the Risk Management Committee and Management Board in line with the Department's Risk Management Policy.
- Each embassy has a locally-based finance function, led by an appropriately qualified head of finance, who reports both to the Ambassador and to the Finance Division at head office.
- A detailed financial procedures manual is in place which sets out the procedures to be followed in respect of all administration and grant-related transactions.
- Internal auditors are in place in each embassy, reporting directly to the Ambassador, and whose internal audit work is undertaken as part of the Department's overall internal audit strategy/work plan which is managed by the Department's independent Evaluation and Audit Unit. The Evaluation and Audit Unit oversees the work and ensures that it is undertaken in accordance with the internationally accepted Internal Audit Standards.

In addition, in respect of head office payments for overseas development assistance (including humanitarian, multilateral and civil society funding), robust business planning mechanisms are in place, including approval of the overall budget by the Interdepartmental Committee for Development Assistance, monitoring of expenditure by the Senior Management Group on a twice monthly basis, and robust pre and post disbursement grant management procedures.

Continued emphasis is placed on ensuring there is robust risk management system in operation across the aid programme, including controls to alert management to changes in the perceived risk profile of any aspect of the programme so that appropriate action can be taken at the earliest opportunity.

All grants are awarded using the standard approach to grant management, which should ensure consistency of approaches to grant management across the programme.

I am committed to ensuring that we continue to strengthen our systems of risk identification and management and to ongoing monitoring and audit to minimise the potential for the misuse of funds in the future.

Grant commitments

The Department is in the process of developing an electronic grant management system, which will seek to track all grant commitments and provide up to date information on the obligations of the Department in relation to such contractual commitments. In the absence of such a system, the detailed disclosure sought in the appropriation accounts of the movement on grant commitments could not be provided. However, an estimate of the obligations outstanding at 31 December 2021 has been provided in Note 2.6.

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 Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit.

The risk register details the controls and actions needed to mitigate risks and 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out in Ireland and in missions overseas.

Since the onset of the Covid-19 crisis in 2020, I have been closely monitoring the risks associated with the pandemic which impact on the operation of the Department in Ireland and in our overseas missions. With the Management Board and Senior Management Group, a review of the operating procedures was carried out at in 2020 to address these risks and procedures were adapted for remote working arrangements. These revised procedures continued in operation during 2021 as the remote working arrangements were maintained throughout 2021. While some programmes and services were negatively impacted by restrictions across the world, the effects of the pandemic have increased the demand for certain services and grants provided by the Department's development partners. The review of operating procedures included the establishment of the necessary measures to ensure the continued delivery of crucial services, while protecting the health and wellbeing of staff and ensuring compliance with relevant restrictions in those jurisdictions in which the Department operates.

Joe Hackett
Accounting Officer
International Co-operation

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 27 International Co-operation

Opinion on the appropriation account

I have audited the appropriation account for Vote 27 International Co-operation for the year ended 31 December 2021 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 27 International Co-operation for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Foreign Affairs 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

29 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 27 International Cooperation

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Work on poverty and hunger reduction	571,014	568,273	547,719
Gross expenditure		**571,014**	**568,273**	**547,719**
	Deduct			
B	**Appropriations-in-aid**	**1,030**	**1,041**	**1,046**
Net expenditure		**569,984**	**567,232**	**546,673**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**2,752,117**	**3,029,239**

Joe Hackett
Accounting Officer
International Co-operation

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		533,249	515,804
Pay		20,861	18,968
Non pay		14,163	12,947
Gross expenditure		**568,273**	**547,719**
Deduct			
Appropriations-in-aid		**1,041**	**1,046**
Net expenditure		**567,232**	**546,673**
Changes in capital assets			
Purchases cash	(754)		
Depreciation	372		
Disposals cash	25		
Profit on disposal	(25)	(382)	199
Changes in net current assets			
Decrease in closing accruals	(88)		
Increase in stock	(8)	(96)	(39)
Direct expenditure		**566,754**	**546,833**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		28	27
Net programme cost		**566,782**	**546,860**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 27 borne elsewhere.

		2021	2020
		€000	€000
Vote 18	National Shared Services Office	**28**	**27**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	13,087	11,623
Current assets			
Bank and cash	2.2	10,091	6,826
Stocks		37	29
Prepayments	2.3	1,917	1,652
Other debit balances		356	205
Total current assets		**12,401**	**8,712**
Less current liabilities			
Accrued expenses		302	125
Other credit balances	2.4	762	401
Bilateral and other co-operation fund (grant) account	7	8,061	8,905
Net Exchequer funding	2.5	1,624	(2,275)
Total current liabilities		**10,749**	**7,156**
Net current assets		1,652	1,556
Net assets		**14,739**	**13,179**
Represented by:			
State funding account	2.6	**14,739**	**13,179**

2.1 Capital assets

	Land and buildings	Equipment	Furniture and fittings	Vehicles	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	10,487	2,338	847	3,382	159	17,213
Transfers from assets under development	122	—	—	—	(122)	—
Additions	—	16	—	35	703	754
Disposals	—	(31)	(30)	(185)	—	(246)
Revaluation adjustment [a]	1,082	—	—	—	—	1,082
Cost or valuation at 31 December 2021	11,691	2,323	817	3,232	740	18,803
Accumulated depreciation						
Opening balance at 1 January 2021	—	1,967	764	2,859	—	5,590
Depreciation for the year	—	139	13	220	—	372
Depreciation on disposals	—	(31)	(30)	(185)	—	(246)
Cumulative depreciation at 31 December 2021	—	2,075	747	2,894	—	5,716
Net assets at 31 December 2021	**11,691**	**248**	**70**	**338**	**740**	**13,087**
Net assets at 31 December 2020	10,487	371	83	523	159	11,623

Note [a] During the year, eight properties owned by the Department were revalued resulting in a net increase in the carrying values.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	7,615	4,509
Commercial bank account balance	317	158
Mission bank balances and cash	2,159	2,159
	10,091	**6,826**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Mission rents	1,312	1,234
Other	605	418
	1,917	**1,652**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Professional services withholding tax	149	132
Value added tax	19	26
	168	**158**
Other credit balances	594	243
	762	**401**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	2,752	3,029
Exchequer grant undrawn	(1,128)	(5,304)
Net Exchequer funding	**1,624**	**(2,275)**
Represented by:		
Debtors		
Bank and cash	10,091	6,826
Other debit balances	356	205
	10,447	7,031
Creditors		
Due to the State	(168)	(158)
Other credit balances	(594)	(243)
Bilateral and other co-operation fund (grant) account	(8,061)	(8,905)
	(8,823)	(9,306)
	1,624	**(2,275)**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			13,179	13,336
Disbursements from the Vote				
Estimate provision	Account	569,984		
Surplus to be surrendered	Account	2,752		
Net vote			567,232	546,673
Expenditure (cash) borne elsewhere	1		28	27
Non cash expenditure – capital assets	2.1		1,082	3
Net programme cost	1		(566,782)	(546,860)
Balance at 31 December			**14,739**	**13,179**

2.7 Commitments

Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Procurement of goods and services, including rental commitments [a]	8,964	6,054
Non-capital grant programmes	246,103	366,971
Total of legally enforceable commitments	**255,067**	**373,025**

Note [a] Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.312 million (2020: €1.234 million) - Note 2.3. Lease commitments at 31 December 2021 reflect total future commitments under legally binding lease agreements.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	21,767	20,861	18,968
ii	Travel and subsistence	2,130	982	771
iii	Training and development and incidental expenses	2,240	1,532	1,475
iv	Postal and telecommunications services	1,810	1,651	1,362
v	Office equipment and external IT services	1,515	1,200	1,959
vi	Office premises expenses	6,325	6,321	4,943
vii	Consultancy services and value for money and policy reviews	500	277	395
viii	Promotional supports and postings supports	2,350	2,200	2,042
		38,637	**35,024**	**31,915**

Significant variations

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

ii Travel and subsistence

Estimate provision €2.13 million; outturn €982,000

The underspend of €1.148 million on expenditure on travel and subsistence was due to significantly lower travel than planned due to the impact of continuing Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €2.24 million; outturn €1.532 million

The underspend of €708,000 on expenditure on training and development and incidental expenses was due to a general reduction in operating activity across headquarters and missions as a result of continuing operating restrictions due to the Covid-19 pandemic.

vii Consultancy services and value for money and policy reviews

Estimate provision €500,000; outturn €277,000

The underspend of €223,000 on expenditure on consultancy services and value for money and policy reviews was due to a reduction in demand for these reviews arising from the operating restrictions due to the Covid-19 pandemic.

Programme A Work on poverty and hunger reduction

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	21,767	20,861	18,968
A.2	Administration − non pay	16,870	14,163	12,947
A.3	Bilateral co-operation and humanitarian assistance	445,668	444,668	414,013
A.4	Contributions to international funds for the benefit of developing countries	45,509	45,507	57,137
A.5	Contributions to United Nations and other development agencies	41,200	43,074	44,654
		571,014	**568,273**	**547,719**

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	450	465	537
2	Receipts from additional superannuation contributions on public service remuneration	580	576	509
	Total	**1,030**	**1,041**	**1,046**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**597**	**570**

5.2 Pay

	2021 €000	2020 €000
Pay	18,613	17,096
Higher, special or additional duties allowances	51	21
Other allowances	233	46
Overtime	23	24
Employer's PRSI	1,412	1,296
Foreign social security and other costs	529	485
Total pay [a]	**20,861**	**18,968**

Note [a] In addition, staff costs are incurred for staff employed by missions in providing security and who are engaged for the purposes of delivering the programme. These costs are charged to security costs in non-pay administration costs and to programme costs, as appropriate.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	6	2	20,663	10,546
Other allowances	74	—	9,293	8,407
Overtime	11	—	9,139	8,730
Extra remuneration in more than one category	4	4	20,663	13,582

5.4 Other remuneration arrangements

Four (2020: six) retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €10,512 (2020: €18,388).

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	5	18,122	21,860
Recovery plans in place	2	6,280	17,048

No overpayment recovery plans were transferred to other government bodies during the year.

5.6 Salary of Accounting Officer

The Accounting Officer's salary is not charged to the Vote, but is charged to Vote 28 Foreign Affairs.

Note 6 Miscellaneous

6.1 Contributions to United Nations and other development agencies (A.5)

The following is a breakdown of payments under programme A.5. Additional payments may be made to the partner bodies listed from subhead A.3.

	2021 €000	2020 €000
United Nations Development Programme (UNDP)	7,750	7,750
United Nations Children's Fund (UNICEF)	8,200	8,200
United Nations High Commissioner for Refugees (UNHCR)	10,500	9,000
United Nations Population Fund	3,500	3,500
Office of the United Nations High Commissioner for Human Rights	2,130	2,000
UNAIDS	3,400	2,400
United Nations Development Fund for Women (UNIFEM)	2,000	1,500
UN General Trust Fund	1,050	1,100
UN Industrial Development Organisation	424	345
UN Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) [a]	—	6,000
UN Peacebuilding Fund	2,000	750
United Nations Environment Programme Trust Fund (UNEP)	250	100
United Nations volunteers	1,100	1,100
Others – various	770	909
	43,074	**44,654**

Note [a] In 2021, payments of €9 million (2020: €6 million from subhead A.5 and €2 million from subhead A.3) to UNWRA were funded from Subhead A.3 Bilateral co-operation and humanitarian assistance, due to the humanitarian nature of this support for Palestinian refugees.

Note 7 Bilateral and other co-operation fund (grant) account

Account of receipt and payments during the year ended 31 December 2021

	2021 €000	2020 €000
Balance at 1 January	8,905	5,388
Grant	444,668	414,013
Amounts recovered during the year	856	623
Expenditure for the year	(446,395)	(412,562)
Movement in bank balances held at missions	27	1,443
Balance at 31 December	**8,061**	**8,905**

Appropriation Account 2021

Vote 28

Foreign Affairs

Introduction

As Accounting Officer for Vote 28, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2021 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administrated by that Office, including grants and contributions to international organisations.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €21.579 million 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, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account, with the exception of the following:

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost.

The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

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

Accrued expenses, prepayments and commitments at diplomatic missions

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

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial 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 level agreement between this Department and the National Shared Services Office for the provision of payroll and human resource functions.

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 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.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place. It includes the following and, in particular, that

- there is segregation of duties and system of delegation and accountability
- 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.

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. The annual 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Due to the ongoing Covid-19 pandemic the staff of the Evaluation and Audit Unit continued to work remotely during the year. The Unit's work plan for the year took account of this context, was approved by the Management Board (and agreed by the Audit Committee) and was implemented as planned. The plan continued to include greater emphasis on real time business advisory work.

Non-compliance with procurement rules

I confirm that 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 complied with the guidelines with the exception of seven (2020: nine) contracts (in excess of €25,000 Ex VAT), totalling €1,326,926 (2020: €1,016,608)

- Three commercial cleaning contracts were extended beyond the original contract date without a competitive process while revised arrangements were being put in place by the Office of Government Procurement (€614,736). The OGP tender process for these contracts was completed in December 2021 and all three contracts are now competitive and compliant.
- Two contracts had previously been awarded under a competitive tender process but were extended due to the Covid-19 outbreak (€432,147). These contracts will be tendered during 2022.
- One contract was sole sourced due to the Covid-19 outbreak and for the continuation of essential services during the different phases of the pandemic (€254,122).
- One contract had previously been awarded for mobile phone services by a mission but exceeded the relevant thresholds that required a competitive process (€25,922). This contract will be tendered during 2022.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Mission's tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function include a review of compliance with local taxes in each mission's internal audit review. The Department also includes training on local tax rules as part of its training programme for staff in advance of overseas postings.

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated in a timely manner to those responsible for taking corrective action and to management and the Management Board. I confirm that key risks and related controls have been identified and processes 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out in Ireland and in missions overseas.

Since the onset of the Covid-19 crisis in 2020, I have been closely monitoring the risks associated with the pandemic which impact on the operation of the Department in Ireland and in our overseas missions. With the Management Board, a review of the operating procedures was carried out at in 2020 to address these risks and procedures were adapted for remote working arrangements. These revised procedures continued in operation during 2021 as the remote working arrangements were maintained throughout 2021. While some programmes and services were negatively impacted by restrictions across the world, the effects of the pandemic have increased the demand for certain services and grants provided by the Department. The Department continues to adopt a responsive approach to the repatriation of Irish citizens whom become stranded due to changes in Covid-19 travel restrictions across the world. The review of operating procedures included the establishment of the necessary measures to ensure the continued delivery of crucial services, while protecting the health and wellbeing of staff and ensuring compliance with relevant restrictions in those jurisdictions in which the Department operates.

Joe Hackett
Accounting Officer
Department of Foreign Affairs

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 28 Foreign Affairs for the year ended 31 December 2021 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 28 Foreign Affairs for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Foreign Affairs 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

30 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 28 Foreign Affairs

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	To serve our people at home and abroad and to promote reconciliation and co-operation ('Our people')	90,806	86,562	80,756
B	To protect and advance Ireland's values and interests in Europe ('Our Place in Europe')	36,569	34,430	32,201
C	To work for a fairer, more just, secure and sustainable world ('Our values')	56,349	54,928	56,288
D	To advance Ireland's prosperity by promoting our economic interests internationally ('Our prosperity')	44,053	39,099	37,251
E	To strengthen our influence and capacity to deliver our goals ('Our influence')	53,684	51,331	48,400
Gross expenditure		**281,461**	**266,350**	**254,896**
	Deduct			
F	**Appropriations-in-aid**	**44,701**	**51,169**	**38,264**
Net expenditure		**236,760**	**215,181**	**216,632**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**21,578,623**	**8,811,952**

Joe Hackett
Accounting Officer
Department of Foreign Affairs

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		72,157	68,275
Pay		109,160	104,510
Non pay		85,033	82,111
Gross expenditure		**266,350**	**254,896**
Deduct			
Appropriations-in-aid		**51,169**	**38,264**
Net expenditure		**215,181**	**216,632**
Changes in capital assets			
Purchases cash	(2,449)		
Disposals cash	96		
Profit on disposals	(40)		
Depreciation	2,584	191	1,891
Changes in net current assets			
Increase in closing accruals	778		
Decrease in closing prepayments	7,171		
Decrease in stock	159	8,108	(6,115)
Direct expenditure		**223,480**	**212,408**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		24,500	24,902
Notional rents		3,209	3,200
Net programme cost		**251,189**	**240,510**

1.1 Net allied services expenditure

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

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	60	60
Vote 12	Superannuation and Retired Allowances	18,233	18,771
Vote 13	Office of Public Works	5,263	5,347
Vote 18	National Shared Services Office	165	164
Vote 20	Garda Síochána	159	194
Vote 43	Office of the Government Chief Information Officer	249	—
Central Fund – ministerial pensions		405	382
Costs of shared services provided to other Votes		(34)	(16)
		24,500	**24,902**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	193,506	166,885
Current assets			
Stocks	2.3	11,140	11,299
Prepayments	2.4	7,917	15,088
Other debit balances	2.6	7,013	7,445
Total current assets		**26,070**	**33,832**
Less current liabilities			
Bank and cash	2.2	1,728	3,796
Accrued expenses	2.5	2,673	1,895
Other credit balances	2.7	3,780	2,887
Net Exchequer funding	2.8	1,505	762
Total current liabilities		**9,686**	**9,340**
Net current assets		16,384	24,492
Net assets		**209,890**	**191,377**
Represented by:			
State funding account	2.9	**209,890**	**191,377**

2.1 Capital assets

	Land and buildings [a]	Motor Vehicles	Furniture and Fittings	Office equipment	Assets under development [b, c]	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	159,293	2,695	8,047	62,846	1,033	233,914
Transfers from assets under development	—	—	—	704	(704)	—
Additions	—	306	73	612	1,458	2,449
Disposals	—	(196)	(476)	(39)	(47)	(758)
Revaluation adjustment [a]	26,812	—	—	—	—	26,812
Cost or valuation at 31 December 2021	**186,105**	**2,805**	**7,644**	**64,123**	**1,740**	**262,417**
Accumulated depreciation						
Opening balance at 1 January 2021	—	1,951	7,196	57,882	—	67,029
Depreciation for the year	—	333	57	2,194	—	2,584
Depreciation on disposals	—	(188)	(476)	(38)	—	(702)
Cumulative depreciation at 31 December 2021	—	2,096	6,777	60,038	—	68,911
Net assets at 31 December 2021	**186,105**	**709**	**867**	**4,085**	**1,740**	**193,506**
Net assets at 31 December 2020	159,293	744	851	4,964	1,033	166,885

Notes

[a] During the year, valuations were carried out on all of our owned properties.

[b] Assets under development represents assets for the Passport Service and the development of Ireland House in Tokyo currently in progress. These assets represent projects that were not complete at 31 December 2021.

[c] An asset with expenditure of €47,000 was recorded in assets under development in 2020. This asset under development was deemed to not be an asset that will be owned by DFA and therefore was disposed of out of assets under development in 2021.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	(26,238)	(21,246)
Commercial bank account balances	6,345	5,149
Mission bank balances and cash	18,165	12,301
	(1,728)	**(3,796)**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Passport books and cards	11,059	11,163
Protocol stocks	18	49
Stationery	15	38
Prepaid postage	5	5
IT consumables	43	44
	11,140	**11,299**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Mission rents	1,671	1,948
Contributions to international organisations	3,384	9,208
Other prepayments	2,862	3,932
	7,917	**15,088**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Administration accruals	1,801	1,025
Programme accruals	789	845
Travel and subsistence accruals	83	25
	2,673	**1,895**

2.6 Other debit balances

at 31 December	2021	2020
	€000	€000
Departmental and agency accounts	5,419	5,271
Imprest and personal suspense accounts	1,081	1,120
Salary advance accounts	5	1
Repatriations [a]	135	626
Payroll control accounts	317	324
Honorary consulate debtors	47	97
Other balances	9	6
	7,013	**7,445**

Note [a] In 2020 and 2021 €1,566,017 was spent on emergency repatriation costs due to Covid19. To date €1,055,061 has been recouped (including €435,883 from the EU). €40,563 has been charged to programme A.3 in 2021 (2020: €347,072).

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	1,284	1,119
Pay related social insurance	941	773
Universal social charge	261	231
Local property tax	9	7
Value added tax	17	70
Professional services withholding tax	225	140
	2,737	2,340
Sundry creditors [a]	1,043	547
	3,780	**2,887**

Note [a] Sundry creditors include amounts due to creditors of €913,988 and suspense amounts (e.g. requested salary deductions) of €128,982.

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	21,579	8,812
Exchequer grant undrawn	(20,074)	(8,050)
Net Exchequer funding	**1,505**	**762**
Represented by:		
Debtors		
Other debit balances	7,013	7,445
Creditors		
Bank and cash	(1,728)	(3,796)
Due to the State	(2,737)	(2,340)
Other credit balances	(1,043)	(547)
	(5,508)	(6,683)
	1,505	**762**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			191,377	186,904
Disbursements from the Vote				
Estimate provision	Account	236,760		
Surplus to be surrendered	Account	(21,579)		
Net vote			215,181	216,632
Expenditure (cash) borne elsewhere	1.1		24,500	24,902
Non cash expenditure – notional rent	1		3,209	3,200
Non-cash items – capital assets adjustments	2.1		26,812	249
Net programme cost	1		(251,189)	(240,510)
Balance at 31 December			**209,890**	**191,377**

2.10 Commitments

Commitments include those amounts for which the Department may be legally liable in 2022 and subsequent years under binding enforceable contracts.

at 31 December	2021	2020
	€000	€000
The amount is analysed as follows:		
Lease commitments [a]	85,579	94,137
Procurement of goods and services	14,710	—
Total Commitments	**100,289**	**94,137**

Note [a] Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.671 million (2020: €1.948 million) - Note 2.4. Lease commitments at 31 December 2021 reflect total future commitments under legally binding lease agreements.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	114,443	109,160	104,510
ii	Travel and subsistence	6,944	4,716	3,619
iii	Training and development and incidental expenses	6,448	3,851	5,062
iv	Postal and telecommunications services	6,986	4,797	4,916
v	Office equipment and external IT services	26,218	26,327	20,629
vi	Office premises expenses	32,819	31,953	35,744
vii	Consultancy services and value for money and policy reviews	100	79	130
viii	Posting supports	13,597	13,310	12,011
		207,555	**194,193**	**186,621**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

ii Travel and subsistence

Estimate provision €6.944 million; outturn: €4.716 million

The underspend of €2.228 million on travel expenditure was due to significantly lower travel than planned due to the impact of Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €6.448 million; outturn: €3.851 million

The underspend of €2.597 million on expenditure on training and development and incidental expenses was due to a general reduction in operating activity across headquarters and missions as a result of operating restrictions due to the Covid-19 pandemic.

iv Postal and telecommunications services

Estimate provision: €6.986 million; outturn: €4.797 million

The underspend of €2.189 million resulted from a decrease in postage costs associated with the significant decrease in the volume of passport applications in the first half of the year, due to the Covid-19 pandemic.

Programme A Our people

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	30,265	28,868	27,685
A.2	Administration − non pay	38,668	36,076	32,860
A.3	Fulbright Commission	404	404	404
A.4	Emergency consular assistance	79	53	355
A.5	Support for Irish emigrant services	12,595	12,912	12,538
A.6	North-South and Anglo-Irish co-operation	5,045	4,895	3,673
A.7	International Fund for Ireland	2,650	2,650	2,650
A.8	Diaspora affairs	1,100	704	591
		90,806	**86,562**	**80,756**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €4.244 million lower than provided. The variation of €3.989 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

A.8 Diaspora affairs

Estimate provision €1.1 million; outturn €704,000

The underspend of €396,000 stemmed from activity reduction resulting from the Covid-19 pandemic.

Programme B Our place in Europe

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
B.1	Administration − pay	26,152	24,945	24,016
B.2	Administration − non pay	7,034	5,892	4,803
B.3	Actions consequent on Title V of the Treaty on European Union	418	284	366
B.4	EU engagement	965	1,014	910
B.5	Irish personnel in EU and international institutions	2,000	2,295	2,106
		36,569	**34,430**	**32,201**

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 €2.139 million lower than provided. The variation of €2.349 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

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

Estimate provision €418,000; outturn €284,000

The underspend of €134,000 stemmed from a reduction in activity resulting from the Covid-19 pandemic.

B.5 Irish personnel in EU and international institutions

Estimate provision €2 million; outturn €2.295 million

The additional spend of €295,000 was due to additional cost claims from other departments that were submitted and paid during 2021.

Programme C Our values

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
C.1	Administration – pay	14,235	13,578	12,992
C.2	Administration − non pay	7,311	6,124	5,411
C.3	Contributions to international organisations	34,803	35,226	37,885
		56,349	**54,928**	**56,288**

Programme D Our prosperity

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
D.1	Administration − pay	23,070	22,005	21,105
D.2	Administration − non pay	8,638	7,236	10,387
D.3	Promoting Ireland	9,116	6,404	2,435
D.4	Contributions to national and international organisations	3,229	3,454	3,324
		44,053	**39,099**	**37,251**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €4.954 million lower than provided. The variation of €2.467 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

D.3 Promoting Ireland

Estimate provision €9.116 million; outturn €6.404 million

The underspend of €2.712 million was due to the significant reduction in promotional activity during 2021 as a result of operating restrictions due to the Covid-19 pandemic.

D.4 Contributions to national and international organisations

Estimate provision €3.229 million; outturn €3.454 million

The overspend of €225,000 was due to higher than anticipated mandatory contributions to the OECD.

Programme E Our influence

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	20,721	19,764	18,712
E.2	Administration − non pay	31,461	29,704	28,650
E.3	Information services	1,502	1,863	1,038
		53,684	**51,331**	**48,400**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €2.353 million lower than originally provided. The variation of €2.714 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

E.3 Information services

Estimate provision €1.502 million; outturn €1.863 million

The overspend of €361,000 arose from a requirement to fund an ongoing information campaign on the changing Covid-19 travel restrictions and related changes.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Passports, visa and other consular services	41,770	46,857	34,067
2	Repayments of repatriation and maintenance advances	30	—	1
3	VAT refunds to diplomatic missions	—	1,287	1,266
4	Miscellaneous	500	678	707
5	Receipts from additional superannuation contributions on public service remuneration	2,401	2,347	2,223
	Total	**44,701**	**51,169**	**38,264**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.468 million more than the estimate. Explanations for variances are set out below:

1 Passports, visa and other consular services

Estimate €41.77 million; realised €46.857 million

Income was €5.087 million more than projected due to an influx of passport applications in the second half of the year as overall travel increased due to relaxation of the Covid-19 travel restrictions.

3 VAT refunds to diplomatic missions

Estimate €nil; realised €1.287 million

Income was ahead by €1.287 million due to higher than anticipated VAT refund and sales tax refunds from foreign governments to missions overseas. It is difficult to project with certainty the level of these receipts in any given year.

4 Miscellaneous

Estimate €500,000; realised €678,000

Income was ahead by €178,000. This relates to a range of receipts by the Department including refund of security deposits on rented properties, payroll overpayment refunds, refunds from Government departments/offices and other miscellaneous items. It is difficult to project with certainty the level of these receipts in any given year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**2,059**	**1,816**

5.2 Pay

	2021	2020
	€000	€000
Pay	97,656	93,924
Redundancy and severance	—	166
Higher, special or additional duties allowances	196	149
Other allowances	268	205
Overtime	1,179	540
Employer's PRSI	6,066	5,801
Foreign social security/health insurance (missions)	3,795	3,725
Total pay	**109,160**	**104,510**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties	31	6	22,002	20,100
Other allowances	113	1	14,218	6,776
Overtime	304	33	46,513	31,033
Extra remuneration in more than one category	59	25	49,189	33,355

5.4 Other remuneration arrangements

Payments totalling €67,133 (2020: €12,455) were paid to ten (2020: three) retired civil servants whose services were retained on specialised tasks.

5.5 Overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	63	118,666	152,447
Recovery plans in place	20	62,239	100,527

Five overpayment recovery plans in respect of five individuals to the value of €5,271 were transferred to five other government bodies during the year.

5.6 Severance

No severance payments were paid in 2021.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

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

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Ireland–United States Commission for Educational Exchange (Fulbright Commission) [a]	1 Oct 2020 - 30 Sep 2021	8 Mar 2022	10 Mar 2022	28 Mar 2022

Note [a] The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Government and supports study, research, teaching and other educational activities between Ireland and the United States. The Commission receives annual funding from the Department and further funding from other sources.

Appropriation Account 2021

Vote 29

Environment, Climate and Communications

Introduction

As Accounting Officer for Vote 29, 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 2021 for the salaries and expenses of the Office of the Minister for the Environment, Climate and Communications, including certain services administered by that Office and for payment of certain grants.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €48.092 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, except for the following.

Depreciation of capital assets

Motor vehicles are depreciated over five years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over ten years at 10% per annum, while all other office/IT equipment is depreciated over five years at 20% 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 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 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 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 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 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.

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, jointly approved by me and the Audit Committee, 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.

Procurement

I confirm that 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 complied with the guidelines with the exception of seven contracts (in excess of €25,000), totalling €494,836 (ex. VAT).

- One contract with a value of €42,586 (ex VAT) relates to a short extension of a consultancy contract which was awarded to ensure the completion of a review of the Warmth and Wellbeing Scheme delayed due to Covid-19.
- Three contracts with a value of €186,250 (ex VAT), which relate to mobile phone and data services and the operation and management of the Geological Survey of Ireland (GSI) were extended beyond original contractual terms pending completion of procurement competitions to secure replacement contracts for these services. The mobile phone and data services contracts have been replaced using OGP Framework Agreements and a procurement process is underway for the corestore contract. A corestore is a dedicated facility used to store physical samples of soil and subsoil obtained in the geological mapping work carried out by the GSI.
- Two contracts with a value of €160,000 (ex VAT), where there were no contracts in place, relate to landline telephone and call handling services. Tender documentation is currently being developed with a view to commencing competitive procurement processes in Q2 2022.
- One contract with a value of €106,000 (ex VAT) relates to the once-off procurement of a temporary storage solution for the Beggars Bush refurbishment project.

The Department remains committed to reducing the level of non-compliant procurements undertaken and has introduced a number of new and enhanced procedures to specifically target areas on non-compliance.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. The seven contracts referred to above are included in this return.

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, while risk relating to key projects are subject to ongoing review. 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. 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

Tax compliance

On 3 March 2020, correspondence was received from the Office of the Revenue Commissioners (Revenue) in relation to a site visit to get an understanding of the Department's processes and systems around ensuring tax compliance, benefit-in-kind on official vehicles and any other records as necessary.

During 2020, two audits were undertaken relating to 1) the use of contractors and 2) fleet management practices which identified potential tax compliance issues. On foot of this, the Department is completing an internal tax review. The Department is providing regular updates to Revenue throughout the process, which is expected to be completed by June 2022.

The Department has introduced enhanced procedures to address risks identified, including the removal of delegated authority from the management of the Division concerned on an interim basis, pending the outcome of the review.

Relevant contracts tax

On 11 March 2021, the Revenue notified the Department that it had been selected for a verification check on its 2018 Relevant Contracts Tax (RCT) returns. On foot of the verification checks, the Department identified that a number of relevant payments which it did not notify to the Revenue at the time of payment. The unreported payments identified were submitted to Revenue in September 2021 and, while these payments resulted in no loss of tax revenue, Revenue issued a penalty notice for €19,993 for late notifications which was received by the Department before the year end and was settled in February 2022.

In response to the above issue, a reconciliation process has been implemented which will ensure all notifications are made in a timely manner going forward. In addition, relevant tax training has been incorporated into the annual training plans for the Accounts Unit staff.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote working becoming the norm for all staff in the Department. As a result, the Department introduced a number of procedural and control changes. An assessment of the impact of Covid-19 was carried out and I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Covid-19 impacted expenditure across all programme areas in 2021 and resulted in significant underspends in many subheads. These underspends are identified in the explanations for variances in Note 3.

Mark Griffin
Accounting Officer
Department of the Environment, Climate and Communications

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Environment, Climate and Communications

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Environment, Climate and Communications for the year ended 31 December 2021 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 29 Environment, Climate and Communications for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of the Environment, Climate and Communications 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 appendix to this report.

Implementation of the National Broadband Plan

Chapter 9 of my report on the accounts of the public services for 2021 examines the Department's role in the implementation of the National Broadband Plan.

Seamus McCarthy
Comptroller and Auditor General

27 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 29 Environment, Climate and Communications

Appropriation Account 2021

			2021		2020
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Communications				
	Original	233,250			
	Deferred surrender	15,247			
	Supplementary	(52,500)			
			195,997	163,722	88,816
B	Energy				
	Original	314,438			
	Deferred surrender	22,500			
	Supplementary	28,001			
			364,939	326,989	204,291
C	Natural resources		24,005	17,750	21,211
D	Inland fisheries		34,233	27,941	32,909
E	Environment and waste management				
	Original	125,128			
	Supplementary	24,500			
			149,628	127,599	81,040
Gross expenditure					
	Original	731,054			
	Deferred surrender	37,747			
	Supplementary	1			
			768,802	**664,001**	**428,267**
	Deduct				
F	**Appropriations-in-aid**		**11,078**	**12,286**	**13,120**
Net expenditure					
	Original	719,976			
	Deferred surrender	37,747			
	Supplementary	1			
			757,724	**651,715**	**415,147**

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 spending in the following year. €57.917 million of unspent 2021 capital allocations were carried forward to Subhead B.4 in 2022.

	2021 €	2020 €
Surplus	106,009,093	101,071,705
Deferred surrender	(57,917,000)	(37,747,000)
Surplus to be surrendered	**48,092,093**	**63,324,705**

Mark Griffin
Accounting Officer
Department of the Environment, Climate and Communications

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		628,711	395,609
Pay		28,091	25,406
Non pay		7,199	7,252
Gross expenditure		**664,001**	**428,267**
Deduct			
Appropriations-in-aid		**12,286**	**13,120**
Net expenditure		**651,715**	**415,147**
Changes in capital assets			
Purchases cash	(266)		
Depreciation	895	629	(300)
Changes in net current assets			
Decrease in closing accruals	(1,436)		
Decrease in stock	15	(1,421)	(263)
Direct expenditure		**650,923**	**414,584**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		15,792	15,506
Notional rents		1,584	1,584
Net programme cost		**668,299**	**431,674**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	45	—
Vote 12	Superannuation and Retired Allowances	12,232	11,805
Vote 13	Office of Public Works	3,322	3,588
Vote 18	National Shared Services Office	44	42
Vote 43	Office of the Government Chief Information Officer	69	—
Central Fund – ministerial pensions		80	71
		15,792	**15,506**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,559	2,188
Current assets			
Bank and cash	2.2	234,321	95,962 [a]
Stocks	2.3	190	205
Prepayments	2.4	2,092	2,261
Accrued income		1,563	1,378
Other debit balances	2.5	200	249
Total current assets		**238,366**	**100,055**
Less current liabilities			
Accrued expenses	2.6	2,369	3,688
Deferred income		—	101
Other credit balances	2.7	170,811	55,001
Net Exchequer funding	2.8	63,710	41,210
Total current liabilities		**236,890**	**100,000**
Net current assets		1,476	55
Net assets		**3,035**	**2,243**
Represented by:			
State funding account	2.9	**3,035**	**2,243**

Note [a] The 2020 comparative figure for banks has changed from the 2020 appropriation account figure due to the inclusion of the Energy Efficiency National Fund bank balance for the first time in 2021.

2.1 Capital assets

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	1,404	22,689	7,710	31,803
Additions	—	—	266	266
Disposals	—	(1)	—	(1)
Cost or valuation at 31 December 2021	1,404	22,688	7,976	32,068
Accumulated depreciation				
Opening balance at 1 January 2021	1,258	21,653	6,704	29,615
Depreciation for the year	23	341	531	895
Depreciation on disposals	—	(1)	—	(1)
Cumulative depreciation at 31 December 2021	1,281	21,993	7,235	30,509
Net assets at 31 December 2021	**123**	**695**	**741**	**1,559**
Net assets at 31 December 2020	146	1,036	1,006	2,188

Note State-owned land and buildings controlled or managed by the Department, not included here, are listed in Appendix A.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
Vote 29 PMG balance and cash	69,183	75,701
Energy Efficiency National Fund PMG balance [a]	165,138	20,261
	234,321	**95,262**

Note [a] The 2020 comparative figure for banks has changed from the 2020 appropriation account figure due to the inclusion of the Energy Efficiency National Fund bank balance for the first time in 2021.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Equipment	47	71
Publications	129	120
Stationery	14	14
	190	**205**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Administration - office equipment and external IT services	940	853
Administration - equipment, stores and maintenance	—	130
Other administration costs	13	20
Information society	956	906
GSI services	67	352
Subscriptions to international organisations	116	—
	2,092	**2,261**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Payroll	29	—
Salaries of seconded staff	30	112
Other suspense	141	137
	200	**249**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
GSI services	566	282
Carbon fund	—	271
National Broadband Plan	1,026	751
Environmental Protection Agency	—	1,759
Other accruals	777	625
	2,369	**3,688**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Withholding tax	552	414
Value added tax	334	311
Relevant contract tax	—	2
Exchequer receipts (note 4.3)	165	152
PAYE/PRSI	745	663
	1,796	1,542
Suspense		
Energy Efficiency National Fund (note 7.2)	165,138	20,261[a]
Climate Action Fund	—	28,000
Due to the Energy Efficiency National Fund (note 7.2)	—	1,212
Environmental Protection Agency (note 4.3)	1,547	1,759
Petroleum Infrastructure Programme Fund (note 7.1)	150	—
World Bank Biocarbon Fund due to NTMA	415	—
Emergency call answering service	1,267	1,660
Payroll	—	128
Other	498	439
	169,015	53,459
	170,811	**55,001**

Note [a] The 2020 comparative figure for other credit balances has changed from the 2020 appropriation account figure due to the inclusion of the Energy Efficiency National Fund unspent balance for the first time in 2021.

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	48,092	63,325
Deferred surrender	57,917	37,747
Exchequer grant undrawn	(42,299)	(59,862)
Net Exchequer funding	**63,710**	**41,210**
Represented by:		
Debtors		
Bank and cash	234,321	95,962
Debit balances: suspense	200	249
	234,521	96,211
Creditors		
Due to the State	(1,796)	(1,542)
Credit balances: suspense	(169,015)	(53,459)
	(170,811)	(55,001)
	63,710	**41,210**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			2,243	1,680
Disbursements from the Vote				
Estimate provision	Account	757,724		
Deferred surrender	Account	(57,917)		
Surplus to be surrendered	Account	(48,092)		
Net vote			651,715	415,147
Expenditure (cash) borne elsewhere	1.1		15,792	15,506
Non cash expenditure – notional rent	1		1,584	1,584
Net programme cost	1		(668,299)	(431,674)
Balance at 31 December			**3,035**	**2,243**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	7,565	1,755
Capital grant programmes	133,706	151,454
Capital projects and programmes	2,631,557	2,772,694
Total of legally enforceable commitments	**2,772,828**	**2,925,903**

b) Capital grant programmes At 31 December	2021 €000	2020 €000
Opening balance	151,454	142,540
Grants paid in the year	(93,056)	(109,975)
New grant commitments	91,258	132,263
Grants cancelled	(15,950)	(13,374)
Closing balance	**133,706**	**151,454**

c) Major capital projects where the project value exceeds €10 million

Programme/project	Cumulative expenditure to 31 December 2020 €000	Expenditure in 2021 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2021 €000	Expected total spend lifetime of project 2020 €000
National postcodes	28,042	1,476	4,425	33,943	32,467
National Broadband Plan	42,503	134,729	2,586,768	2,764,000	2,764,000
INFOMAR [a]	55,120	3,381	2,588	61,089	59,664
Tellus [b]	22,071	3,431	2,741	28,243	23,393
	147,736	**143,017**	**2,596,522**	**2,887,275**	**2,879,524**

Note [a] INFOMAR is a national survey programme which maps the Irish seabed and provides key baseline data for Ireland's marine sector.

[b] Tellus is a national survey programme which gathers geophysical and geochemical data across Ireland via airborne geophysical surveying using a low-flying aircraft and ground-based geochemical surveying of soil, stream water and stream sediment.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2020.

National postcodes

Increase in expected total spend: €1.476 million

The increase reflects the inclusion of the final year commitment under the contract for the Eircodes project which will be paid retrospectively in 2024. This does not impact the overall cost of the contract. Due to an oversight, the retrospective payments due in 2024 were omitted in previous years.

INFOMAR

Increase in expected total spend: €1.425 million

Spend on the INFOMAR project relates to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year.

Tellus

Increase in expected total spend: €4.85 million

Spend on the Tellus project relates to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year. The increase in 2021 primarily relates to the award of a three year contract in September 2021 for airborne surveys at a total cost of €2.5 million.

2.11 Land remediation

The Department incurs costs in relation to State-owned mines in Avoca and Silvermines. Expenditure relates to land remediation works and environmental monitoring at both sites which is reported under Subhead C4.

	Expenditure to end 2020 €000	Expenditure in 2021 €000	Contractual Commitments €000	Total €000
Avoca	4,766	35	—	4,801
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,689	143	—	1,832
	17,645	**178**	—	**17,823**

2.12 Cyber security

The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to cyber security is reported under the communications programme as shown below, with administrative costs met from subheads A.1 and A.2 and operational funding provided through subhead A.5.

	2021 €000	2020 €000
Cyber security	**3,871**	**3,422**

2.13 Contingent liabilities

There is potential for financial liabilities to arise in 2022 and subsequent years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	31,314	28,091	25,406
ii	Travel and subsistence	919	231	280
iii	Training and development and incidental expenses	1,226	783	524
iv	Postal and telecommunications services	440	324	375
v	Office equipment and external IT services	3,081	3,728	3,586
vi	Office premises expenses	924	614	689
vii	Consultancy services and value for money and policy reviews	1,700	1,399	1,571
viii	Equipment, stores and maintenance	196	120	227
		39,800	**35,290**	**32,658**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €31.314 million; outturn €28.091 million

The savings of €3.223 million were due to recruitment being staggered throughout the year which meant the annual staff costs were less than the budget that provides for the full year cost of all staff.

ii Travel and subsistence

Estimate provision €919,000; outturn €231,000

The savings of €688,000 are due to the Covid-19 pandemic and its impact on travel.

iii Training and development and incidental expenses

Estimate provision €1.226 million; outturn €783,000

The savings of €443,000 are mainly due to the Covid-19 pandemic and its impact on training, exhibitions and conference costs.

iv Postal and telecommunication services

Estimate provision €440,000; outturn €324,000

The savings of €116,000 are due to the reduced occupancy of the Department's premises because of the Covid-19 pandemic which led to reduced expenditure on postal and telephone services.

vi Office premises expenses

Estimate provision €924,000; outturn €614,000

The savings of €310,000 are due to reductions in maintenance, security, cleaning, light and heat due to the reduced occupancy of the Department's premises because of the Covid-19 pandemic.

Programme A Communications

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration – pay		8,141	7,303	7,237
A.2	Administration − non pay		1,995	1,745	1,428
A.3	Information and communications technology programme				
	Original	211,823			
	Deferred surrender	15,247			
	Supplementary	(52,500)			
			174,570	146,612	53,255
A.4	Multimedia developments		5,511	6,146	4,455
A.5	Information society		5,780	1,916	3,981
A.6	Covid-19 Trading Online Voucher Scheme [a]		—	—	18,460
			195,997	**163,722**	**88,816**

Note [a] Responsibility for the Trading Online Voucher Scheme transferred to the Department of Enterprise, Trade and Employment on 31 December 2020.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €84.775 million lower than originally provided. €1.088 million of this related to administration expenditure (see above). The balance of the variance of €83.687 million was mainly due to the following.

A.3 Information and communications technology programme

Estimate provision €227.07 million; outturn €146.612 million

The savings of €80.458 million are mainly due to lower than expected invoices in 2021 from National Broadband Ireland which they reported as arising due to the Covid-19 pandemic and its impact on the deployment of the National Broadband Plan network.

A.4 Multimedia development

Estimate provision €5.511 million; outturn €6.146 million

The excess of €635,000 was mainly due to further funding being provided to the Digital Hub Development Agency to meet a shortfall in its commercial income resulting from the impact of Covid-19.

A.5 Information society

Estimate provision €5.78 million; outturn €1.916 million

The savings of €3.864 million are due to a delay in the renovation work on an interim facility for the National Cyber Security Centre. This is now expected to be completed in summer 2022.

Programme B Energy

				2021	2020
			Estimate Provision	Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		7,845	7,038	5,147
B.2	Administration − non pay		1,956	1,708	1,471
B.3	Sustainable Energy Authority of Ireland − administration and general expenses		18,373	16,098	12,385
B.4	Sustainable energy programme				
	Original	255,275			
	Deferred surrender	22,500			
	Supplementary	28,001			
			305,776	291,467	127,164
B.5	Energy research programmes		18,360	10,358	7,788
B.6	Gas services		45	44	55
B.7	Subscriptions to international organisations		290	276	281
B.8	Renewable energy compliance		12,294	—	50,000
			364,939	**326,989**	**204,291**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €9.949 million lower than originally provided. €1.055 million of this related to administration expenditure. The balance of the variance of €8.894 million was mainly due to the following.

B.3 Sustainable Energy Authority of Ireland - administration and general expenses

Estimate provision €18.373 million; outturn €16.098 million

The savings of €2.275 million were due to recruitment being staggered throughout the year which meant the annual staff costs were less than budget which provides for the full year cost of all staff.

B.4 Sustainable energy programmes

Estimate provision €277.775 million; outturn €291.467 million

There was significant underspend across the Better Energy schemes a result of the Covid-19 pandemic and supply chain and labour limitations. As a result, approval was obtained to transfer €160 million to the Energy Efficiency National Fund (EENF) to fund the following: improve access to residential retrofit projects for households at risk of energy poverty, establish a new Residential Retrofit Loan Guarantee Scheme to facilitate the provision of low-cost loans for residential retrofit projects; increase the number of houses retrofitted through the National Retrofit Scheme and to address the substantial increase in energy prices being faced by consumers (See Note 7.2). This was the reason for expenditure being €13.692 million in excess of the original estimate provision.

B.5 Energy research programmes

Estimate provision €18.36 million; outturn €10.358 million

The increase in expenditure of €8.002 million were due to (1) lower than forecast drawdowns from strategic partnerships regarding renewable energy research, development and demonstration projects and (2) delays in ocean energy programmes.

B.8 Renewable energy compliance

Estimate provision €12.294; outturn €nil

This subhead is a provision for the purchase of compliance under the Renewable Energy Directive in the event that Ireland fails to meet its renewable energy targets. The completion of statistical transfers in 2020 allowed Ireland to meet its obligations under the Renewable Energy Directive in 2021 and no additional purchases were required.

Programme C Natural resources

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
C.1	Administration – pay	6,089	5,462	5,852
C.2	Administration − non pay	1,917	1,592	2,523
C.3	Petroleum services	214	35	35
C.4	Mining services	2,750	343	1,260
C.5	GSI services	12,900	10,294	11,416
C.6	Subscriptions to international organisations	135	24	125
		24,005	**17,750**	**21,211**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €6.255 million lower than provided. €952,000 of this related to administration expenditure. The balance of the variance of €5.303 million was mainly due to the following.

C.3 Petroleum services

Estimate provision €214,000; outturn €35,000

The savings of €179,000 was due to lower than expected contributions to the vote-neutral Petroleum Infrastructure Programme Fund as the Department only received a total of two receipts from the 13 licence holders in 2021.

C.4 Mining services

Estimate provision €2.75 million; outturn €343,000

The savings of €2.407 million relates to (1) reduced extraction rates of private minerals by mineral companies under State mining licences and legal delays resulting in lower than expected compensation payments, made to owners of mineral rights in respect of private minerals extracted by mining companies; and (2) delays in acquiring a site as part of the rehabilitation of Silvermines.

C.5 GSI services

Estimate provision €12.9 million; outturn €10.294 million

The savings of €2.606 million relates to delays in processing of grant awards and procured services. There was also some delays on field work as a result of the Covid-19 pandemic.

C.6 Subscriptions to international organisations

Estimate provision €135,000; outturn €24,000

The savings of €111,000 was due to the non-receipt of a payment request from the European Consortium for Ocean Research Drilling.

Programme D Inland fisheries

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
D.1	Administration – pay	660	592	687
D.2	Administration − non pay	229	187	354
D.3	Inland fisheries	33,344	27,162	31,868
		34,233	**27,941**	**32,909**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €6.292 million lower than provided. €110,000 of this related to administration expenditure. The balance of this variance of €6.182 million was due to the following.

D.3 Inland fisheries

Estimate provision €33.344 million; outturn €27.162 million

The savings of €6.182 million were due to a reduction in the 2021 drawdown by Inland Fisheries Ireland to reduce the level of cash on hand in the agency.

Programme E Environment and waste management

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
E.1	Administration – pay		8,579	7,696	6,483
E.2	Administration − non pay		2,389	1,967	1,477
E.3	Environmental Protection Agency		50,177	48,943	43,212
E.4	Carbon Fund				
	Original	300			
	Supplementary	1,500			
			1,800	1,797	320
E.5	International climate change commitments				
	Original	5,000			
	Supplementary	10,000			
			15,000	14,972	4,500
E.6	Landfill remediation		26,250	21,306	12,008
E.7	Climate initiatives		8,077	5,633	2,857
E.8	Subscriptions to international organisations		3,096	3,021	3,002
E.9	National dialogue		—	—	—
E.10	Waste management initiatives				
	Original	10,260			
	Supplementary	5,000			
			15,260	13,456	6,329
E.11	Climate Action Fund				
	Original	—			
	Supplementary	8,000			
			8,000	7,636	707
E.12	Just Transition Fund		11,000	1,172	145
			149,628	**127,599**	**81,040**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €2.471 million higher than originally provided Administration expenditure was €1.305 million lower than provided and has already been explained. The balance of the variance of €3.776 million was mainly due to the following.

E.4 Carbon Fund

Estimate provision €300,000; outturn €1.797 million

The increase in expenditure of €1.497 million was due to the reimbursement to the NTMA for carbon credit in line with the Carbon Fund Act 2007. Previously, reimbursement to NTMA was made in the year following the carbon credit purchase but in 2021, NTMA requested reimbursement for both 2020 and 2021 before year end.

E.5 International climate change commitments

Estimate provision €5 million; outturn €14.972 million

The increase in expenditure of €9.972 million was due to the Minister's decision to increase the Department's overall climate finance contribution. The following two projects accounted for most of additional expenditure incurred in 2021.

1) At COP26, Ireland made a commitment to contribute €10 million to the Adaptation Fund between 2021 and the end of 2022. €5 million was provided in 2021, an increase of €4.7 million on the amount contributed in 2020.

2) Ireland signed an arrangement with the Asian Development Bank for the establishment of a new Single Donor Trust Fund – the Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States (SIDS). Ireland has committed to contributing €12 million over the six years 2019-2024 to support SIDs in responding to the effects of climate change. DECC provided a contribution of €3 million in 2021 allowing Ireland to increase the level of funding available for SIDS through the Trust Fund in 2022.

E.6 Landfill remediation

Estimate provision €26.25 million; outturn €21.306 million

The savings of €4.944 million were due to lower than expected claims from local authorities due to delays in the progression of remediation works as a result of the Covid-19 pandemic.

E.7 Climate initiatives

Estimate provision €8.077 million; outturn €5.633 million

The savings of €2.444 million were due to a delay in payment to an EU Life project as a result of a delay in milestones being reached due to procurement and Covid-19 issues and a delay in specific modelling requirements and payment scheduling under the Climate Action Modelling Group (formerly the Technical Research and Modelling Programme).

E.10 Waste management initiatives

Estimate provision €10.26 million; outturn €13.456 million

The increase in expenditure of €3.196 million was due to the introduction of Anti-Littering Infrastructure and Capital Supports, which was partially offset by an underspend in waste communication and other waste management programmes.

E.11 Climate Action Fund

Estimate provision €nil; outturn €7.636 million

The increase in expenditure of €7.636 million arose due to payments for the Bord na Mona Bog Rehabilitation Scheme. Funding for this scheme has been secured under the National Recovery and Resilience Plan (NNRP) and the NNRP will release funds for this scheme retrospectively on completion of agreed milestones.

E.12 Just Transition Fund

Estimate provision €11 million; outturn €1.172 million

The savings of €9.828 million were due to delays in the conclusion of grant agreements between grantees and the Department. It is expected expenditure will significantly increase on these projects in 2022.

Note 4 Receipts

4.1 Appropriations-in-aid

			2021	2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Proceeds of fines in respect of inland fishery offences	50	23	21
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	5,200	6,605	6,699
3	Petroleum Infrastructure Support Group	210	35	35
4	Geological Survey Ireland income	300	342	481
5	Rent on properties in GPO	223	85	328
6	Energy efficiency fund receipts	—	—	707
7	Miscellaneous receipts (note 4.2)	1,070	1,372	997
8	Pension contributions from agencies	340	380	232
9	Receipts from additional superannuation contributions on public service remuneration	3,079	3,188	3,069
10	Dormant accounts receipts	606	256	551
	Total	**11,078**	**12,286**	**13,120**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €1.208 million more than the estimate. Explanations for variances are set out below.

2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960

Estimate € 5.2 million; realised €6.605 million

The excess of €1.405 million was due to a number of large outstanding royalty payments made in 2021 by mine operators.

3 Petroleum Infrastructure Support Group

Estimate €210,000; realised €35,000

The shortfall of €175,000 was due to lower than expected receipts from holders of frontier exploration licences. In 2021, the Department received a total of two receipts from licence holders.

5 Rent on properties in GPO

Estimate €223,000; realised €85,000

The shortfall of €138,000 was due to the delayed receipt of rental income until March 2022.

10 Dormant accounts receipts

Estimate €606,000; realised €256,000

The shortfall of €350,000 was mainly due to the Angling for All Scheme not progressing in 2021 resulting in lower than expected reimbursement from dormant account funding.

4.2 Miscellaneous receipts

	2021 €000	2020 €000
Royalties in respect of metropolitan area networks	942	911
Corrib verification	21	48
Costs recovered from other bodies	224	35
Salary overpayment recoupment from prior years [a]	176	—
Other	9	3
Total	**1,372**	**997**

Note [a] In follow up to the Comptroller and Auditor General's 2020 management letter, the Department reviewed its slow moving suspense account balances. Where possible, balances have been cleared.

4.3 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	152	261
Receipts from emissions trading scheme [a]	147,694	122,781
Galway Mayo telecommunications duct	206	193
NDRC sale of shares	66	152
Insurance and project receipts	99	—
Voluntary surrender of Ministerial salaries	21	29
Transferred to the Exchequer	(148,073)	(123,264)
Balance at 31 December	**165**	**152**

Note [a] Ireland's gross share of receipts arising from auctioning of allowances in the EU Emissions Trading System (ETS) in 2021 amounted to €149.2 million. €1.5 million is deducted for the Environmental Protection Agency's administrative expenses, resulting in a net receipt of €147.7 million for return to the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	438	396
Agencies [a]	903	875
	1,341	**1,271**

Note [a] The agencies included here are the Digital Hub Development Agency, Sustainable Energy Authority of Ireland, Inland Fisheries Ireland, the Loughs Agency and the Environmental Protection Agency. Agency pay details included in notes 5.2 and 5.3 below, relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies)

	2021 €000	2020 €000
Pay	78,709	73,620
Higher, special or additional duties allowances	322	236
Other allowances	1,644	1,517
Overtime	48	48
Employer's PRSI	7,620	6,925
Total pay	**88,343**	**82,346**

Note The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, B.3, C.1, D.1, D.3, E.1, and E.3. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (circular 1 of 2022).

Remuneration of Department staff

	2021 €000	2020 €000
Pay	25,691	23,331
Higher, special or additional duties allowances	36	20
Other allowances	122	101
Overtime	23	25
Employer's PRSI	2,219	1,929
Total pay	**28,091**	**25,406**

Remuneration of agency staff

	2021 €000	2020 €000
Pay	53,018	50,289
Higher, special or additional duties allowances	286	216
Other allowances	1,522	1,416
Overtime	25	23
Employer's PRSI	5,401	4,996
Total pay	**60,252**	**56,940**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Department staff				
Higher, special or additional duties allowances	8	2	14,858	4,894
Other allowances	18	3	20,318	20,614
Overtime	12	—	3,799	4,262
Extra remuneration in more than one category	7	1	11,328	11,262
Agency staff				
Higher, special or additional duties allowances	60	3	17,948	9,761
Other allowances	330	3	40,534	9,873
Overtime	13	—	4,513	4,473
Extra remuneration in more than one category	57	7	18,982	14,124

5.4 Other remuneration arrangements

One public sector worker in receipt of a public sector pension is engaged by the Department on a permanent basis and payments made are consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €397,831 in respect of five officers who were serving outside the Department for all or part of 2021 and whose salaries are paid by the Department.

This account does not include expenditure in respect of thirteen officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the agencies in which they worked.

5.5 Payroll overpayments

at 31 December	**Number of recipients**	**2021**	**2020**
		€	**€**
Overpayments	28	143,663	107,379
Recovery plans in place	10	86,925	78,846

5.6 Salary of Accounting Officer

As at 31 December 2021 the Accounting Officer's current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 EU funding

The outturn shown in subheads B.4, C.5 and E.11 includes payments in respect of activities which are co-financed by the EU through the European Regional Development Fund (ERDF) and Horizon 2021.

ERDF receipts are paid directly into the Central Fund and related expenditure is provided in Subhead B.4 (2021: €nil-; 2020: €23.394 million) and E.11 (2021: €7.636 million; 2020: €nil)

The Department received advance funding of €926,000 from the EU in respect of Horizon 2021 projects and related expenditure is provided in Subhead C.5 (2021: €549,000; 2020: €808,000).

6.2 Deferred surrender

Deferred surrender comprises savings in 2021 of €57.917 million in capital expenditures in the following subheads, that were carried over to 2022.

.

	€000
Description of subhead:	
A.3 Information and communications technology programmes	27,958
A.5 Information society	2,599
B.5 Energy research programmes	7,814
B.8 Renewable energy compliance	12,294
C.5 GSI services	2,570
D.3 Inland fisheries	2,514
E.6 Landfill remediation	2,168
	57,917

6.3 Fraud and suspected fraud

The Department is aware of an allegation of a suspected fraud which may have occurred in a service provider in receipt of grant funding. This case is under investigation by the appropriate authorities and the Department awaits the outcome.

Note 7 Miscellaneous accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2021.

	2021 €000	2020 €000
Balance at 1 January	6,072	6,091
Receipts	685	38
Payments	(768)	(57)
Balance at 31 December	**5,989**	**6,072**

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by the Department. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead C.3.

The Fund is administered by the Geoscience Regulation Office in the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2021.

	2021 €000	2020 €000
Balance at 1 January	20,261	20,968
Receipts	165,138	—
Investments	—	—
Transfer to Climate Action Fund	(20,261)	—
Refund to the Vote in respect of Climate Action Fund projects	—	(707)
Balance at 31 December	**165,138**	**20,261**

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are (1) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (2) to promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Revenue Levy Fund to the EENF.

A total of €14.03 million of funding from the EENF has been invested in Ireland Energy Efficiency Investments plc (IEEI). The State investment in IEEI is matched by private sector funding. The Minister, along with the other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, in consultation with the Minister for Public Expenditure and Reform, decided not to invest any further funding in IEEI beyond May 2018. At the latest valuation as of 30 September 2021, the State's investment in IEEI was valued at €15.802 million.

Following approval by Government, the Minister, with the consent of the Minister for Public Expenditure and Reform, assigned the remaining moneys in the EENF to the Climate Action Fund. The balance in the EENF at 31 December 2020 was €20.261 million and this was transferred to the Climate Action Fund on 8 June 2021.

In 2020, the Minister, as shareholder, received a distribution from IEEI totalling €1.212 million. Pending a decision on the treatment of this distribution, it was temporarily lodged to a Vote suspense account and was included as a credit balance in Note 2.5 in the 2020 appropriation account. This receipt was paid into the Climate Action Fund in March 2021.

The Minister, as shareholder, received three distributions from IEEI in 2021 totalling €5.138 million. These funds will be transferred to the Climate Action Fund, subject to sanction from the Department of Public Expenditure and Reform.

In December 2021, there was a once-off payment of €160 million from Vote 29 subhead B.4 Sustainable energy programmes to the EENF, with the approval of the Minister for Public Expenditure and Reform. This funding is to facilitate additional actions over and above those set out in Budget 2022 to support households by improving the energy efficiency of their homes. It aims to have the benefit of reducing the impact of energy price rises on a higher number of households through greater access to energy efficiency improvements. The payment from subhead B.4 was facilitated by a significant underspend emerging in the subhead that occurred due to the Covid-19 pandemic, plus €28.001 million transferred into the subhead by means of a technical supplementary estimate.

Appendix A Schedule of lands and buildings

The Minister owns the following properties.

1 General Post Office (GPO) building
2 GPO Arcade
3 1-6 Post Office Buildings
4 24-30 Henry Street

These properties are managed under leases or licences granted by the State.

The Minister owns the Galway Fishery in Galway City and the Owenea/Owentocker Fishery in Co. Donegal, both of which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

Appendix B Accounts of bodies and funds under the aegis of the Department of the Environment, Climate and Communications

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates 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
An Post	2020	16 Apr 2021	23 Apr 2021	28 May 2021
Commission for Communications Regulation [a]	2020	31 Mar 2021	29 Apr 2021	13 Jul 2021
Digital Hub Development Agency	2020	31 Aug 2021	29 Sep 2021	24 Nov 2021
Bord na Móna	2020	24 Jun 2020	16 Jul 2020	22 Jul 2020
Commission for the Regulation of Utilities	2020	21 May 2021	29 Jun 2021	18 Oct 2021
Eirgrid [b]	2020	29 Jan 2021	29 Jan 2021	20 May 2021
ESB	2020	26 Feb 2021	3 Mar 2021	15 Apr 2021
Irish National Petroleum Corporation	2020	10 Jun 2021	21 Jun 2021	23 Jul 2021
National Oil Reserves Agency	2020	24 Jun 2021	25 Jun 2021	23 Jul 2021
Sustainable Energy Authority of Ireland	2020	29 Jun 2021	30 Jun 2021	8 Oct 2021
Inland Fisheries Ireland	2020	20 Dec 2021	21 Dec 2021	—
Loughs Agency	2020	21 Dec 2021	4 Jan 2022	28 Feb 2022
Environmental Protection Agency	2020	29 Jun 2021	1 Jul 2021	11 Oct 2021
Environment Fund	2020	15 Dec 2021	15 Dec 2021	4 Feb 2022
Climate Action Fund	2020	20 Dec 2021	20 Dec 2021	7 Feb 2022

Note [a] Period of account 1 July 2019 to 30 June 2020.

[b] Period of account 1 October 2019 to 30 September 2020.

Appropriation Account 2021

Vote 30

Agriculture, Food and the Marine

Introduction

As Accounting Officer for Vote 30, 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 2021 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine, including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €157.977 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exception of the following.

Capital assets

Assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of ten years. This rate reflects the industrial nature of these assets.

State owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

Statement on Internal Financial Control

Responsibility for the system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

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

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for the National Shared Services Office has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of:

- Internal audit work performed by the National Shared Services Office's internal audit unit, and
- Audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2021.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2021.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services 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 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.

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.

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee and its risk management system.

The Accreditation Review Group, which is chaired by me, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies.

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2021, the Department was subject to approximately 2,276 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 1306/2013.

Non-compliance with procurement rules

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant guidelines and legislation.

The Department complied with the guidelines with the exception of 64 contracts totalling €3,787,740 (ex. VAT) as set out below.

- Ten contracts with a value of €711,749 were previously awarded but exceeded the relevant thresholds for that competitive process.
- Three contracts with a value of €454,945 arose due to transitional delays in migrating to new service providers.

- Fifteen contracts with a value of €117,149 were for small non-competitive procurements which were not included in a previously approved compliant non-competitive process.
- Thirty-one contracts with a value of €2,304,961 arose due to delays in undertaking a competitive process, due to the highly technical nature of the items involved.
- One contract with a value of €35,823 arose where numerous small purchases when aggregated breached the procurement threshold.
- Four contracts with a value of €163,113 arose where approval was not sought prior to urgent non-competitive procurement of replacement veterinary services.

The Department is committed to reducing the level of non-compliant procurements undertaken and continues to target areas of non-compliance in a planned methodical manner.

The Department has provided details of 85 non-competitive contracts in the annual return in respect of circular 40/02 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2021.

- The Risk Office, which is based in the Finance Division, works full-time at developing and strengthening risk management activity across the organisation.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for governance, and has representation at Head of Division level across the Department, meets on a quarterly basis and provides oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- A new Risk Management System - eRisk, which is part of DPER's Built-to-Share suite of applications available to public sector bodies, was rolled out to DAFM staff by the Risk Office throughout 2020. The provision of staff training and support in relation to DAFM's Risk Management Policy and use of the eRisk system continued throughout 2021.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The process of reviewing and updating the Department's Fraud Policy, incorporating an Anti-Fraud Strategy, commenced in 2021 and will be completed in 2022.

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.

Significant financial risks

Brexit

Since 1 January 2021 the UK, excluding Northern Ireland, is outside the EU Single Market and Customs Union. This means new procedures apply for businesses moving goods to, from or through the UK excluding Northern Ireland. The EU-UK Trade and Cooperation Agreement (TCA) came into effect at the same time. This agreement provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitations of agri-food trade and this has created very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish-UK supply chains, leaves it particularly vulnerable to the effects of Brexit.

During 2021, as well as ongoing costs associated with implementing import controls on UK imports of food products from 1 January 2021, the Department incurred additional costs associated with Brexit in respect of preparations to support the sector in meeting new UK import control requirements for agri-food products in particular related to provision of export health certification. The costs included recruitment of additional staff, provision of enhanced IT infrastructure, additional training and communication costs to support preparedness of the sector to meet new UK requirements. In addition, a number of support schemes have been introduced, and are being rolled out on an ongoing basis, to address impacts of Brexit on certain sectors, mainly in respect of the fisheries sector. This expenditure was provided through the estimates process and this expenditure will be considered for recoupment as part of Ireland's claim under the EU Brexit Adjustment Reserve. Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2021 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

Weaknesses in control over fixed assets

A dedicated asset management unit was formed in January 2017. The unit has been charged with verifying the Department's asset registers. This work encompasses the checking for existence, categorisation, the capturing of capital assets under construction and full asset detailing. The project was completed in 2021 and adjustments have been made to the asset register as appropriate. Procedures are now in place to ensure that the asset register is an accurate record of the existence and valuation of assets, and the previously reported control weaknesses are now mitigated.

ICT security

The Department has a strong commitment to the security of its ICT systems. These systems are independently reviewed on a regular basis. Documented back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities. The Department has dedicated IT security co-ordination and cyber-security units and is proactive in the development and promotion of information security. ICT security arrangements are subject to review by the IT audit section of the internal audit unit. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit. The Department holds accreditation under the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard.

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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Notwithstanding the ongoing Covid-19 pandemic throughout 2021, the Department's inspectorate and certification processes continued to function as before. The pandemic did result in some changes to the working and control environment in other business areas within the Department with remote and virtual working becoming the norm. Under the Department'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 because of the Covid-19 pandemic continue to be effective.

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

Opinion on the appropriation account

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2021 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 30 Agriculture, Food and the Marine for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Agriculture, Food and the Marine 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2021

		2021			2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Food Safety, Animal and Plant Health and Animal Welfare				
	Original	322,973			
	Deferred surrender	600			
	Supplementary	(1,500)			
			322,073	301,657	278,683
B	Farm/Sector Support and Controls				
	Original	937,088			
	Deferred surrender	31,000			
	Supplementary	(37,899)			
			930,189	823,914	871,290
C	Policy and Strategy				
	Original	398,281			
	Supplementary	30,300			
			428,581	402,846	392,808
D	Seafood Sector				
	Original	167,776			
	Supplementary	9,100			
			176,876	164,301	132,213
Gross expenditure					
	Original	1,826,118			
	Deferred surrender	31,600			
	Supplementary	1			
			1,857,719	**1,692,718**	**1,674,994**
	Deduct				
E	**Appropriations-in-aid**		**363,789**	**386,665**	**388,488**
Net expenditure					
	Original	1,462,329			
	Deferred surrender	31,600			
	Supplementary	1			
			1,493,930	**1,306,053**	**1,286,506**

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. €29.9 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2022 (Note 6.6).

	2021 €	2020 €
Surplus	187,877,467	135,953,184
Deferred surrender	(29,900,000)	(31,600,000)
Surplus to be surrendered	**157,977,467**	**104,353,184**

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,392,409	1,389,124
Pay		211,253	192,835
Non pay		89,056	93,035
Gross expenditure		**1,692,718**	**1,674,994**
Deduct			
Appropriations-in-aid		**386,665**	**388,488**
Net expenditure		**1,306,053**	**1,286,506**
Changes in capital assets			
Purchases cash	(4,296)		
Gain on disposal	(24)		
Disposals cash	24		
Depreciation	2,736	(1,560)	(1,405)
Changes in net current assets			
Increase in closing accruals	5,886		
Decrease in stock	220	6,106	8,537
Direct expenditure		**1,310,599**	**1,293,638**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		82,773	77,664
Notional rents		8,026	8,027
Net programme cost		**1,401,398**	**1,379,329**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 30 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	6	13
Vote 12	Superannuation and Retired Allowances	78,077	73,040
Vote 13	Office of Public Works	3,476	3,472
Vote 18	National Shared Services Office	371	369
Vote 43	Office of the Government Chief Information Officer	560	495
Central Fund – ministerial pensions		283	275
		82,773	**77,664**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	8,491	14,051
Current assets			
Bank and cash	2.2	166,402	82,501
Stocks	2.3	2,067	2,287
Accrued income:			
EAFRD funding due from the EU		158,537	152,437
Other amounts due from the EU		5,162	5,562
Scheme overpayments	6.2	668	1,367
Due for services		11,027	11,227
Prepayments	2.4	39,059	44,332
Other debit balances	2.5	542	1,157
Total current assets		**383,464**	**300,870**
Less current liabilities			
Accrued expenses	2.6	18,908	13,494
Deferred income		4	4
Other credit balances	2.7	28,920	26,593
Net Exchequer funding	2.8	138,024	57,065
Total current liabilities		**185,856**	**97,156**
Net current assets		197,608	203,714
Net assets		**206,099**	**217,765**
Represented by:			
State funding account	2.9	**206,099**	**217,765**

2.1 Capital assets

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	145,696	7,891	14,795	92,581	260,963
Additions	1,335	797	—	2,164	4,296
Disposals	—	(148)	—	(652)	(800)
Adjustment: asset verification project [a]	(113,223)	(658)	(10,570)	(61,747)	(186,198)
Adjustment: asset reporting threshold [b]	(28,990)	(947)	(4,107)	(8,976)	(43,020)
Cost or valuation at 31 December 2021	**4,818**	**6,935**	**118**	**23,370**	**35,241**
Accumulated depreciation					
Opening balance at 1 January 2021	138,452	6,159	14,256	88,045	246,912
Depreciation for the year	804	518	13	1,401	2,736
Depreciation on disposals	—	(148)	—	(652)	(800)
Adjustment for asset verification project [a]	(113,223)	(658)	(10,568)	(61,746)	(186,195)
Adjustment for asset reporting threshold [b]	(23,492)	(819)	(3,675)	(7,917)	(35,903)
Cumulative depreciation at 31 December 2021	**2,541**	**5,052**	**26**	**19,131**	**26,750**
Net assets at 31 December 2021	**2,277**	**1,883**	**92**	**4,239**	**8,491**
Net assets at 31 December 2020	7,244	1,732	539	4,536	14,051

Notes

[a] The asset verification project was completed in 2021 and adjustment was required to remove retired and obsolete assets from the register.

[b] As previously signalled in DPER circular 27/2019, the threshold for inclusion of capital assets on the statement of capital assets was increased to €10,000 for an individual asset. The Department has adopted this policy in 2021 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	165,934	81,123
Commercial bank account balances	468	1,378
	166,402	**82,501**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Veterinary supplies	1,743	1,415
Livestock	276	202
Agricultural stock	39	111
Safety equipment	9	22
Laboratory supplies and chemicals	—	516
Oil stocks	—	16
Cleaning supplies	—	5
	2,067	**2,287**

Note Following a review of stock items in 2021, low value and high turnover item categories were removed from the stock balance.

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Contributions to World Food Programme (Note 6.5)	25,000	25,000
Research, quality and certification grants	7,892	2,711
Information management technology	3,543	2,937
Future Growth Loan Scheme	1,114	11,000
Other	1,032	490
Subscriptions	478	2,194
	39,059	**44,332**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Salary advances	3	551
Imprests and recoupable travel costs	69	104
Advance payments to OPW	470	381
Other	—	121
	542	**1,157**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Specific programme accruals	16,701	11,273
Administration expenses	1,278	1,976
IT services and support	929	245
	18,908	**13,494**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	3,299	2,880
Pay related social insurance	2,041	1,781
Withholding tax	1,887	1,493
Value added tax	1,149	804
Relevant contracts tax	23	15
Pension contributions	402	721
Local property tax	20	30
Universal social charge	644	572
	9,465	8,296
Securities	3,052	2,506
Pesticides licencing fees	375	180
EU advances	11,797	13,007
Miscellaneous	4,231	2,604
	28,920	**26,593**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	157,977	104,353
Deferred surrender	29,900	31,600
Exchequer grant undrawn	(49,853)	(78,888)
Net Exchequer funding	**138,024**	**57,065**
Represented by:		
Debtors		
Bank and cash	166,402	82,501
Debit balances: suspense	542	1,157
	166,944	83,658
Creditors		
Due to the State	(9,465)	(8,296)
Credit balances: suspense	(19,455)	(18,297)
	(28,920)	(26,593)
	138,024	**57,065**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			217,765	224,898
Disbursements from the Vote				
Estimate provision	Account	1,493,930		
Deferred surrender	Account	(29,900)		
Surplus to be surrendered	Account	(157,977)		
Net vote			1,306,053	1,286,506
Expenditure (cash) borne elsewhere	1.1		82,773	77,664
Non cash items - asset verification and threshold reporting adjustment	2.1		(7,120)	—
Non-cash items - transferred assets	2.1		—	(1)
Non cash expenditure - notional rent	1		8,026	8,027
Net programme cost	1		(1,401,398)	(1,379,329)
Balance at 31 December			**206,099**	**217,765**

2.10 Commitments

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	146,680	78,672
Non-capital grant programmes	448,490	395,731
Capital grant programmes	662,035	617,319
Major capital project	70	600
Total of legally enforceable commitments	**1,257,275**	**1,092,322**

Non-capital grant programme commitments

	Due 2022 €000	Subsequent years €000	2021 Total €000	2020 Total €000
Green, low-carbon agri-environment scheme	195,816	39,339	235,155	242,190
World Food Programme	25,000	25,000	50,000	—
Locally led schemes – current	23,645	5,975	29,620	34,671
Grants to the organic sector	19,123	7,466	26,589	15,947
Sheep welfare	18,860	2,500	21,360	19,500
Food research	16,250	51,478	67,728	62,458
Beef data genomics programme	4,775	—	4,775	15,184
European Maritime and Fisheries Fund – new round	3,897	1,670	5,567	—
European Maritime and Fisheries Fund	2,300	2,796	5,096	2,936
Straw incorporation measure	517	—	517	—
European innovation partnership	385	100	485	877
Land annuity payments	149	1,202	1,351	1,500
School milk and fruit	111	111	222	333
Knowledge transfer	25	—	25	135
Total of legally enforceable commitments	**310,853**	**137,637**	**448,490**	**395,731**

Capital grant programme commitments

	2021 €000	2020 €000
Opening balance	617,319	609,011
Grants paid in the year	(186,737)	(171,655)
New commitments	282,553	214,386
Grant de-commitments	(51,100)	(34,423)
Closing balance	**662,035**	**617,319**

Capital grant programme commitments

			2021	2020
	Due 2022	Subsequent years	Total	Total
	€000	€000	€000	€000
Afforestation	87,031	422,695	509,726	505,868
Targeted agriculture modernisation schemes	75,044	—	75,044	64,662
Fishery Harbour Centres capital programme	19,332	1,370	20,702	18,730
Capital investment grants	7,000	28,000	35,000	901
LEADER food initiative	4,000	6,500	10,500	7,930
Horticulture scheme	3,721	—	3,721	2,651
European Maritime and Fisheries Fund - capital	2,753	1,180	3,933	—
Locally led schemes - capital	24	—	24	70
SBCI Brexit loan scheme	—	3,385	3,385	14,000
Food Innovation Hub	—	—	—	1,150
European Maritime and Fisheries Fund - capital	—	—	—	1,357
Total of legally enforceable commitments	**198,905**	**463,130**	**662,035**	**617,319**

Major capital project commitments

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
Project	**€000**	**€000**	**€000**	**€000**	**€000**
Haulbowline remediation project	25,337	450	70	25,857	25,937

2.11 Contingent liabilities

EU operations

1. The Department is aware of a temporary suspension under Ireland's EMFF Operational Programme due to the delayed implementation of the EU points system required under EU Regulations.

   The Minister has since introduced regulations which fully meet the relevant requirements in relation to the points system for sea fishing boat licence holders. The procedures provided for under these regulations are now in operation.

   Section 15(4) of the Sea Fisheries (Miscellaneous Provisions) Act 2022 contains a common provision that, once enacted, the Act shall come into operation via a commencement order specifying the day/date of enactment of the provisions of the Act. It is intended that the Act will be put into operation as soon as possible. The Sea Fisheries (Miscellaneous Provisions) Act (no.2 of 2022) was signed into law by the President on 15 March 2022.

   While Ireland is making every effort to comply with the obligations under the EU Fisheries Control Regulation, in 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €24.437 million in suspended payments as at the end of 2021.

   EU Regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements.

2. The Department is aware of potential sanctions in relation to matters identified following an Administrative Inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Minister is in receipt of the EU Commission findings and the Department and the Sea Fisheries Protection Authority, which is legally responsible for operational control, are fully engaged in progressing the matter with the Commission and this engagement has continued through 2021. The nature and timing of any potential liabilities is still uncertain.

3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.

   - 2019 EAFRD Non-IACS Audit – The audit was conducted in November 2019 and the bilateral took place in November 2020. The conciliation process is now completed and final adjudication is awaited.
   - 2021 Entitlements Audit (NR/YFS) – A bilateral meeting was held on 22 March 2022 and DAFM are awaiting the meeting minutes which should be received in 30 days. In addition, the Commission have indicated that they will be seeking further information in the meeting minutes.
   - 2020 Clearance of Accounts (relates to GLAS / OFS) – A bilateral in respect of the audit was held in November 2021, following which further information was supplied by DAFM. The DGAGRI response is now awaited.
   - 2021 ANC Desk Audit – Bilateral minutes were received on 11 February 2022 and DAFM is currently preparing its reply

- 2021 Producer Organisation Audit – A bilateral meeting was held on 8 March 2022 and the minutes of the meeting are awaited.

Other

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

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	214,031	211,253	192,835
ii	Travel and subsistence	7,299	5,400	5,706
iii	Training and development and incidental expenses	7,918	5,357	5,101
iv	Postal and telecommunications services	5,302	4,348	4,376
v	Office equipment and external IT services	59,581	48,489	42,299
vi	Office premises expenses	23,473	15,456	26,818
vii	Consultancy services and value for money and policy reviews	218	192	85
viii	Supplementary measures to protect the financial interests of the EU	870	1,088	837
ix	Laboratory services	8,447	8,726	7,813
		327,139	**300,309**	**285,870**

Significant variations

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

ii Travel and subsistence

Estimate provision €7.299 million; outturn €5.4 million

The shortfall in expenditure of €1.899 million relative to the original estimate is due to decreased travelling as a result of the Covid 19 pandemic. In line with government restrictions, only essential travel was recommended by the Department, and this led to an overall reduction in travel and subsistence related costs for the year.

iii Training and development and incidental expenses

Estimate provision €7.918 million; outturn €5.357 million

The shortfall in expenditure of €2.561 million relative to the original estimate was due to several factors. Savings of €859,000 were made in health and safety training and general staff training expenses, as training was provided virtually rather than being classroom-based. Savings of €479,000 was made in a technical accounting provision allowing for foreign currency losses which was not needed. Savings of €316,000 were made in advertising as some planned information campaigns were not undertaken. Additionally, the provision made for a legal case was not required.

vi Office premises expenses

Estimate provision €23.473 million; outturn €15.456 million

The shortfall in expenditure of €8.017 million relative to the original estimate was mainly due to the following reasons. Savings of €667,000 arose in energy costs as the Department continues to reduce energy costs in line with the Energy Efficiency Directive and also due to staff returning to the offices in 2021 at a lower level than projected. Savings of €2.629 million also arose in rental costs due to an increased provision due to uncertainty in rising rental costs. Further savings of €3.651 million arose in the capital spend in Dublin Port due to a combination of factors including construction delays as a result of the Covid-19 pandemic and some works not proceeding due to cost increases.

viii Supplementary measures to protect the financial interests of the EU

Estimate provision €870,000; outturn €1.088 million

The increase in expenditure of €218,000 relative to the original estimate was due to costs associated to the certifying body audit which are charged on the basis of an EU financial year, and which included progress payment on the audit (Oct 2021-Oct 2022). The timing on the progress payment was not factored into the estimate for 2021.

Programme A Food Safety, Animal and Plant Health and Animal Welfare

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		125,081	123,458	112,694
A.2	Administration − non pay				
	Original	71,045			
	Supplementary	(1,500)			
			69,545	55,877	61,956
A.3	Food safety, animal and plant health and animal welfare				
	Estimate provision	126,847			
	Deferred surrender	600			
			127,447	122,322	104,033
			322,073	**301,657**	**278,683**

Programme B Farm/Sector Support and Controls

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
B.1	Administration − pay		61,206	60,411	55,144
B.2	Administration − non pay				
	Original	28,468			
	Supplementary	(6,500)			
			21,968	22,458	21,097
B.3	Agri-environmental schemes				
	Original	290,089			
	Supplementary	(21,350)			
			268,739	226,665	228,164
B.4	Areas of natural constraint scheme				
	Original	250,000			
	Supplementary	(1,000)	249,000	246,812	247,324
B.5	Development of agriculture and food (farm)				
	Estimate provision	59,911			
	Deferred surrender	31,000			
	Supplementary	(3,300)			
			87,611	73,158	81,193
B.6	Beef sustainability schemes		85,350	78,068	130,126
B.7	Knowledge transfer		500	58	2,476
B.8	Animal welfare scheme for sheep				
	Original	17,000			
	Supplementary	1,500	18,500	17,881	16,755
B.9	Early retirement scheme		—	(27)	(30)
B.10	Forestry and bio energy				
	Original	103,243			
	Supplementary	(7,000)			
			96,243	69,567	79,218
B.11	Control and other support scheme costs				
	Original	17,720			
	Supplementary	1			
			17,721	14,556	9,752
B.12	Other schemes				
	Original	601			
	Supplementary	(250)			
			351	93	71
B.13	Carbon tax measures		23,000	14,214	—
			930,189	**823,914**	**871,290**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €144.174 million lower than originally provided. The variation of €6.805 million in administration expenditure has already been explained. The balance of the variance of €137.369 million was mainly due to the following.

B.3 Agri-environmental schemes

Estimate provision €290.089 million; outturn €226.665 million

The shortfall in expenditure of €63.424 million relative to the original estimate was due to savings across a number of schemes, mainly as follows.

Savings of €14.812 million arose in the Green Low-Carbon Agri-Environment Scheme (GLAS) scheme for a number of reasons including a reduction in the number of active applicants for the GLAS 1 and GLAS 2 tranches and a reduction in the number of active participants in GLAS 3.

Savings of €15.049 million arose in nitrates schemes as one scheme did not commence until November 2021 and another planned scheme is now due to commence in 2022.

Savings of €27.684 million arose under the Next Generation EU (NGEU) recovery package for several reasons: the underspend of €7.215 million under the Targeted Agriculture Modernisation Scheme II (TAMS II) was largely due to the timing of the funding becoming available as only approvals issued from 1 April 2021 were eligible and applicants have 12 months to claim from this date so spending will be seen in 2022; the underspend of €4.578 million in the Organic Farming Scheme was due to lower participation rates in the scheme than expected and advance payments did not issue to all participants due to claims which had not yet passed validations; the underspend of €2.886 million in the European Innovation Partnership (EIP) schemes was due to a full years allocation in the estimates when the call didn't commence until mid-2021; the shortfall of €3.276 million under the Straw Incorporation Measure (SIM) was due to the fact that it is a demand led scheme and applications received were lower than anticipated; and the underspend of €10 million for the Agri-Environment Training Scheme was due to the scheme not commencing until 2022

B.5 Development of agriculture and food (farm)

Estimate provision €90.911 million; outturn €73.158 million

The shortfall in expenditure of €17.753 million relative to the original estimate was mainly due to savings of €15.643 million that arose in the TAMS II schemes which can be attributed to a combination of the large value of approvals which expired in 2021, and to serious restrictions in place for the construction sector due to supply chain issues resulting from the Covid-19 pandemic and Brexit.

B.6 Beef sustainability schemes

Estimate provision €85.35 million; outturn €78.068 million

The shortfall in expenditure of €7.282 million relative to the original estimate for beef schemes is due to the fact that in 2021 there was a transitional scheme for Beef Data and Genomics Programme (BDGP) participants. There was a reduction in the number of active participants from BDGP I to the transitional scheme in 2021.

B.7 Knowledge transfer

Estimate provision €500,000; outturn €58,000

The shortfall in expenditure of €442,000 relative to the original estimate arose due to the continued processing of withdrawals from the scheme and a number of participants did not complete all the requirement of the scheme leading to lower payments than anticipated.

B.8 Animal welfare scheme for sheep

Estimate provision: €17 million; outturn €17.881 million

The increase in expenditure of €881,000 relative to the original estimate arose as a result of an increase in the reference number of animals qualifying for payment.

B.10 Forestry and bio energy

Estimate provision €103.243 million; outturn €69.567 million

The shortfall in expenditure of €33.676 million relative to the original estimate was mainly due to a shortfall of €33.666 million in the forestry schemes.

The shortfall in expenditure of €31.058 million in capital expenditure due to a number of critical factors including; the scheme is demand led, and demand was not as great as anticipated due in part to the slow down in issuing of forestry licences due to new procedures requiring greater ecological input. Additionally, some individuals chose to allow their premiums build-up, to bulk claim at a future date.

The volume of appeals to the granting of forestry licences for planting, and for construction of forest roads, have caused significant backlogs and stymied payments issuing and only half of the area approved for planting in 2021 was actually planted.

The was an underspend of €2.608 million on current expenditure as many woodland support projects in 2021 were late getting started and many did not make claims in 2021. There were practically no in-person promotional events during 2021 and activities which required field work were curtailed due to the Covid-19 pandemic as was the Forestry Knowledge Transfer Scheme.

B.11 Control and other support scheme costs

Estimate provision €17.72 million; outturn €14.556 million

The shortfall in expenditure of €3.164 million relative to the original estimate arose mainly due to the savings of €2.25 million in the intervention scheme which relates to public storage of agricultural products. There was no expenditure in this area due to the fact that there was no product held under public storage. The decision to purchase product and place under public storage is a decision taken at EU level taking into consideration the market situation. To ensure that the Department has the ability to manage such a scheme there is a need to retain an annual budget.

B.12 Other schemes

Estimate provision €601,000; outturn €93,000

The shortfall in expenditure of €508,000 relative to the original estimate was mainly due to savings of €500,000 on a pilot relocation scheme for farmyards affected by flooding. The Department instigated a feasibility study for a scheme for the voluntary relocation of farmyards and this work was being carried out within the terms of the Inter-departmental Flood Policy Group but no capital expenditure arose in 2021.

B.13 Carbon tax measures

Estimate provision €23 million; outturn €14.214 million

The shortfall in expenditure of €8.786 million relative to the original estimate was mainly due to savings that arose in the Results Based Environment Agri Pilot Programme (REAP) because a major element of the REAP payment is results-based, with the level of payment dependent upon a scorecard system. As the scheme is a pilot project, initial estimates were based on assumed scorecard values which turned out to be higher than the actual assessed values once the claim data was analysed. Additional savings were due to a lower than expected uptake of approved applications and also due to expenditure in respect of 2021 which will fall into 2022 as claims may be submitted up to 31 July 2022.

Programme C Policy and Strategy

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
C.1	Administration − pay		17,442	17,216	15,715
C.2	Administration − non pay		7,178	5,706	5,258
C.3	Research, quality and certification		29,893	29,510	26,094
C.4	Development and promotion of agriculture and food (non-farm)		15,422	5,567	3,999
C.5	Tegasc grant		145,793	141,943	144,373
C.6	An Bord Bia grant		52,550	51,550	46,935
C.7	Horse and Greyhound Racing Fund		97,500	96,000	84,000
C.8	Cedra Rural Innovation and Development Fund		1,500	1,487	1,497
C.9	Food aid donations – World Food Programme				
	Original	—			
	Supplementary	25,000			
			25,000	25,000	25,700
C.10	SBCI loan schemes				
	Original	11,400			
	Supplementary	7,300			
			18,700	16,198	25,705
C.11	Other services				
	Original	19,603			
	Supplementary	(2,000)			
			17,603	12,669	13,532
			428,581	**402,846**	**392,808**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme C was €4.565 million higher than originally provided. The underspend of €1.698 million in administration expenditure has already been explained. The balance of the offsetting overspend of €6.263 million was mainly due to the following.

C.4 Development and promotion of agriculture and food (non-farm)

Estimate provision €15.422 million; outturn €5.567 million

The shortfall in expenditure of €9.855 million relative to the original estimate was mainly due to the following.

- Savings of €7 million arose in the Brexit Capital Investment Scheme as such capital investment schemes can be complex and require significant preparation and planning, with no claims made by companies in 2021. The Scheme will be on-going for several years and funding will be drawn down as capital projects are completed. The estimates are based on advice from Enterprise Ireland. It is expected that projects will commence in 2022.
- Savings of €971,000 arose in the setup of a new office of National Food Ombudsman. As an interim measure, the authority was staffed by Officers of the Department and therefore no funding from the allocation in the Food Ombudsman budget was required for staffing, premises or ancillary services in 2021. Further savings of €300,000 arose as the spend on the extension of the Prepared Consumer Food Centre was less than expected and savings of €329,000 arose as the LEADER Food Initiative Fund had lower uptake as the economic uncertainty caused by both Brexit and the Covid -19 pandemic caused businesses to be more cautious in their activities.

C.9 Food aid donations – World Food Programme

Estimate provision €nil; outturn €25 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement, in respect of the Irish 2022 contribution under the strategic partnership agreement 2022-2024, which was made in December 2021 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 SCBI loan schemes

Estimate provision €11.4 million; outturn €16.198 million

The increase in expenditure of €4.798 million relative to the original estimate was due to the accelerated contributions on the Future Growth Loan Scheme.

C.11 Other services

Estimate provision €19.603 million; outturn €12.669 million

The shortfall in expenditure of €6.934 million relative to the original estimate was mainly due to the following.

- Savings of €2.736 million arose due to the annual prudent provision for legal services not being required during the year. Savings of €2 million arose in the Continuous Professional Development (CPD) for Advisors Programme as the contract for the platform tender was only signed in quarter four of 2021 and the content tender was not signed until 2022.
- Savings of €641,000 also arose due to approved Horse Sport Ireland events not taking place due to the Covid-19 pandemic.

Programme D Seafood Sector

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		10,302	10,168	9,282
D.2	Administration − non pay		6,417	5,015	4,724
D.3	Fisheries				
	Original	42,907			
	Supplementary	(4,900)			
			38,007	36,375	29,828
D.4	Marine Institute grant				
	Original	43,990			
	Supplementary	5,000			
			48,990	48,351	37,105
D.5	Bord Iascaigh Mhara grant				
	Original	38,750			
	Supplementary	11,000			
			49,750	45,900	37,500
D.6	Sea Fisheries Protection Authority				
	Original	24,810			
	Supplementary	(2,000)			
			22,810	18,042	13,197
D.7	Haulbowline remediation project		600	450	577
			176,876	**164,301**	**132,213**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme D was €3.475 million lower than originally provided. The variation of €1.536 million in administration expenditure has already been explained. The balance of the variance of €1.939 million was mainly due to the following.

D.3 Fisheries

Estimate provision: €42.907 million, outturn €36.375 million

The shortfall in expenditure of €6.532 million relative to the original estimate was mainly due to the following.

- Savings of €3.81 million arose in the Marine Engineering Division budget due to delays to ongoing projects and to delays to the start of new projects due to the Covid-19 pandemic.
- Savings of €1.585 million in the Seafood Development programme arose primarily from underspends on European Maritime and Fisheries Fund (EMFF) Marine Spatial Planning projects being carried out by the Marine Institute and also due to the development of a new IT system to service the EMFF not commencing as expected in late 2021.
- Savings of €917,000 in the environmental compliance area stem from underspends within the EMFF Marine Biodiversity Scheme across a variety of projects implemented by the Marine Institute. Delays in project approval, commencement, procurement and laboratory closures/understaffing were among the reasons for these delays.

D.4 Marine Institute grant

Estimate provision: €43.99 million, outturn €48.351 million

The increase in expenditure of €4.361 million relative to the original estimate arose due to a once off supplementary estimate of €5 million being approved in December 2021 in respect of the Marine Institute's Data Collection Framework (DCF) liabilities. This amount was provided to regularise the historical anomaly relating to the annual DAFM Exchequer voted funding to the Marine Institute for the DCF which was previously paid one year in arrears rather than in current year. The special one off supplementary allocation will enable these liabilities to be met from within current year allocations.

D.5 Bord Iascaigh Mhara grant

Estimate provision: €38.75 million, outturn €45.9 million

The increase in expenditure of €7.15 million relative to the original estimate arose due to a once-off supplementary which was provided to Bord Iascaigh Mhara to fund the Brexit Temporary Fleet Tie Up Scheme.

D.6 Sea Fisheries Protection Authority

Estimate provision: €24.81 million, outturn €18.042 million

The shortfall in expenditure of €6.768 million relative to the original estimate is due to pay savings of €2.391 million mainly attributed to the timing of the on-boarding of already approved headcount and savings of €378,000 in pension costs due to a lower than expected number of retirements. Savings of €1.246 million in non-pay costs arose mainly due to a reduction in travel and subsistence as a consequence of the Covid-19 pandemic and to savings in support costs. Further savings of €381,000 arose in a number of capital projects and savings of €2.372 million related to other projects planned for 2021 which were reallocated to 2022.

D.7 Haulbowline remediation project

Estimate provision: €600,000, outturn €450,000

The shortfall in expenditure of €150,000 relative to the original estimate is due to the timing of the release of the final retention payments.

Note 4 Receipts

4.1 Appropriations-in-aid

		Subhead	2021 Estimated €000	2021 Realised €000	2020 Realised €000
1	Recoupment of salaries etc. of officers on loan to outside bodies		720	605	1,122
2	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1	364	6
3	Refunds from veterinary fees for inspection at poultry and other meat plants	A.3	14,737	17,247	19,362
4	Receipts from veterinary inspection fees for live exports	A.3	723	871	928
5	Receipts from fees for dairy premises inspection services	A.3	4,050	4,712	8,116
6	Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	A.3	675	559	530
7	Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	C.3	2,349	3,415	2,970
8	Receipts from farmer contributions towards the cost of eradicating bovine disease	A.3	7,001	7,866	7,853
9	Land Commission receipts		300	173	194
10	Other receipts		4,548	7,579	2,587
11	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	B.11	975	—	—
12	Intervention stock losses, etc.	B.11	—	866	1,027
13	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9	270,000	311,939	306,002
14	Veterinary Fund	A.3	4,675	4,711	7,865
15	Other Guarantee receipts from EU (Agriculture)	B.11	—	41	33
16	Proceeds of fines and forfeitures in respect of sea fisheries	D.3	100	171	40

		Subhead	2021 Estimated €000	2021 Realised €000	2020 Realised €000
17	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	D.3	100	147	76
18	EU recoupment in respect of expenditure on the conservation and management of fisheries	D.3	—	—	—
19	Aquaculture licence fees	D.3	406	772	529
20	EU receipts for EMFF	D.3	13,500	13,042	19,482
21	EFF (Fisheries) 2007-2013	D.3	—	—	—
22	Receipts from Sustainable Food Systems Ireland		200	113	59
23	Receipts from additional superannuation contributions on public service remuneration		10,729	10,096	9,707
24	NGEU receipts	B.3	28,000	1,258	—
25	Forestry licencing receipts	B.10	—	118	—
	Total		**363,789**	**386,665**	**388,488**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €22.876 million greater than the original estimate. Explanations for variances are set out below.

1 Recoupment of salaries, etc. of officers on loan to outside bodies

Estimate €720,000; realised €605,000

The decrease of €115,000 is due to an officer returning from secondment during 2021 and due to a number of outstanding invoices at the end of the year.

2 Forfeited deposits and securities under EU intervention, export refund, etc. arrangements

Estimate €1,000; realised €364,000

The increase of €363,000 in receipts is due to a number of traders failing to fulfil their licence obligations and therefore forfeiting their securities. Only a token annual provision is made as it is difficult to estimate in advance what forfeitures may occur.

3 Refunds from veterinary fees for inspection at poultry and other meat plants.

Estimate €14.737 million; realised €17.247 million

The increase of €2.51 million is due to an increase in slaughter volumes for some species and an increase in cutting activity levels again in 2021.

4 Receipts from veterinary inspection fees for live exports

Estimate €723,000; realised €871,000

The increase of €148,000 is due to a higher level of animal exports than anticipated and also the introduction of fees being levied on horses exported to Great Britain from 2021.

5 Receipts from fees for dairy premises inspection services

Estimate €4.05 million; realised €4.712 million

The increase of €662,000 was due to increased activity in the dairy sector. In addition, levies received vary in any given year as they depend on the amount of production in each individual food business operator.

6 Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island.

Estimate €675,000; realised €559,000

The decrease of €116,000 in receipts for veterinary laboratory testing is due to it being a demand led system for testing from private veterinary practices with no guarantee that estimated targets can be realised.

7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm

Estimate €2.349 million; realised €3.415 million

There was an increase of €436,000 in pesticides registration fees reflecting a stronger than anticipated level of registrations driven by external commercial interest/demand particularly in the area of hand sanitisers.

Cereal seed certification fees increased by €338,000 as this service is client driven by the seed assemblers and growers and can be impacted annually by the commercial considerations of the seed assemblers and growers for product and annual conditions impacting the volumes of seed grown.

8 Receipts from farmer contributions towards the cost of eradicating bovine disease

Estimate €7.001 million; realised €7.866 million

The increase of €865,000 in bovine disease levies was mainly driven by the additional receipt of levies collected per litre of milk processed reflecting the ongoing expansion in the dairy sector. It is difficult to predict the amount of levies to be collected, on an annual basis, due to fluctuations of the performance of the agri-food sector.

9 Land Commission receipts

Estimate €300,000; realised €173,000

The decrease of €127,000 was due to a reduction in the number of active accounts.

10 Other receipts

Estimate €4.548 million; realised €7.579 million

The increase of €3.031 million was mainly due to a once off remittance of €2.559 million from Teagasc for pension contributions due to a change in how the retained contributions were administered.

An additional €508,000 more than forecast from EU-led competitive research initiatives was also received as the eligible amounts for refund vary on a case by case basis and is reflective of the amount spent by the contracting parties.

11 Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures

Estimate €975,000; realised €nil

The decrease of €975,000 was due to favourable market conditions and consequently no product was held under public storage.

12 Intervention stock losses, etc.

Estimate €nil; realised €866,000

The increase of €866,000 was due to the receipts under this subhead being derived from provisions in EU Regulations which enable DAFM retain 20% of irregularities and 25% of cross compliance debt on EAGF funds. The levels of debt and subsequent recovery are difficult to predict, therefore resulting in a variance in forecast versus actual.

13 EAFRD (European Agricultural Fund for Rural Development)

Estimate €270 million; realised €311.939 million

The increase of €41.939 million in receipts of EAFRD funds was due to increased EAFRD contributions on the Areas of Natural Constraints scheme (ANC) and a higher than forecast advance funding rate of 85% on ANC in 2021, in addition to a higher than anticipated expenditure profile resulting in a higher level of reimbursement from the EU.

19 Aquaculture licence fees

Estimate €406,000; realised €772,000

The increase of €366,000 is due to an increase in licensed aquaculture sites.

23 Receipts from additional superannuation contributions on public service remuneration

Estimate €10.729 million; realised €10.096 million

The decrease of €633,000 was mainly due to an increase in staff retirements, resulting in a lower than expected overall staff contribution to the pension levy in 2021.

24 NGEU receipts

Estimate €28 million; realised €1.258 million

The decrease of €26.742 million was due to the timing of the Next Generation EU (NGEU) expenditure and scheme rollout which was slower than predicted resulting in a lower level of reimbursement from the EU.

25 Forestry licencing receipts

Estimate €nil; realised €118,000

The increase of €118,000 was due to forestry licence application fees being introduced in late 2020, and consequently there was no historical basis on which to make the provision for 2021.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Sale of Teagasc property	3,436	—
Sugar levies	48	—
Recovery of administration errors	—	112
Clearance of suspense accounts	—	6
Transferred to the Exchequer	(3,484)	(118)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	3,692	3,565
Agencies [a]	1,615	1,594
	5,307	**5,159**

Note [a] The agencies under the aegis of the Department, with a pay element to their grant as provided in the Department's estimates are Bord Bia, Bord Iascaigh Mhara, Marine Institute, Sea-Fisheries Protection Authority and Teagasc.

5.2 Pay

Remuneration of Department staff	2021 €000	2020 €000
Pay	188,334	174,077
Redundancy and severance	—	265
Higher, special or additional duties allowances	309	284
Other allowances	2,313	1,456
Overtime	2,912	2,617
Shift allowances	2,298	925
Employer's PRSI	15,061	13,156
Total pay	**211,227**	**192,780**

Agency remuneration	2021 €000	2020 €000
Pay	85,889	82,198
Higher, special or additional duties allowances	1,119	1,112
Other allowances	471	607
Overtime	120	132
Gratuity payments	216	847
Employer's PRSI	3,972	3,752
Total pay	**91,787**	**88,648**

Note The allowances, overtime and other remuneration details in notes 5.3 through to 5.5 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

5.3 Allowances and overtime payments

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	104	2	12,858	11,937
Shift allowances	311	61	24,232	19,939
Other allowances	962	17	22,002	22,088
Overtime	728	71	32,156	28,563
Extra remuneration in more than one category	510	218	59,156	33,620

5.4 Other remuneration arrangements

In total, €19,040 (gross) was paid to ten retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 apply to these fees.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	233	530,506	531,512
Recovery plans in place	70	216,171	319,081

5.6 Salary of the Accounting Officer

As at 31 December 2021 the Accounting Officer’s current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 EU funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D includes expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €4,870,950 for EU Funding which has been disallowed due to conformity clearance decisions and €857,472 late payments.

The account includes interest of €160,603 paid on short-term borrowings of €670 million borrowed in 2020 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2021 along with interest.

A total of €655 million in short-term funds were borrowed in 2021 to fund EAGF Guarantee expenditure pending EU recoupment in 2022. These loans are reflected in the financial statements of the European Agricultural Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), Irish operations.

EU-funded income and expenditure managed by the Department of Agriculture, Food and the Marine

	2021	2020
	€m	€m
Direct payment/basic payment scheme	1,171	1,187
Other market supports	12	6.9
Other	(6)	(4)

Co-funded receipts (measures co-funded by the EU) [a]

	2021	2020
	€m	€m
EAFRD Rural Development Programmes	313	306
Veterinary Fund	4	7
Other co-financing receipts	1	1
Fisheries		
EMFF - European Maritime and Fisheries Fund 2014-2020 [b]	13	19
Total pay	**1,508**	**1,523**

Notes
[a] Only the EU co-funding on these programmes is shown in this table.
[b] EMFF receipts of €11.7 million are held in a suspense account (EU advances) in accordance with public financial procedures.
[c] Under EU regulation 908/2014 Article 28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

6.2 Scheme overpayments

	2021 €000	2020 €000
Scheme overpayments at 1 January	1,367	2,640
Overpayments raised in the year	13,130	13,330
Corrections	(998)	(1,212)
Recoveries	(12,787)	(12,672)
Write-offs (note 6.3)	(44)	(719)
Scheme overpayments at 31 December	**668**	**1,367**

6.3 Write-offs

The following sums were written off in the year	2021 €	2020 €
Scheme overpayments:		
Afforestation scheme	5,625	379,174
Rural environment protection scheme	23,166	126,024
Miscellaneous EU premia and area based schemes	1,843	2,936
Miscellaneous Vote premia	1,748	1,539
Early retirement scheme	12,117	208,354
Private veterinary practitioners	—	753
	44,499	**718,780**
Customers:		
Customers no longer trading	123,805	107,022
Aquaculture licenses expired/surrendered and not renewed	2,158	—
Salary related debts	—	22,960
Other reasons	31,279	10,100
	157,242	**140,082**
	201,741	**858,862**

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	7	8	15	29
	€000	€000	€000	€000
Department's own legal costs	—	63	63	51
Payments by/on behalf of Department				
Compensation	112	79	191	531
Legal costs	62	335	397	481
Other costs	12	1	13	—
2021 Total	**186**	**478**	**664**	**1,063**
2020 Total	33	1,030	1,063	

Notes [a] At 31 December 2021, the following claims are outstanding:

- General litigation cases 42

[b] At 31 December 2021, the Department has included in Other creditors due, €340,000 being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2021

	Claims by		
	employees	members of the public	Total
Number of cases	7	5	12
	€000	€000	€000
Department's own legal costs	—	45	45
Payments by/on behalf of Department			
Compensation	112	34	146
Legal costs	62	27	89
Other costs	12	1	13
Total	**186**	**107**	**293**

6.5 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2022-2024, was signed by World Food Programme (WFP) Executive Director and the Department in December 2021. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €25 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €75 million.

This allocation is made in continued support of the current strategic objectives of the World Food Programme, namely

- to end hunger, by protecting access to food
- to improve nutrition
- to achieve food security
- to support implementation of Sustainable Development Goals (SDG)
- to partner for SDG results.

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2022 allocation. The Department agreed to an early payment of €25 million of the 2022 allocation, with payment being made in December 2021, and this amount is included in prepayments in the statement of financial position.

The Food and Agriculture Organisation (FAO) is the main specialised agency of the United Nations that leads international efforts to end worldwide hunger; to achieve food security for all; and to make sure that people have regular access to enough high quality food to lead active, healthy lives.

Subscriptions and additional voluntary contributions to FAO enables FAO to work in 130 countries on the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2021 amounted to €3.558 million (2020: €3.675 million).

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of €29.9 million in capital expenditures, in the following subheads, that were carried over to 2022.

		€000
A.3	Food safety, animal & plant health & animal welfare	500
B.5	Development of agriculture and food (farm)	12,000
B.10	Forestry and bio energy	13,000
C.4	Development and promotion of agriculture and food (non-farm)	2,400
D.3	Fisheries	2,000
		29,900

6.7 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	—	—	—
Suspected fraud	2	87	—
		87	**—**

The Department became aware of two suspected fraud cases during 2021 (2020:nil).

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2021

	2021	2020
	€000	€000
Balance at 1 January	—	—
Receipts (subhead C.7)	96,000	84,000
Payments		
Horse Racing Ireland	(76,800)	(67,200)
Rásaíocht Con Éireann	(19,200)	(16,800)
Balance at 31 December	**—**	**—**

Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations

Property	Area Hectares
Cork	
Haulbowline Island (including bridge and access road)	45.7
Blood Testing Laboratory, Model Farm Road	—
Regional Veterinary Laboratory, Model Farm Road	2.8
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Duhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato Testing Centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
Dublin	
Forest plot, Killakee	0.7
Galway	
Land Commission non-agricultural lands	
Cooloo	52.1
Kilcooley	1.7
Kylenalmelly	1.3
Meelickmore	12.4
Rosmore	3.2
Sylaun	1.7
Lands, Teagasc College, Athenry	14.0
Kerry	
Land Commission non-agricultural lands	
Ballydunlea	284.6
Glanlea	4.0
Forest plot, Kenmare	0.2

Kildare	
Stacumny Cottage, Backweston	—
Farm Manager's House, Backweston	—
Lands, Backweston	150.0
Kilkenny	
Regional Veterinary Laboratory, Kilkenny	0.9
Lands, Kildalton Teagasc College, Pilltown	18.0
Leitrim	
Land Commission non-agricultural land, Rossbeg	79.0
Limerick	
Dairy Science Laboratory, Limerick	3.2
Regional Veterinary Laboratory, Limerick	1.2
Forest plots, Adare	3.0
Mayo	
Land Commission non-agricultural lands	
Ballymacrah	12.1
Derry	34.8
Forest plot, Foxford	3.0
Offaly	
Land Commission non-agricultural lands	
Annaghmore	69.4
Ballyegan	44.7
Clorhane	8.2
Killananny	0.4
Rathlumber	7.2
Forest plot, Tullamore	2.5
Roscommon	
Land Commission non-agricultural lands	
Ballynahouna/Ballaghcullia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3

Forest plots, Lough Key	16.0
Sligo	
Regional Veterinary Laboratory, Sligo	1.4
Land Commission non-agricultural land, Cloonkeelaun	244.0
Forest plot, Benbulbin	0.5
Tipperary	
Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Kilsheelan	1.9
Westmeath	
Land Comission non-agricultural land, Clonthread	26.6
Regional Veterinary Laboratory, Athlone	1.7
Forest plot, Lough Ennell	14.5
Wexford	
Forest plot, Forth	4.8
Forest plots, Gorey	11.1
Wicklow	
Forest plot, Shelton	0.2
Forest plot, Avonmore	1.0
Forest plot, Enniskerry	4.0
Forest plot, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plot, Glen of Imaal	3.0

Property at fishery harbours

In addition, land and buildings at six fishery harbour centres are vested in the Minister. They are accounted for separately in the Fishery Harbour Centres Fund account.

Appendix B Accounts of bodies and funds under the aegis of the Department of Agriculture, Food and the Marine

The following table lists the bodies and funds under the aegis of the Department 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 the date on which 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
Aquaculture Licenses Appeals Board	2020	30 Jun 2021	1 Oct 2021	2 Nov 2021
Bord Bia	2020	30 Jun 2021	2 Sep 2021	27 Oct 2021
Bord Iascaigh Mhara	2020	23 Jun 2021	23 Jul 2021	20 Sep 2021
Coillte Teoranta [a]	2020	1 Apr 2021	9 Apr 2021	24 Aug 2021
Fishery Harbour Centres Fund	2020	21 Dec 2021	21 Dec 2021	21 Mar 2022
Horse Racing Ireland	2019	6 Jul 2020	23 Sep 2020	21 Dec 2020
Irish Horse Racing Regulatory Board	2020	1 Nov 2021	4 Nov 2021	14 Jan 2022
Irish National Stud Company Ltd [b]	2020	31 Mar 2021	1 Apr 2021	11 Jun 2021
Marine Institute	2020	4 Aug 2021	25 Aug 2021	2 Nov 2021
National Milk Agency [c]	2020	11 Mar 2021	10 Nov 2021	29 Mar 2022
Rásaíocht Con Éireann	2020	20 Apr 2021	29 Apr 2021	23 Jun 2021
Sea Fisheries Protection Authority	2020	10 Jun 2021	8 Jul 2021	21 Sep 2021
Teagasc	2020	24 Jun 2021	6 Aug 2021	21 Sep 2021
The Public Trustee of Ireland	2020	18 Mar 2021	18 Mar 2021	24 Apr 2021

Notes

[a] Coillte, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.

[b] Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act, 1945 under which it was established.

[c] National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.

Appropriation Account 2021

Vote 31

Transport

Introduction

As Accounting Officer for Vote 31, 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 2021 for the salaries and expenses of the Office of the Minister for Transport including certain services administered by that Office, for payment of certain grants and certain other services.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €193.382 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 circulars 1 and 9 of 2022 have been applied in the preparation of the account.

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

The Accounting Officer for the National Shared Services Office has provided me with a letter outlining the progress made in the development of the audit assurance process. This letter addresses the framework of governance and controls in place and includes the reports of audits conducted into the operation of controls within the shared services environment.

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

I have fulfilled my responsibilities in relation to the requirements of the employee services management agreement (ESMA) between this Department and the National Shared Services Office for the provision of payroll and human resource shared services.

Financial control environment

The Department has a mature financial management framework in place enhanced in early 2021 by a financial management system upgrade and later in the year by a successful pilot and implementation of robotic process automation capability in the accounts processing area. In addition, there is an active internal audit environment. The Department keeps a keen eye to developments in public financial management both nationally and internationally and in addition to ensuring compliance obligations are met, we are also driven by best practice and emerging non-financial reporting requirements.

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 Department
- there are systems aimed at ensuring the security of the ICT systems, and
- there are appropriate capital investment control guidelines and formal project management disciplines.

With respect to its management procedures, the Finance Division of the Department has been certified as compliant with ISO 9001:2015 standard up to 2023. This international standard, published by the International Standards Organisation (ISO) specifies the requirements for a Quality Management System (QMS). A QMS is a formalised system that documents processes, procedures and responsibilities for achieving quality policies and objectives. An annual audit of the Finance Division's QMS against the ISO requirement was conducted and has been certified as compliant with ISO 9001:2015 up to February 2023.

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 the Secretary General 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 the Secretary General, 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 the Secretary General and the Audit Committee. Procedures are in place to ensure that the reports of the internal audit function are followed up.

During 2021, the Department's internal audit function made several key recommendations during the following three audits.

Audit of the protected disclosure process (three high findings)

The internal Audit Unit found that whilst there was a protected disclosure policy in place, there was a lack of a consistent approach to the review, assessment, and treatment of protected disclosures across the Department and recommended that the Department

- formally document a consistent, uniform, structured approach to protected disclosures within the policy
- ensure the policy including the approach is communicated to all personnel in the Department
- ensure the policy is reviewed and the requisite approval/sign-off obtained on an annual basis, and
- ensure any deviations from approach are documented and retained in the protected disclosures file.

The Department is committed to undertaking a review of the policy in its entirety by the end of this year, and the associated processes, reflecting the findings of this audit and preparing the Department for the implementation of the Protected Disclosures Amendment Act 2022 signed into law in July 2022 (but not yet commenced).

Audit of the arrangements in place for management and monitoring of cyber security in Driver Vehicle Computer Services Division (DVCSD) (two high findings)

Internal Audit found that DVCSD do not have dedicated cybersecurity personnel/budget and made four recommendations in that context which DVCSD are working with HR and ICT to progress. In addition, four recommendations were made concerning access management. Three recommendations have been implemented. Regarding the fourth recommendation – the DVCSD are currently working with service providers on the introduction of multi-factor authentication for accessing the National Vehicle and Driver File (NVDF).

Review of Irish Coast Guard (ICG) IT systems and stores practices (one high finding).

To ensure that the ICG efficiently manage the stores across the division, Internal Audit recommended that the ICG document a formal stores policy and procedures to detail the process flows applicable to the section's activities and assign responsibility to specific owners for each stage of the process. Once updated, the policy should be formally communicated to each team member responsible for the management of stores. In response to the recommendation management will establish a working group representative of all interested stakeholders to develop a comprehensive policy and procedure to be implemented late 2022 or early 2023.

Review of the current and future state P2P process across various Divisions

During the year Internal Audit, in conjunction with Ernst & Young, conducted a review of the State Procure to Pay process mapped within the Department and recommended

- the process should be clearly stated in a guidance document
- the process should be communicated to all staff within all divisions of the Department and published on the Department's hub.

The process map has been communicated to the relevant divisions.

Irish Coast Guard stocktaking

The Department did not complete a Coast Guard stores stock count at the year end and an estimate of €2.258 million was included in the account. A full count was completed in July 2022 which identified unreconcilable differences in some items and an overall difference between actual value and expected value of €70,000 or 3.1%.

Remedial action to implement regular stock taking is underway which will entail the recruitment of a storekeeper and a stores manager. The Department advertised an interdepartmental competition for Store Keeper to be located in Ballycoolin, closing for applications on 30 September 2022. In addition, a request for tenders is being prepared to procure expert assistance in developing procedures for

- operating a stores IT system
- stores management of stock.

A rolling stores count will take place from September 2022 with counts on top categories weekly and end of quarter full stock checks.

Irish Coast Guard vehicle procurement

The Comptroller and Auditor General published a report in October 2021 concerning the procurement of vehicles by the Irish Coast Guard. The report included several recommendations, all of which have been accepted by the Department and have been implemented and actioned.

Night vision technology and training for search and rescue

The *Report on the Accounts of the Public Services 2020* published by the Comptroller and Auditor General included a chapter on expenditure by the Irish Coast Guard on night vision technology and training for search and rescue. Crew training in the use of the technology is complete except for Waterford which will be completed by December 2022.

Procurement compliance

I confirm that 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 complied with the guidelines with the exception of four contracts/payments (in excess of €25,000), totalling €604,500, the details for which are set out below.

- Three contracts with a combined value of €538,500 relating to leased lines continued without a competitive process in 2021 due to staff shortages and prioritisation of projects. These contracts were non-compliant.

- One contract with a value of €66,000 relates to the storage of documentation awaiting destruction authorisation from the National Archives. This contract was rolled over pending that authorisation. This contract was non-compliant.

The Department has reviewed the circumstances in which these contracts/ payments were awarded and continues to engage extensively in a thorough review of all procurements and contracts to prevent the award of similar, non-compliant contracts arising in the future. The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department has a risk management framework comprising of the risk policy, risk registers recording operational and strategic risks, a risk officer and committee, and alignment of risk to annual business planning. Three risk registers record risk, covering the Department overall as well as the specific issues in relation to Irish Coast Guard operations and driver and vehicle computer services. The risk registers will be reviewed quarterly by management locally, and at the risk and audit committee levels. Risks are a standing item at Management Board level, so that the focus on managing key business risks is maintained and a culture of accountability is integrated into all aspects of our work.

Developments of note in risk management during 2021 included

- Intensive work in collaboration with central supports to ensure that the Department's systems were sufficiently robust to guard against cybersecurity risks, across all areas, including review of lessons learned from HSE incidents and compulsory training for all staff. Additional resourcing to support Driver and Vehicle Computer Services put in place, the area of most risk in this regard.
- Active management of emerging risks for example staff turnover, including at Management Board level and anticipation of possible risks for example proactive briefings of Oireachtas Committee members, groups around the National Development Plan (NDP), National Investment Framework for Transport Ireland (NIFTI).
- The Department continued to monitor Brexit related risks in operations of its various sectors with minimal financial vote impact.
- Implemented the Office of the Government Chief Information Officer (OGCIO) Build to Share eRisk recording system during 2021.
- Internally, a return to work protocol helped to mitigate the potential staffing risks and support managerial skills for hybrid working.

2022 will see risk continue to be an area of particular focus with

- New structures – risk and procurement will be separated out from the Finance Division, and governance from the Central Co-ordination Division, to establish a new risk and governance function with Principal Officer leadership and enhanced resources including a number of dedicated experienced officers at Assistant Principal level. This will provide additional support to line managers and will give them additional guidance, who will also be supported in their roles by new training.
- Completion of new risk policy, development of a single risk register, and further reviewing and refreshing of risk approaches to ensure that they remain up to date and fit for purpose.

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 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 on an ongoing basis.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

During quarter 1 2020 in light of the evolving Covid-19 pandemic, the Department established a number of oversight arrangements to ensure that all impacts both on the Department itself and its business sectors were being assessed and tracked. An internal Covid-19 group of Division heads was set up to track and assess impact internally from which updates were provided. Information was also made available to staff via the staff intranet. This continued through 2021 with decreasing frequency as the year came to a close.

Several mitigating actions were developed and implemented to ensure we continue to operate an effective control environment. Staff in the Department continue to be equipped technically with remote access to systems, which enable them to continue to work with minimal disruption and also support a blended work environment, which was introduced in September 2021.

Staff made extensive use of desktop unified communication systems to engage with their colleagues within the department and also external bodies. Only staff where urgent work could not be completed remotely were permitted into the office. This continued during 2021 but eased when Return to the Workplace arrangements were put in place from September 2021.

ICT infrastructure was already in situ to enable remote access in a secure fashion into its infrastructure both via department-controlled and personal devices. At the onset of the pandemic, essential purchasing of additional equipment and licences was facilitated by means of emergency procurement. The underlying security controls were not bypassed or diminished. As the pandemic was known to be utilised by cyber criminals, staff in the Department were made aware of potential vulnerabilities via the staff intranet and online cyber security training. The service desk was alerted to and prepared for the potential increase in social engineering attacks.

There was no impact on the control environment or the appropriation account.

Covid-19 impacted on some Departmental procurements in 2020. Where impacts occurred, the Department engaged with the Office of Government Procurement (OGP) to seek guidance on best practice and with the Chief State Solicitor Office (CSSO) to seek legal advice where necessary. The Department continued to engage with the OGP and the CSSO regarding procurements being progressed during 2021.

The Department reviewed approaches taken using the guidance from the Office of the Comptroller and Auditor General when it became available and an (internal) audit is also underway to capture lessons learned.

ICT assurance methods

The Department has implemented an information security management system, central to which is an active Information Security Management Group (ISMG). This group is composed of heads of functions from representative Divisions across the Department and is chaired at Assistant Secretary level. The group meets on a bi-monthly basis and oversees all aspects of information security.

An internal audit on cyber security was concluded by EY in October 2020 and found that the ICT controls within the Department were adequate and effective.

Cyber security is a key focus of the Information Service Division (ISD) and is coordinated at a Department level via regular meetings of the cross-division Information Security Management Group. Following the HSE ransomware attack, the Department engaged immediately with the National Cyber Security Centre (NCSC) and used their guidance and recommendations to enhance our pre-existing cyber security roadmap. We have deployed a number of additional cyber monitoring and prevention platforms, conducted vulnerability and penetration scans and focused heavily on staff awareness and training of the risks, vectors and preventative steps to combat cyber threats. This work has continued into 2022 and taken into account additional advisory notes relating to the conflict in Ukraine. This year will also see the Department migrate key services onto government shared service platforms which offer even greater cyber defence and monitoring.

These efforts form part of a wider initiative to develop a multi-year technology strategy for the whole Department which was delivered in Q2 of 2022. This strategy will focus on securing our platforms, developing our capacity to innovate in line with government plans for a ‘Digital First’ operating model and delivering a revised governance approach to improve visibility, alignment and delivery of technology programs across the Department.

Ken Spratt
Accounting Officer
Department of Transport

21 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 31 Transport

Opinion on the appropriation account

I have audited the appropriation account for Vote 31 Transport for the year ended 31 December 2021 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 31 Transport for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Transport 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 appendix to this report.

Motor tax receipts

Chapter 18 of my report on the accounts of the public services for 2021 examines the Department's administration and collection of motor tax, and the extent to which the Department has implemented the recommendations contained in a previous report.

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 2021.

Seamus McCarthy
Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 31 Transport

Appropriation Account 2021

				2021	2020
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Civil aviation				
	Original	109,806			
	Deferred surrender	8,800			
	Supplementary	90,000			
			208,606	175,336	28,346
B	Land transport				
	Original	3,338,885			
	Deferred surrender	139,680			
	Supplementary	7,348			
			3,485,913	3,187,426	2,554,453
C	Maritime transport and safety				
	Original	108,150			
	Deferred surrender	3,000			
	Supplementary	(6,000)			
			105,150	97,390	96,788
Gross expenditure					
	Original	3,556,841			
	Deferred surrender	151,480			
	Supplementary	91,348			
			3,799,669	**3,460,152**	**2,679,587**
	Deduct				
D	**Appropriations-in-aid**		**20,990**	**35,956**	**17,800**
Net expenditure					
	Original	3,535,851			
	Deferred surrender	151,480			
	Supplementary	91,348			
			3,778,679	**3,424,196**	**2,661,787**

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. €161.1 million of unspent allocations in respect of the capital elements of Subheads A.3, B.3, B.5 – B.8 and C.3 was carried forward to 2022.

	2021 €	2020 €
Surplus	354,482,398	385,886,299
Deferred surrender	(161,100,000)	(151,480,000)
Surplus to be surrendered	**193,382,398**	**234,406,299**

Ken Spratt
Accounting Officer
Department of Transport

21 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		3,419,649	2,640,560
Pay		34,626	33,307
Non pay		5,877	5,720
Gross expenditure		**3,460,152**	**2,679,587**
Deduct			
Appropriations-in-aid		**35,956**	**17,800**
Net expenditure		**3,424,196**	**2,661,787**
Changes in capital assets			
Purchases cash	(1,645)		
Disposals cash	104		
(Profit)/loss on disposals	(99)		
Depreciation	3,576	1,936	1,226
Changes in net current assets			
Movement in accruals	2,550		
Movement in prepayments	(410)		
Movement in stock	(1,343)	797	682
Direct expenditure		**3,426,929**	**2,663,695**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		16,840	19,503
Notional rents		3,721	3,947
Net programme cost		**3,447,490**	**2,687,145**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 31 borne elsewhere.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	33	30
Vote 12	Superannuation and Retired Allowances	15,051	12,353
Vote 13	Office of Public Works	1,148	6,636
Vote 18	National Shared Services Office	57	60
Vote 43	Office of the Government Chief Information Officer	86	—
Central Fund − Ministerial pensions		465	424
		16,840	**19,503**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	8,830	10,766
Current assets			
Bank and cash	2.2	162,931	182,594
Stocks	2.3	2,354	1,011
Prepayments	2.4	2,507	2,097
Other debit balances	2.5	2,177	1,731
Total current assets		**169,969**	**187,433**
Less current liabilities			
Accrued expenses	2.6	3,766	1,216
Other credit balances	2.7	1,466	1,808
Net Exchequer funding	2.8	163,642	182,517
Total current liabilities		**168,874**	**185,541**
Net current assets		1,095	1,892
Net assets		**9,925**	**12,658**
Represented by:			
State funding account	2.9	**9,925**	**12,658**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Specialist equipment	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	1,714	12,625	1,530	17,153	27,303	60,325
Additions	323	640	—	56	626	1,645
Disposals	—	(1,151)	(50)	(434)	(639)	(2,274)
Cost or valuation at 31 December 2021	2,037	12,114	1,480	16,775	27,290	59,696
Accumulated depreciation						
Opening balance at 1 January 2021	—	11,638	22	14,199	23,701	49,560
Adjustments [a]	—	(1,393)	1,391	—	—	(2)
Depreciation for the year	—	938	18	1,109	1,511	3,576
Disposals	—	(1,146)	(49)	(434)	(639)	(2,268)
Cumulative depreciation at 31 December 2021	—	10,037	1,382	14,874	24,573	50,866
Net assets at 31 December 2021	**2,037**	**2,077**	**98**	**1,901**	**2,717**	**8,830**
Net assets at 31 December 2020	1,714	987	1,508	2,954	3,603	10,766

Note [a] Adjustments relate to reclassifications within furniture and fittings and office equipment and one adjustment amount within furniture and fittings

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	162,818	182,498
Commercial bank account balances	113	96
	162,931	**182,594**

Commercial bank accounts

In addition to the commercial bank account referred to above, the Department holds a bank account to allow for the collection and allocation of motor tax and the transfer of proceeds to the Exchequer. All money received is paid directly to the Exchequer with the exception of bank charges. The amount held at the end of 2021 was €35,000 (2020: €6,771).

2.3 Stocks

at 31 December	2021	2020
	€000	€000
IT consumables	95	80
Specialised consumables (Irish Coast Guard)	2,259	931
	2,354	**1,011**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software licences and maintenance	2,273	1,792
Rentals	129	197
Other	105	108
	2,507	**2,097**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
OPW agency services	1,130	954
Payroll suspense	737	756
Other	310	21
	2,177	**1,731**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Stobart Air	2,093	—
Driver and Vehicle Computer Services Division: operating expenses	909	577
Regional Airport: rotations Dublin - Donegal Airport	343	—
Professional consultancy fees	110	57
OPW	4	150
Transport Infrastructure Ireland	—	94
Other	307	338
	3,766	**1,216**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax and universal social charge	595	564
Pay related social insurance	303	279
Professional services withholding tax	55	40
Value added tax	348	245
Relevant contract tax	22	8
Pension charges	75	51
Extra Exchequer receipts	36	480
	1,434	1,667
Transfer of functions	—	7
Other credit suspense items	32	134
	1,466	**1,808**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	193,382	234,406
Deferred surrender	161,100	151,480
Exchequer grant undrawn	(190,840)	(203,369)
Net Exchequer funding	**163,642**	**182,517**
Represented by:		
Debtors		
Bank and cash	162,931	182,594
Debit balances: suspense	2,177	1,731
	165,108	184,325
Creditors		
Due to the State	(1,434)	(1,674)
Credit balances: suspense	(32)	(134)
	(1,466)	(1,808)
	163,642	**182,517**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			12,658	14,566
Disbursements from the Vote				
Estimate provision	Account	3,778,678		
Deferred surrender	Account	(161,100)		
Surplus to be surrendered	Account	(193,382)		
Net vote			3,424,196	2,661,787
Expenditure (cash) borne elsewhere	1.1		16,840	19,503
Non cash expenditure – notional rent	1		3,721	3,947
Net programme cost	1		(3,447,490)	(2,687,145)
Balance at 31 December			**9,925**	**12,658**

2.10 Commitments

Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Procurement of goods and services	119,689	177,449
Non-capital grant programmes	—	50
Capital grant programmes	71,469	85,088
Total of legally enforceable commitments	**191,158**	**262,587**

Commitments under procurement subheads	**2021**	**2020**
	€000	**€000**
Search and rescue helicopter services [a]	96,000	150,000
Airports [b]	1,028	8,031
Vehicle/driving licensing [c]	18,390	15,006
Climate Change Unit	86	—
Air Accident Investigation Unit [d]	756	1,133
Information technology	531	558
Internal audit	—	22
Sustainable mobility (investment and policy) [e]	828	—
Facilities management	469	184
Coast Guard services [f]	1,433	2,515
Marine Survey	168	—
	119,689	**177,449**

Notes

[a] The current search and rescue helicopter service contract with CHC Ireland commenced on 1 July 2012 for a period of ten years. It contains an option to extend for a period(s) up to a further three years. The contract was extended in 2020 initially for one year to July 2023. In 2021 the contract was extended for a further year to 2024. These extensions, as approved by the Minister, are to facilitate the procurement of a new service in accordance with *Public Spending Code* requirements and a seamless transition from one service to another.

[b] Reduction due to the liquidation of Stobart Air.

[c] New contracts awarded to Version 1 for IT support and development.

[d] Willis Tower Watson insurance premiums commitment reduction.

[e] New contract awarded to Ove Arup and Partners Ireland Limited for an all Island strategic rail review.

[f] Reduction due to the completion of eleven contracts.

Non-capital grant programmes	2021 €000	2020 €000
Opening balance	50	128
Grants paid in the year	(416)	(78)
New grant commitments	366	—
Closing balance	**—**	**50**

Capital grant programmes	2021 €000	2020 €000
Opening balance	85,088	168,334
Transfer of functions	—	(126,440)
Grants paid in the year	(33,469)	(9,141)
New grant commitments	22,616	52,629
Grants cancelled	(2,766)	(294)
Closing balance	**71,469**	**85,088**

2.11 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end.	**2,554**	**943**

2.12 Contingent liabilities

The Department is involved in a number of legal cases. The Department cannot predict the outcome of such cases.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	35,630	34,626	33,307
ii	Travel and subsistence	1,220	510	580
iii	Training, development and incidental expenses	1,592	1,756	1,565
iv	Postal and telecommunications services	321	217	241
v	Office equipment and external IT services	2,861	2,196	2,038
vi	Office premises expenses	1,245	862	761
vii	Consultancy services and value for money and policy reviews	1,015	336	535
		43,884	**40,503**	**39,027**

Significant variations

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

ii Travel and subsistence

Estimate provision €1.22 million; outturn €510,000

Lower than estimated costs as a result of suppression of travel demand due to Covid-19.

iii Training and development and incidental expenses

Estimate provision €1.592 million; outturn €1.756 million

There was an increase in spend in incidentals for couriers etc. with staff working from home. Also compared to 2020 there was an increase in demand for training too, especially online training.

iv Postal and telecommunications services

Estimate provision €321,000; outturn €217,000

Lower than estimated costs due to greater reliance on electronic communications than before.

vi Office premises expenses

Estimate provision €1.245 million; outturn €862,000

Lower than estimated costs due to delay in works that were planned in 2021 being deferred to 2022 due to Covid-19.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.015 million; outturn €336,000

Costs were lower than estimated due to fewer consultancy tenders progressing in 2021 than expected.

Programme A Civil aviation

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		3,956	3,809	3,664
A.2	Administration − non pay		1,302	646	628
A.3	Regional airports				
	Estimate provision	21,300			
	Deferred surrender	8,800			
			30,100	16,997	13,884
A.4	Miscellaneous aviation services		10,148	9,624	10,170
A.5	Aviation Covid supports				
	Original	73,100			
	Supplementary	90,000	163,100	144,260	—
			208,606	**175,336**	**28,346**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €56.7 million more than originally estimated. Explanations for variances are as follows.

A.2 Administration – non pay

Estimate provision €1.3 million; outturn €646,000

The underspend arose due to underspends in Travel and subsistence incidentals as a result of lowered demand for travel due to Covid-19. There was also lowered demand for consultancy.

A.3 Regional airports

Estimate provision €30.1 million; outturn €17 million

The reduction in expenditure of €13.1 million relative to the original estimate is primarily due to

- Savings due to a 6 week interruption of PSO services on the Donegal-Dublin route and change of service provider of approximately €600,000.
- Savings due to the Kerry-Dublin route no longer operating as a PSO route - operating commercially since July 2021 with no requirement for exchequer funding (€1.6 Million).
- Reduced airport salary costs as a result of the extension of the Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) (€3.1 million).
- A number of capital projects were not completed during 2021. These included Waterford airport runways, a passenger boarding bridge project, a Hold Baggage Screening (HBS) project and an embankments project approved for funding at Shannon Airport in 2021 not completed due to supply and construction delays cause by Covid-19. (€7.8 million).

A.4 Miscellaneous aviation services

Estimate provision €10.1 million; outturn €9.6 million

The difference arises due to underspends in subscriptions to international organisations and the cost of an aviation insurance policy being lower than profiled.

A.5 Aviation Covid supports

Estimate provision €73.1 million; outturn €144.2 million

The increase in expenditure of €72 million relative to the original estimate is primarily due to

- Savings in funds reimbursed to the IAA for statutory refunds it administrated for the refund of passengers in the event of repatriation from abroad or losses due to the collapse of travel agencies (€14 million).
- Reduced airport salary costs as a result of the extension of the Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) (€4 million).
- Additional aviation related COVID support to regional airports (€90 million).

A supplementary of €90 million was approved for this subhead for the additional aviation related Covid support to regional airports.

Programme B Land transport

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		14,770	14,543	13,989
B.2	Administration − non pay		3,373	2,468	2,402
B.3	Road improvement/ maintenance				
	Original	1,413,473			
	Deferred surrender	15,850			
	Supplementary	1,000			
			1,430,323	1,429,698	1,223,196
B.4	Road safety agencies and expenses		6,118	6,658	6,087
B.5	Vehicle and driver licensing expenses				
	Original	22,900			
	Deferred surrender	2,580			
	Supplementary	1,348			
			26,828	22,034	20,191
B.6	Carbon reduction				
	Original	64,100			
	Deferred surrender	4,650			
	Supplementary	30,000			
			98,750	84,762	1,938
B.7	Public service provision payments				
	Estimate provision	673,563			
	Deferred surrender	100			
			673,663	580,179	623,471
B.8	Sustainable Mobility Investment Programme				
	Original	1,101,880			
	Deferred surrender	116,500			
	Supplementary	(25,000)			
			1,193,380	1,012,983	646,157
B.9	Public transport agencies and expenses		38,630	34,033	16,958
B.10	Miscellaneous services		78	68	65
			3,485,913	**3,187,426**	**2,554,454**

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €291.1 million less than originally estimated. Explanations for variances are as follows:

B.2 Administration – non pay

Estimate provision €3.4 million; outturn €2.5 million

The difference arises primarily due to lower travel demand, training demand, postal costs and capital savings due to staff remote working.

B.4 Road safety agencies and expenses

Estimate provision €6.1 million; outturn €6.7 million

The difference of €600,000 mainly arises rises from:

- Additional payments made to the Medical Bureau of Road Safety (MBRS) to fund ongoing increases in operating expenses. (€160,000).
- In 2021, in line with its EU obligations, Ireland began the process of establishing an Automotive Market Surveillance Authority (AMSA) and a virement of €380,000 was made to the Road Safety Authority towards the end of 2021 to address a shortfall in funding.

B.5 Vehicle and driver licensing expenses

Estimate provision €25.5 million; outturn €22 million

The reduction in expenditure of €3.5 million relative to the original estimate is primarily due to

- An element of the NVDF technology refresh programme not being completed (€3 million).
- Savings in administration and general vehicle driver licencing expenses (€1.8 million)
- Additional unbudgeted expenditure was incurred on the introduction of an emergency HGV Covid testing scheme paid for by the State to ensure essential supply chains remained open. (€1.3 million)

A supplementary of €1.3 million was approved for this subhead for payments incurred as a result of the introduction of an emergency HGV Covid testing scheme.

B.6 Carbon reduction

Estimate provision €68.8 million; outturn €84.8 million

The increase in expenditure of €16 million relative to the original estimate is primarily due to

- A significant demand under the Electric Vehicle (EV) Grant scheme in excess of the funds allocated to the scheme being spent (€35.6 million).
- An underspend on Decarbonisation projects (€19.6 million)

A supplementary of €30 million was approved for this subhead to fund the increase in demand for electric vehicles.

B.7 Public service provision payments

Estimate provision €673.7 million; outturn €580.2 million

The difference is due to emergency funding provided for non-commercial transport services. Due to passenger fare revenue at periods during 2021 being higher than the NTA and transport service forecast scenarios, not all of the emergency PSO funding was required.

B.8 Sustainable Mobility Investment Programme

Estimate provision €1,218.4 million; outturn €1,013 million

The reduction in expenditure of €205.4 million relative to the original estimate is primarily due to:

- A slower than expected progression of sustainable mobility projects/spend, partly because of Covid-19 restrictions (€48.4 million).
- An underspend in Active Travel and greenways primarily due to delays in local authorities building up their capacity and project portfolios to deliver projects and fully invest the funding allocated (€78.2million).
- Underspend on cycling and walking programme (€78.5 million).

As part of the supplementary estimate, a €25 million decrease in estimate provision for this subhead was approved. This was used to offset against supplementary increases in the estimate provisions approved for other subheads in the vote.

B.9 Public transport agencies and expenses

Estimate provision €38.6 million; outturn €34 million

The difference is due to an underspend in NTA pay and non-pay because of the planned hiring of extra staff not taking place.

Programme C Maritime transport and safety

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
C.1	Administration − pay		16,904	16,275	15,654
C.2	Administration − non pay		3,579	2,762	2,690
C.3	Maritime administration and Irish Coast Guard				
	Original	86,577			
	Deferred surrender	3,000			
	Supplementary	(6,000)			
			83,577	77,778	75,654
C.4	Miscellaneous services		1,090	575	2,790
			105,150	**97,390**	**96,788**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €13.8 million lower than originally estimated. Explanations for variances are as follows:

C.2 Administration – non pay

Estimate provision €3.6 million; outturn €2.8 million

The difference arises primarily due to lower travel demand, training demand, postal costs and capital savings due to staff working remotely.

C.3 Maritime administration and Irish Coast Guard

Estimate provision €89.6 million; outturn €77.8 million

The reduction in expenditure of €11.8 million relative to the original estimate is primarily due to a capital underspend of €11.8 million in relation to slow progress on repairs to Coast Guard stations and the development of new Coast Guard Stations in Westport and Greystones due to Covid-19.

C.4 Miscellaneous services

Estimate provision €1.1 million; outturn €575,000

The variation is due to the full capital allocation not being spent for the environmental clean-up of ports.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
	Administration			
1	Receipts from additional superannuation contributions on public service remuneration	3,118	2,459	2,127
	Civil aviation			
2	Irish Aviation Authority refund of subscriptions to international organisations	6,558	6,910	6,449
3	Irish Aviation Authority recoupment of rents, etc.	394	394	395
4	Irish Aviation Authority payment for associated costs	2,800	2,826	2,747
	Land transport			
5	Road transport licence fees	800	1,309	1,070
6	Miscellaneous land transport receipts	6,480	4,368	4,151
	Maritime transport and safety			
7	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	500	469	470
	Miscellaneous receipts			
8	Miscellaneous receipts	340	17,221	391
	Total	**20,990**	**35,956**	**17,800**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €15 million higher than the estimate. Explanations for variances are as follows.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.1 million; realised €2.5 million

The estimate was predicated on the Department reaching a certain level of recruitment and increasing its staffing complement by the end of 2021. However, owing to a number of factors including the loss of staff to inter-Departmental competitions, the Department was unable to reach the target set for the year.

2 Receipts from Irish Aviation Authority refund of subscriptions to international organisations

Estimate €6.6 million; realised €6.9 million

The Department recoups monies from the Irish Aviation Authority for the payment of subscriptions to certain international aviation organisations. In 2021, there was a shortfall in the programme allocation of €352,000.

5 Road transport licence fees

Estimate €800,000; realised €1.3 million

The amount received in road transport licensing fees is affected by the level of activity in the sector and in the wider economy. Fees are paid not only for licence applications but also for adding vehicles to existing haulage licences to increase fleets. In the context of Brexit and related uncertainties, it was considered apt to maintain the estimate for 2021 at €800,000, however actual receipts exceeded expectations.

6 Miscellaneous land transport receipts

Estimate €6.5 million; realised €4.4 million

This variance is as a result of an under recovery of capital expenditure from the Road Safety Authority for services rendered by the Driver Vehicle Computer Services Division (DVCSD) and lower than expected funding from EU grants.

8 Miscellaneous receipts

Estimate €340,000; realised €17.2 million

Miscellaneous receipts are higher than estimated mainly as a result of a refund of National Transport Authority Public Service Obligation (PSO) funding of €13.1 million and an electric vehicle grant received from Sustainable Energy Authority of Ireland (SEAI) of €3.5 million.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	480	33
Shannon Development rents [a]	10	11
Grant refunds	—	6
EU receipt for City Centre Re-signalling Project	—	937
Road Safety Authority pension contributions and notional service [b]	490	473
NELS project – Loran-C maritime navigation system	20	—
Ten-T upgrade	—	2,209
EU Commission funds	—	550
NTA refund	—	856
National Oil Reserve Agency [c]	2,517	—
TN ITS GO Project payment	20	—
Voluntary surrender of pay	22	13
Sundry	2	—
Transferred to the Exchequer	(3,525)	(4,608)
Balance at 31 December	**36**	**480**

Notes

[a] Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.

[b] The Department acts as the intermediary in making the annual pay-over of the pension contributions deducted from RSA staff. These pay-overs are made to the Department of Public Expenditure and Reform

[c] Under the biofuel obligation, suppliers of certain fuels to the road transport market are required to include a certain proportion of biofuels as part of their fuel mix. A buy-out charge however allows obligated parties under the scheme to discharge part or their entire biofuel obligation through the payment of a buy-out charge. This was set at €0.45 in 2021 under SI 644/2010 National Oil Reserves Agency Act 2007 (Biofuel Obligation Buy-out Charge) Regulations 2010. This is being increased to €1 in 2022 to discourage obligated parties discharging their biofuel obligation through the use of the buy-out charge.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Department	545	534
Agencies	1,000	903
	1,545	**1,437**

5.2 Pay – Department and agencies

Remuneration of Department staff

	2021 €000	2020 €000
Pay	29,914	28,997
Higher, special or additional duties allowances	887	796
Overtime	421	382
Other allowances	790	680
Employer's PRSI	2,614	2,452
Total pay	**34,626**	**33,307**

Remuneration of agency staff

Pay	60,363	55,663
Higher, special, or additional duties allowances	718	227
Overtime	442	273
Other allowances	561	535
Employer's PRSI	5,564	4,861
Total pay	**67,648**	**61,559**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Department staff				
Higher, special or additional duties allowances	120	62	39,777	38,832
Overtime	76	16	29,059	20,506
Other allowances	66	4	21,884	7,700
Extra remuneration in more than one category	72	55	53,121	46,482
Agency staff				
Higher, special or additional duties allowances	144	7	16,133	53,461
Overtime	174	—	7,835	15,001
Other allowances	118	2	16,048	15,771
Extra remuneration in more than one category	49	5	14,841	23,486

5.4 Other remuneration arrangements

This account includes expenditure of €144,992 in respect of five officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department. Full recoupment of related expenditure was completed in Q1 2022.

This account does not include expenditure in respect of nine seconded officers who were serving outside the Department for all or part of 2021 whose salaries were paid by other Government departments/offices.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	38	123,108	99,180
Recovery plans in place	19	61,874	36,714

Two overpayment recovery plans, in respect of two individuals, to the value of €16,666 were transferred to other Departments in the year.

5.6 Severance/redundancy

During 2021, terminated staff members were not paid any redundancy or severance payments.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level II, with an annual gross salary of €213,859 (as at 31 December 2020, €211,742).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

A Review Board was established in 2020 to re-examine certain findings of the draft final report of the investigation into the accident involving Rescue 116 at Blacksod, Co Mayo on 14 March 2017. The Review Board was established in line with Statutory Instrument (SI) No 460 of 2009: Air Navigation (Notification and Investigation of Accidents, Serious Incidents and Incidents) Regulations 2009. The Review Board report was published on 5 November 2021 and found the probable cause of the crash was poor weather, the helicopter's altitude and the crew being unaware of a 282ft obstacle on the flight path to the initial route waypoint of one of the operator's preprogramed Flight Management System (FMS) routes.

The full cost to the end of 2021 was €366,465 (2021: €266,170; 2020: €100,295)

6.2 Compensation and legal cost

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	3	13	16	7
	€000	€000	€000	€000
Department's own legal costs	—	14	14	262
Payments by/on behalf of Department				
Compensation	213	556	769	135
Legal costs	129	169	298	—
Other costs	1	5	6	—
2021 Total	**343**	**744**	**1,087**	**397**
2020 Total	—	397		397

Cumulative costs of cases completed in 2021

	Claims by		
	employees	members of the public	Total
Number of cases	3	11	14
	€000	€000	€000
Department's own legal costs	—	—	—
Payments to/on behalf of Department			
Compensation	150	3	153
Legal costs	90	—	90
Other costs	3	—	3
Total	**243**	**3**	**246**

6.3 Late payment interest

No interest payments were made in terms of the European Communities (Late Payment in Commercial Transactions) Regulation 2012.

6.4 Fraud and suspected fraud

No fraud was detected during the period under review.

6.5 EU funding

The outturn shown in Subhead B.8 sustainable mobility investments programme includes payment in respect of activities which are co-financed from the European Regional Development Fund (ERDF). A number of delays and extensions in INTERREG Greenways projects resulted in timing delays with claims. The Department received €682,000 in funding and paid claims totalling €551,000 resulting in surplus funding carried in to 2022 of €131,000.

		2021 Estimate €000	2021 Outturn €000	2020 Outturn €000
Subhead description				
B.8	Sustainable mobility investment	683	551	3,579

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of €161.1 million in capital expenditures in the following subheads that were carried over to 2022.

		€000
A.3	Regional airports - payments	7,640
A.5.1	Aviation emergency supports	410
B.5	Vehicle and driver licensing expenses	4,000
B.7.2	Rural transport Projects	350
B.8.3	Public transport infrastructure - NTA	36,800
B.8.5	Cycling and walking programme	70,000
B.8.6	Greenways expenditure (capital)	39,000
C.3.1	Capital IRCG	2,000
C.3.2	Capital - CIL	400
C.4.3	Environmental clean up	500
		161,100

6.7 Public Service Obligation (PSO) air services

Since 2015, Stobart Air via a franchise agreement with Aer Lingus held the contract for operating Government supported PSO air services on two routes Donegal/Dublin and Kerry/Dublin.

The Department received a notification on 17 June 2021 advising that provisional liquidators had been appointed to Stobart Air. A number of payments due to Stobart Air in respect of air services that were provided by them in 2020 and 2021 under the Department of Transport's Public Service Obligation (PSO) air services scheme were not paid by the Department on foot of some non-compliant reporting obligations. However, this has been resolved and these payments will be made once the final liquidators have been appointed to Stobart Air.

Appendix A Accounts of bodies and funds under the aegis of the Department of Transport

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at 21st September 2022, 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
Bus Éireann	2021	6 Apr 2022	29 Jun 2022	29 Jun 2022
Bus Átha Cliath	2021	6 Apr 2022	23 May 2022	6 Jul 2022
Commission for Aviation Regulation	2020	29 Sep 2021	28 Oct 2021	2 Dec 2021
Commission for Railway Regulation	2021	7 Dec 2021	10 Dec 2021	18 Feb 2022
Córas Iompair Éireann (CIE)	2021	6 Apr 2022	29 Apr 2022	23 Jun 2022
Dublin Airport Authority	2021	20 May 2022	20 May 2022	27 Jun 2022
Dublin Port Company	2021	25 Mar 2022	31 Mar 2022	1 Jul 2022
Iarnród Éireann	2021	6 Apr 2022	30 Jun 2022	30 Jun 2022
Irish Aviation Authority	2021	31 Mar 2022	1 Apr 2022	20 May 2022
Marine Casualty Investigation Board	2021	30 Jun 2021	30 Jun 2021	7 Jul 2021
Medical Bureau of Road Safety	2021	17 Jun 2022	12 Jul 2022	—
National Transport Authority	2021	24 Jun 2022	28 Jun 2022	—
Port of Cork Company	2021	1 Apr 2022	24 Apr 2022	1 Jul 2022
Port of Waterford Company	2021	28 Mar 2022	15 Apr 2022	1 Jul 2022
Road Safety Authority	2021	23 Jun 2022	23 Jun 2022	25 Jul 2022
Shannon Foynes Port Company	2021	25 Mar 2022	22 Apr 2022	1 Jul 2022
Shannon Group PLC	2021	24 Mar 2022	29 Mar 2022	11 May 2022
Transport Infrastructure Ireland	2021	30 Jun 2022	1 Jul 2022	2 Aug 2022
Motor Tax Account	2021	27 Jun 2022	29 Jun 2022	—

Appropriation Account 2021

Vote 32

Enterprise, Trade and Employment

Introduction

As Accounting Officer for Vote 32, 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 2021 for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for payment of certain subsidies and grants and for the payments of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €156.674 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.

Transfer of functions

Changes to the Department's structure were affected from 1 January 2021. In this regard, the Department assumed responsibility for the Balance for Better Business initiative from the Department of Children, Equality, Disability, Integration and Youth. Responsibility for the Trading Online Vouchers Scheme, which is delivered through the Local Enterprise Offices, was also transferred from the Department of the Environment, Climate and Communications.

A number of the Department's previous functions were transferred to the Department of Further and Higher Education, Research, Innovation and Science, including certain responsibilities

- under the Industrial Development (Science Foundation Ireland) Act 2003
- under the Industrial Development Act, 1993
- for the Programme for Research in Third Level Institutions and
- in relation to membership of certain international organisations.

The responsibility for functions is subject to continued examination in conjunction with both the Department of Education and the Department of Further and Higher Education, Research, Innovation and Science. This may result in further transfer recommendations to Government if this is found to be appropriate. No further transfer recommendations were proposed in 2021 or to date in 2022.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exception of the following.

Depreciation

Assets are depreciated annually on a straight line basis over their estimated useful life, starting with a full year's depreciation charged in the year of purchase and none charged in the year of disposal.

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 payroll and human resource 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 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.

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 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.

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. The work of internal audit 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.

Procurement compliance

I confirm that 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 complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €139,650 (ex. VAT) details are set out below:

- One contract with a value of €72,088 related to the extended provision of legal advice in respect of the Credit Guarantee Scheme that had been originally procured in line with the Office of Government Procurement (OGP) information note on 'Covid-19 (Coronavirus) and Public Procurement'. Given the specialist and technical nature of the Scheme, it was not deemed appropriate to change the provider of legal services.
- A second contract with a value of €37,814 related to the provision of off-site file storage of records of the Companies Registration Office (CRO). While a new provider had been appointed in March 2020 following a procurement competition, Covid-19 restrictions delayed the complete transfer of the CRO material until October 2021. The previous supplier continued to provide services until the transfer of records was complete.
- A third contract with a value of €29,748 related to the provision of on-line mediation courses for the Workplace Relations Commission (WRC). Industrial Relations Officers are required to provide pre-adjudication mediation under the Workplace Relations Act 2015 and in that context are required by the WRC to attend a relevant training course. The provider selected was the only body at the time able to provide the relevant training on-line, due to Covid-19 restrictions in person training was not an option.

The Department has provided details of eight non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Given the ongoing reality of Covid-19 in 2021, the impact of the pandemic continued to be assessed across the business units of the Department and its Offices, including the impact of staff continuing to work from home for much of the year. This included risks assessments in relation to financial controls, internal controls, ICT controls, effectiveness of communications channels, health and safety protocols, staff well-being and connectiveness. These assessments were focussed on maintaining the integrity of the Department's control environment and ensuring that the Department and its Offices continued to provide a full service to clients.

Dr Orlaigh Quinn
Accounting Officer
Department of Enterprise, Trade and Employment

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 32 Enterprise, Trade and Employment

Opinion on the appropriation account

I have audited the appropriation account for Vote 32 Enterprise, Trade and Employment for the year ended 31 December 2021 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 32 Enterprise, Trade and Employment for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Enterprise, Trade and Employment 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 32 Enterprise, Trade and Employment

Appropriation Account 2021

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Jobs and enterprise development				
	Original	824,451			
	Deferred surrender	101,261			
	Supplementary	(7,999)			
			917,713	722,576	1,273,470
B	Innovation				
	Original	219,128			
	Deferred surrender	4,939			
	Supplementary	8,000			
			232,067	218,741	413,743
C	Regulation		98,562	85,760	77,465
Gross expenditure					
	Original	1,142,141			
	Deferred surrender	106,200			
	Supplementary	1			
			1,248,342	**1,027,077**	**1,764,678**
	Deduct				
D	**Appropriations-in-aid**		**53,982**	**69,051**	**49,781**
Net expenditure					
	Original	1,088,159			
	Deferred surrender	106,200			
	Supplementary	1			
			1,194,360	**958,026**	**1,714,897**

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 spending in the following year. €79.66 million of unspent allocations in respect of the capital elements of Subhead A.5, A.7, A.9 and B.4 were carried forward to 2022.

	2021 €	2020 €
Surplus	236,333,519	182,421,683
Deferred surrender	(79,660,000)	(106,200,000)
Surplus to be surrendered	**156,673,519**	**76,221,683**

Dr Orlaigh Quinn
Accounting Officer
Department of Enterprise, Trade and Employment

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		987,847	1,727,733
Pay		30,723	28,838
Non pay		8,507	8,107
Gross expenditure		**1,027,077**	**1,764,678**
Deduct			
Appropriations-in-aid		**69,051**	**49,781**
Net expenditure		**958,026**	**1,714,897**
Changes in capital assets			
Purchases cash	(142)		
Depreciation	1,723		
Loss on disposals	44	1,625	(153)
Changes in net current assets			
Increase in closing accruals	9,393		
Decrease in stock	31	9,424	(1,671)
Direct expenditure		**969,075**	**1,713,073**
Expenditure borne elsewhere			
Net allied services expenditure (cash) (note 1.1)		26,022	24,854
Notional rents (non-cash)		2,847	2,847
Net programme cost		**997,944**	**1,740,774**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 32 borne elsewhere.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	61	63
Vote 12	Superannuation and Retired Allowances	21,550	20,029
Vote 13	Office of Public Works	3,622	4,082
Vote 18	National Shared Services Office	120	113
Vote 20	Garda Síochána	162	208
Vote 43	Office of the Government Chief Information Officer	147	—
Central Fund – ministerial pensions		360	359
		26,022	**24,854**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	6,030	7,655
Current assets			
Bank and cash		111,324	117,795
Stocks	2.2	213	244
Prepayments	2.3	1,733	1,556
Other debit balances	2.4	536	1,004
Accrued income		168	551
Total current assets		**113,974**	**121,150**
Less current liabilities			
Accrued expenses	2.5	1,269	939
Deferred income		11,183	2,326
Other credit balances	2.6	5,216	5,169
Net Exchequer funding	2.7	106,644	113,630
Total current liabilities		**124,312**	**122,064**
Net current assets/(liabilities)		(10,338)	(914)
Net assets		**(4,308)**	**6,741**
Represented by:			
State funding account	2.8	**(4,308)**	**6,741**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	38,208	3,225	25	41,458
Additions	10	—	132	142
Brought into use in year	125	—	(125)	—
Disposals	(33)	(4)	(25)	(62)
Cost or valuation at 31 December 2021	38,310	3,221	7	41,538
Accumulated depreciation				
Opening balance at 1 January 2021	30,986	2,817	—	33,803
Depreciation for the year	1,651	72	—	1,723
Depreciation on disposals	(18)	—	—	(18)
Cumulative depreciation at 31 December 2021	32,619	2,889	—	35,508
Net assets at 31 December 2021	**5,691**	**332**	**7**	**6,030**
Net assets at 31 December 2020	7,222	408	25	7,655

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	128	162
IT supplies	55	69
Cleaning materials	30	13
	213	**244**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
IT services and support	1,483	1,338
Administration	250	218
	1,733	**1,556**

2.4 Other debit balances

at 31 December		2021	2020
	€000	€000	€000
Advances to OPW		25	112
Miscellaneous debit balances		483	818
Recoupable expenditure			
Travel	—		
Shared services	28		
		28	74
		536	**1,004**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Employment permit refunds due	694	—
Administration expenses	295	427
Inter-departmental recoupments	132	21
IT services and support	76	155
Legal expenses	72	126
Humanitarian relief scheme	—	210
	1,269	**939**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	1,084	966
Pay related social insurance	623	592
Local property tax	6	7
Professional services withholding tax	149	90
Value added tax on intra EU acquisitions	115	52
Universal social charge	198	182
	2,175	1,889
Share of patent renewal fees payable to the European Patents Office	1,932	1,806
Staff pay-overs	463	687
Employers pension (asset)/liability	(16)	125
Recoupable salaries	159	159
Other miscellaneous balances	503	503
	5,216	**5,169**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	156,674	76,222
Deferred surrender	79,660	106,200
Exchequer grant undrawn	(129,690)	(68,792)
Net Exchequer funding	**106,644**	**113,630**
Represented by:		
Debtors		
Bank and cash	111,324	117,795
Other debit balances	536	1,004
	111,860	118,799
Creditors		
Due to the State	(2,175)	(1,889)
Other credit balances	(3,041)	(3,280)
	(5,216)	(5,169)
	106,644	**113,630**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			6,741	4,917
Disbursements from the Vote				
Estimate provision	Account	1,194,360		
Deferred surrender	Account	(79,660)		
Surplus to be surrendered	Account	(156,674)		
Net vote			958,026	1,714,897
Expenditure (cash) borne elsewhere	1.1		26,022	24,854
Non cash expenditure – notional rent			2,847	2,847
Net programme cost	1		(997,944)	(1,740,774)
Balance at 31 December			**(4,308)**	**6,741**

2.9 Commitments

a) Global commitments [a]	2021	2020
at 31 December	€000	€000
Procurement of goods and services	177,338	185,523
Non-capital grant programmes	3,965	10,854
Capital grant programmes	1,258,845	2,115,494
Total of legally enforceable commitments	**1,440,148**	**2,311,871**

b) Non-capital grant programmes	2021	2020
	€000	€000
Opening balance	10,854	1,550
Grants paid in the year	(19,355)	(38,434)
New grant commitments	14,784	51,695
Grants cancelled	(2,318)	(3,957)
Closing balance	**3,965**	**10,854**

c) Capital grant programmes	2021	2020
	€000	€000
Opening balance	2,115,494	1,819,969
Adjustment [b]	(757,945)	—
Grants paid in the year	(617,225)	(686,794)
New grant commitments	826,602	1,121,402
Grants cancelled	(308,081)	(139,083)
Closing balance	**1,258,845**	**2,115,494**

Notes [a] Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

[b] A number of functions were transferred with effect from 1 January 2021 to the Department of Further and Higher Education, Research, Innovation and Science. This transfer included responsibilities for Science Foundation Ireland and the Programme for Research in Third Level Institutions. The adjustment removes the existing commitments in these areas from the 2021 opening balance.

d) Major capital projects

Capital grants involving total expenditure of €10 million or more is shown below.

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020 [a]
	€000	€000	€000	€000	€000
Agency commitments					
IDA Ireland (A.5)	15,000	31,500	143,100	189,600	107,330
Enterprise Ireland (A.7)	356,562	61,723	187,926	606,211	508,317
Enterprise Ireland (B.4)	31,065	5,532	13,094	49,691	50,303
Department commitments					
INTERREG (A.10)	10,814	3,665	6,521	21,000	21,000
Strategic Banking Corporation of Ireland loan schemes (A.14)	87,323	38,335	709	126,367	127,231
	500,764	**140,755**	**351,350**	**992,869**	**814,181**

Note [a] Excludes projects completed by end of 2020.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2020.

IDA Ireland (A.5)

Increase in expected total spend: €82 million

The increase relates to seven new projects with an average commitment of €12 million for each project.

Enterprise Ireland (A.7)

Increase in expected total spend: €98 million

The increase principally relates to €83 million for five new projects and increase in commitments of €15 million over ten projects.

Enterprise Ireland (B.4)

Decrease in expected total spend: €600,000

The decrease relates to one project where the approval amount was reduced by €600,000.

Strategic Banking Corporation of Ireland loan schemes (A.14)

Decrease in expected total spend: €900,000

The decrease was due to the cancellation of grants of €600,000 under the Future Growth Loan Scheme and €300,000 under the SBCI Working Capital Scheme.

2.10 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	**46**	**215**

2.11 Contingent liabilities

Credit guarantee schemes

The Credit Guarantee Scheme (CGS) which became operational in 2012 and was revised in 2017, provides a state guarantee through the Department to accredited lenders of 80% on eligible loans or performance bonds to viable micro, small and medium-sized enterprises (SMEs).

The Covid-19 Credit Guarantee Scheme (CCGS) was launched in September 2020 to assist businesses that have been negatively impacted by Covid-19. The CCGS provides a state guarantee of 80% to accredited lenders on lending facilities up to a maximum of €2 billion. The Scheme was developed in accordance with the European Commission's State Aid Temporary Framework and is available to SMEs, small mid-caps (an enterprise that is not an SME but has fewer than 500 employees) and primary producers that meet the eligibility criteria.

In the case of both the CGS and the CCGS, the guarantee is paid by the State (the 'guarantor') to the lender on the unrecovered outstanding principal balance on a scheme facility in the event of a borrower defaulting on the scheme facility repayments.

At 31 December 2021, a total of €502.8 million in loans outstanding was covered by both schemes (2020: €113 million). The total maximum exposure for the Department in relation to loans outstanding at 31 December 2021 was €395.86 million (2020: €80.067 million).

Businesses availing of either the CGS or the CCGS are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead A.9. Payments to the Strategic Banking Corporation of Ireland (SBCI) to operate the scheme are also paid out of this subhead.

A summary of receipts and payments related to this scheme are set out below.

	2021		2012-2021	
	€000		€000	
Receipts in relation to premiums paid by SMEs		1,348		4,062
Scheme expenditure				
Scheme administration	(1,794)		(5,118)	
Claims paid	(378)		(1,213)	
Total cost of scheme		(2,172)		(6,331)
Net cost of scheme		(824)		(2,269)

Other contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	32,345	30,723	28,838
ii	Travel and subsistence	500	153	338
iii	Learning and development and incidental expenses	1,505	1,605	1,461
iv	Postal and telecommunications services	300	332	294
v	Office equipment and external IT services	4,221	4,179	4,352
vi	Office premises expenses	805	869	613
vii	Consultancy services and value for money and policy reviews	1,280	877	889
viii	Advertising and information resources	360	492	160
		41,316	**39,230**	**36,945**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

ii Travel and subsistence

Estimate provision €500,000; outturn €153,000

The impact of Covid-19 on domestic, EU and international travel resulted in a significant saving on projected travel and subsistence expenditure.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.28 million; outturn €877,000

A number of consultancy projects that had been approved for funding in 2021 did not proceed as anticipated due to delays/cancellations/reprioritisation.

viii Advertising and information resources

Estimate provision €360,000; outturn €492,000

The overspend of €132,000 arose primarily due to a number of communication campaigns held in December 2020 for which agreed invoices were not received for payment until 2021.

Programme A Jobs and Enterprise Development

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		11,561	11,564	10,207
A.2	Administration − non pay		2,952	2,491	2,575
A.3	Agency legacy pensions		39,757	39,912	39,250
A.4	InterTrade Ireland		11,036	11,025	12,724
A.5	IDA Ireland				
	Estimate provision	217,533			
	Deferred surrender	17,400			
			234,933	201,333	198,177
A.6	NSAI – grant for administration and general expenses		8,823	6,850	5,798
A.7	Enterprise Ireland				
	Original	415,956			
	Deferred surrender	40,000			
	Supplementary	(8,549)			
			447,407	338,872	844,487
A.8	Local enterprise development				
	Estimate provision	52,781			
	Deferred surrender	15,000			
			67,781	58,119	79,475
A.9	Temporary partial credit guarantee scheme		25,500	2,172	975
A.10	Matching funding for INTERREG		5,800	3,665	4,080
A.11	Subscriptions to international organisations, etc.		2,343	2,764	2,460
A.12	Commissions, committees and special inquiries		201	50	—
A.13	Legal costs and other services		130	21	13
A.14	Strategic Banking Corporation of Ireland loan schemes				
	Estimate provision	30,075			
	Deferred surrender	8,260			
			38,335	38,335	48,292
A.15	Humanitarian relief scheme				
	Original	1			
	Supplementary	550			
			551	403	167

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.16	Micro Finance Ireland				
	Estimate provision	1			
	Deferred surrender	15,001			
			15,002	5,000	24,790
A.17	National Design Centre				
	Estimate provision	1			
	Deferred surrender	5,600			
			5,601	—	—
			917,713	**722,576**	**1,273,470**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €203.136 million lower than originally provided (inclusive of deferred surrender). There was an underspend of €458,000 which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €202.678 million, was mainly due to the following.

A.5 IDA Ireland

Estimate provision €234.933 million; outturn €201.333 million

The underspend of €33.6 million was made up of savings of €32.8 million on capital and €800,000 on pay. The capital underspend of €32.8 million was due to construction savings of €18.8 million, as a result of the Government shutdown on construction activities, and a further underspend of €14 million as a result of timing delays in grant claims under the Covid-19 Products Scheme. This €800,000 pay underspend was mainly a result of delays in filling vacancies.

A.6 NSAI - grant for administration and general expenses

Estimate provision €8.823 million; outturn €6.85 million

The underspend of €1.973 million was principally due to difficulties in recruiting additional staff that had been approved for the Authority.

A.7 Enterprise Ireland

Estimate provision €455.956 million; outturn €338.872 million

The underspend of €117.084 million was made up of savings of €117.419 million on capital, offset by an excess of €335,000 in current expenditure. The €117.419 million underspend resulted principally from a lower than expected drawdown from the Sustaining Enterprise Fund, Accelerated Recovery Fund and the Small Business Aid Scheme for Covid (SBASC).

The nature of these supports is that there can be a time lag between the approval of applications and the projects underlying such applications and the projects underlying such applications being completed and submitted for payment. These time lags resulted in payments under a number of the supports/schemes not being drawn as had been expected. In addition, the quicker than expected re-opening of the economy reduced the need for these supports.

The overspend on current expenditure of €335,000 was made up of an additional €2.335 million in respect of pension and lump sum payments offset by a €2 million saving relating to significant curtailment of staff travel due to Covid-19 restrictions.

A.8 Local enterprise development

Estimate provision €67.781 million; outturn €58.119 million

The underspend of €9.662 million was principally due to savings on capital expenditure of €10.03 million offset by an overspend on current expenditure of €368,000.

In terms of capital underspend, the Government in its July 2020 stimulus committed to increasing the interest free period for loans to micro enterprises including loans arranged to the Local Enterprise Offices (LEOs). The capital allocation to the LEOs included provision to cover the additional six months interest free aspect of such loans. The excess was lower than expected due to the drawdown on the interest rebate facility in relation to a number of micro enterprise loan offers which was the main reason for the capital underspend.

This excess of €368,000 in current expenditure was essentially due to additional funding required for the retention of the 63 temporary LEO staff for 6 months to assist the LEOs to meet the increased demand for their services arising from the pandemic.

A.9 Temporary Partial Credit Guarantee Scheme

Estimate provision €25.5 million; outturn €2.172 million

The purpose of scheme is to cover expenditure in respect of loan schemes implemented under the Credit Guarantee Act 2012, as amended. Expenditure under this subhead relates to

- the payment of claims to finance providers under the State guarantee in respect of defaulted loans
- administration costs incurred by the Strategic Banking Corporation of Ireland (SBCI) in operating the scheme and other costs such as legal advice and legal services.

Schemes operating under the Credit Guarantee Act, which includes the Covid-19 Credit Guarantee Scheme, are based on contingent liability. This means that there is no cost to the State unless a participating enterprise is unable to pay back the loan and the finance provider calls on the guarantee for 80% of the outstanding balance.

The Covid-19 Credit Guarantee scheme, which was launched in September 2020, provided that borrowers could avail of payment moratoria where they were offered by lenders. Loans must have been unpaid for more than 90 days before the lender can call on the guarantee. The underspend of €23.328 million was due to the first claims on the guarantee not being received until late in 2021 and being significantly smaller in number than expected**.**

A.10 Matching funding for INTERREG

Estimate provision €5.8 million; outturn €3.665 million

Accurate forecasting of expenditure under the INTERREG Programme is difficult as it is a multi-annual programme spread over seven years. Expenditure in 2021 was significantly impacted by Covid-19 which affected activity and drawdown of funding under the Programme. Nevertheless, DETE's overall contribution commitment over the seven years of the current round of the Programme remains at €21 million.

A.11 Subscriptions to international organisations, etc.

Estimate provision €2.343 million; outturn €2.764 million

There was an increase in Ireland's membership fee to the World Trade Organisation (WTO). This essentially is due to the fact the fee is calculated on the basis of Ireland's share of total value of trade, which has increased, together with a higher percentage rate of membership contribution being applied in 2021.

A.12 Commissions, committees and special enquiries

Estimate provision €201,000; outturn €50,000

This underspend of €151,000 relates to costs associated with Joint Economic Commissions (JEC). Due to Covid-19 travel restrictions, a number of proposals from Irish embassies were not actioned resulting in savings in projects not progressing and in travel. Additionally, Ireland was unable to host the Ireland-Russia JEC in 2021.

A.13 Legal costs and other services

Estimate provision €130,000; outturn €21,000

It is prudent vote management to provide some level of contingency funding in the event that any unforeseen costs arise during the year. As it happened, the actual level of contingency expenditure was less than had been estimated.

A.15 Humanitarian relief scheme

Estimate provision €1,000; outturn €403,000

The humanitarian relief scheme assists businesses and other eligible entities who suffer damage from flooding and who cannot secure flood insurance to meet the costs of returning their premises to their pre-flood condition. The scheme is administered on behalf of the Department by the Irish Red Cross. As support under the scheme is weather dependent, accurate forecasting of expenditure is difficult. A total provision of €1,000 was provided for in the estimate, there were two separate flooding events in December 2021 resulting in the expenditure exceeding the original estimate.

A.16 Micro Finance Ireland (MFI)

Estimate provision €15.002 million; outturn €5 million

Microfinance Ireland (MFI) provides loans to microenterprises that cannot obtain loans from commercial providers. It provided one of the first supports to business impacted by the effects of Covid-19 with the introduction of its low cost Covid-19 loan. In 2021 lending returned to levels similar to before the introduction of the Covid-19 loans.

MFI did not require further drawdown as it has adequate existing financial resources. Bad debt levels have not become visible to any extent due to loans being restructured/repayment moratoriums.

In September 2021 MFI entered into an agreement with SBCI to provide debt funding for MFI to provide lending facilities. The SBCI has committed €30 million to MFI which significantly increases MFI's lending capacity and ability to support more small and micro enterprises. This removed the necessity to draw further funding from the Exchequer for the foreseeable future.

A.17 National Design Centre

Estimate provision €5.601 million; outturn €nil

Due to the need for a continued response to the ongoing impact of Covid and the urgent focus on business and other Covid 19 supports, it was not possible to proceed with the National Design Centre project in 2021 as had been planned. The establishment of a National Design Centre is a priority investment project under the National Development Plan and the Department is committed to developing this project over the lifetime of the Plan.

Programme B Innovation

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
B.1	Administration − pay		7,389	7,375	7,806
B.2	Administration − non pay		2,402	2,428	2,207
B.3	Intellectual Property Office of Ireland		3,172	3,120	3,069
B.4	Science and Technology Development Programme				
	Estimate provision	155,254			
	Deferred surrender	4,000			
			159,254	152,056	332,490
B.5	Subscriptions to international organisations, etc.				
	Original	18,780			
	Deferred surrender	939			
	Supplementary	8,000			
			27,719	27,717	24,370
B.6	Commissions, committees and special inquiries		1	1	—
B.7	Legal costs and other services		130	—	4
B.8	Disruptive Technologies Innovation Fund		32,000	26,044	19,300
—	*Programme for Research in Third Level Institutions (PRTLI)*		—	—	*24,497*
			232,067	**218,741**	**413,743**

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 €5.326 million lower than originally provided (inclusive of deferred surrender). This was mainly due to the following.

B.4 Science and Technology Development Programme

Estimate provision €159.254 million; outturn €152.056 million

The underspend of €7.198 million was made up of savings of €6.998 million on capital and €200,000 on non-pay. The €6.998 million capital underspend was principally as a result of lower than anticipated level of applications for the Covid-19 Products Scheme, resulting in €4.998 million of savings. Further savings arose in relation to the national co-funding of European Digital Innovation Hubs which was primarily due to delays at EU level in selecting the winning bids.

B.5 Subscriptions to international organisations

Estimate provision: €19.719 million; outturn €27.717 million

The excess of €7.998 million principally arose as a result of an additional €8 million paid to the European Space Agency (ESA) where it was identified that the return to Irish companies through ESA programmes had exceeded Ireland's contribution to those programmes, and to enable the continuation of ongoing technology and product development activities by Irish companies.

B.7 Legal costs and other services

Estimate provision €130,000; outturn €nil

It is prudent vote management to provide some level of contingency funding in the event of any unforeseen costs arising during the year. During 2021 there was no expenditure.

B.8 Disruptive Technologies Innovation Fund

Estimate provision €32 million; outturn €26.044 million

Due to the complex nature of the Disruptive Technologies Innovation Fund, which involves 270 projects in consortia of up to 13 partners comprised of SMEs, multinationals and research performing organisations, contract discussions for some projects took longer than anticipated. Consequently, some projects that had been approved for funding under call 3 did not commence in 2021. In addition, the impact of Covid-19 in all areas of government and society resulted in progress on several projects under calls 1 and 2 being delayed.

Programme C Regulation

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	13,395	11,784	10,825
C.2	Administration − non pay	3,617	3,588	3,325
C.3	Workplace Relations Programme	19,590	17,422	15,949
C.4	Grants for trade union education and advisory services – cash limited	900	866	900
C.5	Health and Safety Authority – grant for administration and general expenses	24,755	22,422	18,122
C.6	Trade union amalgamations	60	—	118
C.7	Office of the Director of Corporate Enforcement	6,057	5,004	4,306
C.8	Competition and Consumer Protection Commission	16,736	14,023	12,700
C.9	Personal Injuries Assessment Board	349	295	144
C.10	Consumer support	70	67	70
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses	7,964	6,677	7,427
C.12	Irish Auditing and Accounting Supervisory Authority	1,950	1,410	1,220
C.13	Subscriptions to international organisations, etc.	1,462	1,481	1,419
C.14	Commissions, committees and special inquiries	359	162	20
C.15	Legal costs and other services	808	325	346
C.16	Low Pay Commission	490	234	574
		98,562	**85,760**	**77,465**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to programme C was €12.802 million lower than originally provided. There was an underspend of €1.64 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €11.162 million, was mainly due to the following.

C.3 Workplace Relations Programme

Estimate provision €19.59 million; outturn €17.422 million

The underspend of €2.168 million was due to a number of factors including the following:

- an underspend in expenditure by the Labour Court due to Covid-19 related issues, significantly reduced travel and subsistence expenses to attend court hearings in the regions, reductions in room rental costs, costs of translations and interpreters and reduction in expenditure overall.
- an underspend in the Employment Appeals Tribunal (EAT) due to the fact that hearings could not take place because of Covid-19 restrictions, resulting in no travel and subsistence and room rental costs.
- an underspend in pay expenditure by the WRC due to delays in filling a number of vacancies, and an underspend in non-pay expenditure due to Covid-19 related issues such as the continuation of desk-based inspections with significantly reduced travel and subsistence expense and the consequent reduction in ancillary costs.

C.5 Health and Safety Authority – grant for administration and general expenses

Estimate provision: €24.755 million, outturn: €22.422 million

The underspend of €2.333 million was primarily due to savings on pay because of delays in filling vacancies caused by a challenging recruitment environment and the difficult labour market for specialist grade inspectors.

C.7 Office of the Director of Corporate Enforcement

Estimate provision €6.057 million; outturn €5.004 million

The underspend of €1.053 million was made up of savings of €1.278 million on pay partly offset by an overspend of €225,000 on non-pay. The €1.278 million pay underspend resulted from difficulties in filling vacancies arising during the year as well as delays in recruiting additional staff in respect of the transition of the ODCE to an independent agency. This €225,000 non-pay overspend was a result of higher than expected legal costs the timing of which is difficult to forecast or to control.

C.8 Competition and Consumer Protection Commission

Estimate provision €16.736 million; outturn €14.023 million

The underspend of €2.713 million was primarily due to savings on pay because of difficulties in filling vacancies.

C.11 Companies Registration Office and Registry of Friendly Societies

Estimate provision €7.964 million; outturn €6.677 million

Of the overall underspend of €1.287 million, €1.161 million was achieved in non-pay savings and €126,000 was achieved by way of pay savings.

The non-pay savings essentially arose because of the suspension of enforcement activities in 2021 as well as the introduction of a new electronic system for processing of submissions and replacement by email of previous hard copy non-compliance campaigns, with consequent reductions in printing and postage costs.

C.12 Irish Auditing and Accounting Supervisory Authority

Estimate provision €1.95 million; outturn €1.41 million

The underspend of €540,000 arose mainly from delays experienced in recruiting a number of staff to the Authority. As at the end of the year, a total of 31 staff were employed by the Authority out of its approved complement of 43.

C.14 Commissions, committees and special inquiries

Estimate provision €359,000; outturn €162,000

The underspend of €197,000 included:

- An underspend of €78,000 on the Balance for Better Business initiative due to a decision to provide press services in house and a Covid-19 related delay in the launch event of the Balance for Better Business report to December 2021 resulting in the relevant invoices not falling for payment until 2022.
- an underspend of €50,000 on the Company Law Review Group due to the meetings all being held remotely, resulting in saving in meeting costs.
- €69,000 in miscellaneous savings in respect of less than anticipated expenditure by Joint Labour Committees, Business Regulation Group, Sales Law Review Group, Future of Work Initiative and Company Law Enquiries.

C.15 Legal costs and other services

Estimate provision €808,000; outturn €325,000

It is prudent vote management to provide some level of contingency funding in the event that any unforeseen costs arise during the year. As it happened, the actual level of contingency expenditure was less than had been estimated.

C.16 Low Pay Commission

Estimate provision €490,000; outturn €234,000

The underspend of €256,000 was made up of savings of €193,000 on pay and €63,000 on non-pay. The €193,000 pay underspend was due to the pay allocation for the Low Pay Commission staff, which transferred into the Department in the course of 2020, initially being met from the Department's administration pay budget rather than the subhead. The €63,000 non-pay underspend was as result of the continuing effects of the Covid-19 on the conduct of meetings, consultations etc. by the Commission.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
Employment rights and industrial relations				
1	Receipts from the Social Insurance Fund	100	112	67
2	Employment permit fees	10,000	22,375	11,662
3	Employment agency licences	355	408	374
4	WRC fixed penalty notices	22	—	3
5	WRC court award costs	20	189	27
Insurance and company law				
6	Companies Registration Office	16,200	16,268	12,882
7	Registry of Friendly Societies	50	—	28
8	Beneficial ownership of companies and industrial and provident societies	50	148	32
Trade, competition and market rights				
9	Receipts under the Trade Marks Act 1963 and Patents Act 1964	9,000	10,272	9,842
10	Occasional trading licences	1	—	—
11	Competition and Consumer Protection Commission – Consumer Credit	501	587	433
12	Competition and Consumer Protection Commission – Court Costs	1	38	—
13	Competition and Consumer Protection Commission – Fixed Payment Notices	6	3	3
14	Merger notifications	320	584	336
Other				
15	ODCE legal	50	—	—
16	Miscellaneous	100	422	581
17	Enterprise policy [a]	7,779	6,684	4,120
18	Competition and Consumer Protection Commission [b]	1,500	1,171	1,555
19	PIAB superannuation	1,168	1,224	1,152
20	HSA superannuation	200	626	98

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
21	Temporary Loan Guarantee Scheme	408	1,348	179
22	Expert Group on Future Skills Needs	557	523	448
23	Receipts from additional superannuation contributions on public service remuneration	5,594	6,069	5,959
	Total	**53,982**	**69,051**	**49,781**

Note [a] Enterprise policy shows amounts received from current and former enterprise agencies in relation to staff pension contributions and INTERREG-ERDF reimbursement. The agencies are InterTrade Ireland, IDA, EI, and former agencies SFI and SFADCo.

[b] Receipts under this line are in part-recoupment of the expenditure under subhead C.8.

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall appropriations-in-aid were €15.069 million higher than the estimate. Explanations for variances are set out below:

2 Employment permit fees

Estimate €10 million; realised €22.375 million

The excess of €12.375 million in receipts was due to a significant increase in the number of permits issued primarily arising from the easing of Covid-19 restrictions in the course of the year which increased labour market pressures and in turn led to an increase in demand for permits. For example, an additional 3,000 permits were approved for the meat processing and horticulture sector which were not anticipated in the estimate.

5 WRC court award costs

Estimate €20,000; realised €189,000

Accurate estimates of court awards are difficult given such awards are ultimately matters for determination of the courts.

The exceptionally large increase in income for 2021 related to an individual historic Equality Tribunal award of €163,000 that was received during 2021.

8 Beneficial ownership of companies and industrial and provident societies

Estimate €50,000; realised €148,000

The estimate was based on limited experience as 2021 was only the second full year of the operation of the Register of Beneficial Ownership (RBO). The introduction of the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021, in May of 2021, obliges financial institutions and other services to inspect the RBO as part of their financial due diligence. This has significantly increased the usage of the RBO and resulted in a fivefold increase in the number of completed RBO reports in 2021 as against 2020.

9 Receipts under the Trade Marks Act 1963 and Patents Act 1964

Estimate €9 million; realised €10.272 million

The excess of €1.272 million was primarily due to fee income from the renewal of European Patent applications being greater than anticipated.

14 Merger notifications

Estimate €320,000; realised €584,000

The excess of €264,000 was as a result of a higher number of merger notifications submitted to the CCPC than anticipated.

16 Miscellaneous

Estimate €100,000; realised €422,000

Due to the nature of miscellaneous receipts, it is difficult to accurately estimate them in any one year. A significant portion of the receipts (€305,000) related to the Intellectual Property Office of Ireland's participation in some European Patent Office and European Intellectual Property Office co-operation activities and programmes.

17 Enterprise policy

Estimate €7.779 million; realised €6.684 million

The shortfall of €1.095 million arose mainly from a reduction of €1.6 million due to European Regional Development Fund (ERDF) reimbursements being less than anticipated, this was somewhat offset by a €505,000 increase in pension receipts which were principally due to refunds from a number of the Department's existing and former enterprise agencies that had not been anticipated in the estimated amount for the year.

18 Competition and Consumer Protection Commission

Estimate €1.5 million; realised €1.171 million

The shortfall of €329,000 was due to the CCPC moving to a new funding model in 2021, meaning they did not require prefunding from the Department.

20 HSA superannuation

Estimate €200,000; realised €626,000

Up until the end of 2020 the Department with the agreement of the Department of Public Expenditure and Reform allowed the HSA to meet the cost of pension lump sum to retirees from the superannuation contributions deducted from employees. Following a change to this policy in 2021, all superannuation deductions are now remitted in full to the Department and any lump sum payments are to be paid from the HSA's grant funding. This change in policy has resulted in the €426,000 excess superannuation receipts.

21 Temporary Loan Guarantee Scheme

Estimate €408,000; realised €1.348 million

Schemes operating under the Credit Guarantee Act, which includes the Covid-19 Credit Guarantee Scheme provide a state backed guarantee on loans under the schemes. Loans taken under the schemes require that a small premium is paid.

The Covid-19 Credit Guarantee Scheme which was launched in September 2020 is a demand lead loan scheme which was developed in accordance with the European Commission's Temporary Framework on State aid. The framework requires that a premium is paid on loans provided with State backed guarantee. Premiums received are based on the number of loans, the size of the company and the term of the loans. Premiums received were €940,000 higher than expected due to the demand lead nature of the scheme.

23 Receipts from additional superannuation contributions

on public service remuneration

Estimate €5.594 million; realised €6.069 million

The additional €475,000 in pension related receipts relate to increased recruitment by the Department in the course of the year.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Local Enterprise Offices – current [a]	—	1
Local Enterprise Offices – capital [b]	—	16
Enterprise Ireland- excess own resource income [c]	102,937	10,789
Enterprise Ireland- return of unused Restart grant [d]	9,138	2,795
Miscellaneous	—	6
Transferred to the Exchequer	(112,075)	(13,607)
Balance at 31 December	—	—

Notes

[a] Local Enterprise Offices − current: this related to unused funds in subhead A.8 for pay and non-pay.

[b] Local Enterprise Offices – capital: this related to unused funds in subhead A.8 for particular capital programmes.

[c] Enterprise Ireland – excess own resource income: this relates to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by PER for their own use in the year.

[d] Enterprise Ireland − return of unused Restart grants: the terms of the Restart Scheme required that all unused funds be returned to the Exchequer. The scheme was administered by the local authorities in conjunction with Enterprise Ireland. The €9.138 million represents a return of unused grants by local authorities to Enterprise Ireland who in turn returned monies to the Department and the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020 [c]
Number of staff at year end		
Department and Offices:		
Department [a]	536	496
Intellectual Property Office of Ireland	40	41
Workplace Relations Commission	190	173
Office of Director of Corporate Enforcement	35	35
Companies Registration Office	106	111
Labour Court	32	33
	939	**889**
Agencies [b]	1,761	1,752
	2,700	**2,641**

Notes
[a] Includes the staff of the Secretariat of the Low Pay Commission.
[b] Includes employees of the Personal Injuries Assessment Board, a non-commercial state agency that, aside from a pension provision, is not in direct receipt of Exchequer funding.
[c] Figures restated for 2020.

5.2 Pay – Department, Offices and Agencies

	2021 €000	2020 €000
Pay	172,965	172,050
Higher, special or additional duties allowances	1,151	870
Other allowances	2,694	2,561
Overtime	291	230
Employer's PRSI	13,331	13,642
Total pay	**190,432**	**189,353**

The remuneration arrangements refer to the pay element of Subheads A.1, A.4, A.5, A.6, A.7, B.1, B.3, B.4, C.1, C.3, C.5, C.7, C.8, C.11, C.12 and C.16.

5.3 Department

	2021 €000	2020 €000
Pay [a, b]	49,040	46,553
Higher, special or additional duties allowances	715	622
Other allowances	1,167	1,129
Overtime	182	133
Employer's PRSI	3,809	3,431
Total pay [c]	**54,913**	**51,868**

Notes
[a] Includes pension payments to 23 former members of the Labour Court, the Competition Authority, the National Consumer Agency (now known as the Competition and Consumer Protection Commission).
[b] Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.
[c] Total pay includes administration pay (A.1, B.1 and C.1) and the pay elements of the Offices of the Department (B.3, C.3, C.7, C.11 and C.16). The amount included for pay in Note 1 refers to administrative subheads only.

5.4 Allowances and overtime payments – Department staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021 €	2020 €
Higher, special or additional duties allowances	95	13	46,053	46,078
Other allowances	90	10	237,683	230,089[a]
Overtime	99	2	16,027	8,415
Extra remuneration in more than one category	25	6	38,683	47,379

Note
[a] Figures restated for 2020.

5.5 Agencies

The agencies included here are the Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority Ireland, InterTrade Ireland and the Irish Auditing and Accounting Supervisory Authority.

The pay expenditure of the agencies is not a direct financial transaction of the Department and as such the Department does not hold detailed pay and allowance information in respect of agency staff. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements/annual reports or directly from the agencies concerned.

	2021 €000	2020 €000
Pay	123,925	125,497
Higher, special or additional duties allowances	436	248
Other allowances	1,527	1,432
Overtime	109	97
Employer's PRSI	9,522	10,211
Total pay	**135,519**	**137,485**

5.6 Allowances and overtime payments — agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021 €	2020 €
Higher, special or additional duties allowances	119	6	52,031	52,389
Other allowances	257	28	99,355	84,460 [a]
Overtime	35	2	28,652	23,214
Extra remuneration in more than one category	6	2	101,618	20,774 [a]

Note [a] Figure restated for 2020.

5.7 Other remuneration arrangements

A company car was provided to the CEO of Enterprise Ireland until her employment ceased in May 2021. The new CEO does not have a company car.

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €25,160. The payments made were consistent with the principles of the Public Service (Single Scheme and other provisions) Act 2012.

This account includes expenditure of €149,199 in respect of four officers who were serving outside the Department for 2021 and whose salary was paid by the Department.

5.8 Salary of Accounting Officer

As at 31 December 2021 the Accounting Officer's current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,154).

5.9 Payroll overpayments

at 31 December	**Number of recipients**	**2021 €**	**2020 €**
Overpayments	57	144,545	200,412
Recovery plans in place	22	99,896	116,934

Seven overpayment recovery plans in respect of six individuals to the value of €6,001 were transferred to five other departments in the year.

5.10 Severance/redundancy

There were no severance or redundancy payments made by the Department in 2021.

Note 6 Miscellaneous

6.1 EU funding

The Department, and the following bodies under the aegis of the Department received EU aid directly as shown below.

Subhead	Description	2021 Outturn €000	2020 Outturn €000
A.4	InterTrade Ireland	1,284	911
A.10	Matching funding for INTERREG	2,934	880
B.3	Intellectual Property Office of Ireland	235	707
B.4	Science Foundation Ireland [a]	—	254
B.4	Enterprise Ireland	2,436	1,014
C.5	Health and Safety Authority	6	31
		6,895	**3,797**

Note [a] A number of functions were transferred from 1 January 2021 to the Department of Further and Higher Education, Research and Science. This included the responsibilities for Science Foundation Ireland.

6.2 Commissions, committees and special inquiries

	Year of establishment	2021 €000	2020 €000
Permanent/open-ended			
Joint Labour Committees	1946	6	6
Joint Economic Commissions [a]	2020	49	—
Company Law Review Group	2000	50	14
Sales Law Review Group	2009	—	1
Departmental Audit Committee	2004	3	2
Balance for Better Business [b]	2021	105	—
		213	**23**

Note [a] The responsibility for Joint Economic Commissions were transferred from the Department of Foreign Affairs in 2020.

[b] The responsibility for Balance for Better Business was transferred from the Department of Children, Equality, Disability, Integration and Youth in 2021.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	**members of the public**	**2021**	**2020**
Number of cases	6	3	9	9
	€000	**€000**	**€000**	**€000**
Department's own legal costs	82	156	238	100
Payments by/on behalf of Department				
Compensation	—	—	—	—
Legal costs	—	23	23	24
Other costs	—	—	—	69
2021 total	**82**	**179**	**261**	**193**
2020 total	100	93	193	

Cumulative costs of cases completed in 2021

	Claims by		
	employees	**members of the public**	**Total**
Number of cases	**—**	1	**1**
	€000	**€000**	**€000**
Department's own legal costs	—	156	156
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	—	—	—
Other costs	—	—	—
Total	—	**156**	**156**

6.4 Employment and training levy

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department of Enterprise, Trade and Employment continues to receive amounts relating to historical payments of the levy. The Employment and Training Levy is collected by the Office of the Revenue Commissioners and paid over to the Department of Enterprise, Trade and Employment monthly. The moneys are in turn paid over to the Exchequer.

Statement of payments made in accordance with Section 25(1) of the Labour Services Act 1987.

	2021 €000	2020 €000
Received from Revenue Commissions	26	33
Paid into the Exchequer	27	32

6.5 Late payment penalties

	2021 €000	2020 €000
Interest and compensation	**9**	**27**

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of € 79.66 million in capital expenditures in the following subheads that were carried over to 2022.

	€000
Description of subhead:	
A.5 IDA Ireland	7,500
A.7 Enterprise Ireland	41,000
A.9 Temporary partial credit guarantee scheme	30,000
B.4 Science and Technology Development Programme	1,160
	79,660

Appendix A Accounts of bodies and funds under the aegis of the Department of Enterprise, Trade and Employment

The following table lists the 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
IDA Ireland	2020	18 Jun 2021	21 Jun 2021	12 Aug 2021
National Standards Authority of Ireland	2020	8 Sep 2021	22 Sep 2021	12 Oct 2021
Enterprise Ireland	2020	17 Jun 2021	30 Jun 2021	16 Jul 2021
Health and Safety Authority	2020	30 Sep 2021	8 Oct 2021	13 Oct 2021
Competition and Consumer Protection Commission	2020	28 Jun 2021	5 Jul 2021	28 Jul 2021
Personal Injuries Assessment Board	2020	12 Apr 2021	25 Jun 2021	30 Jul 2021
Irish Auditing and Accounting Supervisory Authority	2020	4 Jun 2021	24 Jun 2021	2 Jul 2021
InterTrade Ireland	2020	9 Aug 2021	9 Nov 2021	21 Mar 2022

Appropriation Account 2021

Vote 33

Tourism, Culture, Arts, Gaeltacht, Sport and Media

Introduction

As Accounting Officer for Vote 33, 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 2021 for the salaries and expenses of the Office of the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, including certain services administered by that Office and for payment of certain subsidies and grants.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €22.519 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Transfer of functions

The transfer of functions from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media of the National Parks and Wildlife Service Development Applications Unit (DAU) to the Department of Housing, Local Government and Heritage came into effect from 24 June 2021 under SI 302 of 2021 Heritage (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The transfer of functions to the Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media from the Department of Housing, Local Government and Heritage of the Heritage Fund came into effect from 31 March 2021 under SI 185 of 2021 Heritage Fund (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The appropriation account, which must follow the form and format of the relevant estimate, reflects the above transfer of functions on a full-year basis. Therefore, all the transferred functions are accounted for in the 2021 appropriation 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Heritage assets

Certain heritage assets including artefacts and manuscripts have not been valued.

Depreciation

Land is not depreciated. Building are depreciated at 2% per annum on a straight-line basis. Plant and machinery, office and IT equipment, and furniture and fittings are depreciated on a straight-line basis over their estimated useful life, as pre the following annual rates.

- plant and machinery; furniture and fitting – 10%
- office and IT equipment – 20%

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 Financial Shared Service Centre of the Department of Justice.

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

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 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.

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 and the Audit Committee 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.

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 complied with these guidelines in 2021 with the exception of four contracts in excess of €25,000 each with a total value of €359,101. All of these contracts related to cleaning services and other utility contracts that were extended beyond their original contract period. These contracts are either in the process of being regularised or have now been regularised. As these contracts exceed the reporting threshold of €25,000 under the provisions of Circular 40/2002, the Department has provided the contract details in the annual return to the Comptroller and Auditor General and the Department of Public Expenditure and Reform under the Circular.

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 controls and actions needed to mitigate risks and 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 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

Settlement with the Revenue Commissioners

Following an internal review by the Department, an unprompted voluntary disclosure was made to the Revenue Commissioners and a payment of €193,601 was subsequently made to the Revenue Commissioners in 2021. This was in respect of payroll taxes and professional services withholding tax liabilities for the period 2017 to 2021 relating primarily to persons engaged under contracts for service.

Covid-19 control issues

The onset of the Covid-19 pandemic in 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. As a result of the pandemic, the Department introduced a number of procedural and control changes. Under the Department's risk and control framework an additional and specific Covid-19 risk register was put in place to identify the key risk facing the Department as a result of the Covid-19 pandemic. The maintenance of this separate register was discontinued after Q3 2021 and consideration of Covid-19 related risks was incorporated into the standard Risk Register which is reviewed and updated by the Management Board on a quarterly basis.

Katherine Licken
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

21 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Opinion on the appropriation account

I have audited the appropriation account for Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2021 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 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media 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 appendix to this report.

Re-allocation of voted funding

Chapter 4 of my report on the accounts of the public services for 2021 examines compliance with the procedures for re-allocation of funding from vote subheads where savings had emerged, to meet expected excess spending on other vote subheads. The reallocation of certain funds in Vote 33 was reviewed as part of that examination.

Seamus McCarthy
Comptroller and Auditor General

23 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Appropriation Account 2021

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Tourism Services				
	Estimate provision	220,930			
	Deferred surrender	1,000			
			221,930	221,533	189,626
B	Arts and Culture				
	Estimate provision	341,285			
	Deferred surrender	6,037			
			347,322	313,254	242,030
C	Gaeltacht				
	Estimate provision	78,601			
	Deferred surrender	2,225			
			80,826	72,641	66,217
D	Sports and Recreation Services				
	Original	170,433			
	Deferred surrender	7,630			
	Supplementary	35,000			
			213,063	207,370	203,163
E	Broadcasting		280,454	272,094	271,027
Gross expenditure					
	Original	1,091,703			
	Deferred surrender	16,892			
	Supplementary	35,000			
			1,143,595	**1,086,892**	**972,063**
	Deduct				
F	**Appropriations-in-aid**		**250,606**	**234,822**	**234,462**
Net expenditure					
	Original	841,097			
	Deferred surrender	16,892			
	Supplementary	35,000			
			892,989	**852,070**	**737,601**

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 spending in the following year. Unspent allocations in respect of capital elements of the following subheads were carried over to 2022: Subhead B.7 (€6 million), B.14 (€1 million), C.8 (€1.5 million), D.3 (€6 million) and D.7 (€3.9 million).

	2021 €	2020 €
Surplus	40,919,030	49,804,346
Deferred surrender	(18,400,000)	(16,892,000)
Surplus to be surrendered	**22,519,030**	**32,912,346**

Katherine Licken
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

21 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,064,724	950,779
Pay		19,504	17,679
Non pay		2,664	3,605
Gross expenditure		**1,086,892**	**972,063**
Deduct			
Appropriations-in-aid		**234,822**	**234,462**
Net expenditure		**852,070**	**737,601**
Changes in capital assets			
Purchases cash	(174)		
Depreciation	575	401	(387)
Changes in net current assets			
Decrease in closing accruals		(1,845)	(237)
Direct expenditure		**850,626**	**736,977**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		13,421	16,649
Notional rents		1,362	1,193
Net programme cost		**865,409**	**754,819**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 33 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	45
Vote 12	Superannuation and Retired Allowances	10,432	10,424
Vote 13	Office of Public Works	2,192	5,335
Vote 18	National Shared Services Office	39	79
Vote 24	Justice – Financial Shared Services Centre	524	507
Vote 43	Office of the Government Chief Information Officer	58	92
Central Fund – ministerial pensions		146	167
		13,421	**16,649**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	4,160	10,147
Current assets			
Bank and cash	2.2	23,185	20,342
Stocks	2.3	62	62
Prepayments	2.4	11,901	3,539
Other debit balances	2.5	8,893	642
Total current assets		**44,041**	**24,585**
Less current liabilities			
Accrued expenses	2.6	7,909	1,392
Other credit balances	2.7	1,042	939
Net Exchequer funding	2.8	31,036	20,045
Total current liabilities		**39,987**	**22,376**
Net current assets		4,054	2,209
Net assets		**8,214**	**12,356**
Represented by:			
State funding account	2.9	**8,214**	**12,356**

2.1 Capital assets

	Land and building [a]	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	9,664	8,819	2,074	20,557
Additions	—	124	50	174
Transferred to Vote 34 [a]	(6,068)	(261)	—	(6,329)
Cost or valuation at 31 December 2021	3,596	8,682	2,124	14,402
Accumulated depreciation				
Opening balance at 1 January 2021	1,366	7,195	1,849	10,410
Depreciation for the year	72	489	14	575
Depreciation on transfers to Vote 34	(667)	(76)	—	(743)
Cumulative depreciation at 31 December 2021	771	7,608	1,863	10,242
Net assets at 31 December 2021	**2,825**	**1,074**	**261**	**4,160**
Net assets at 31 December 2020	8,298	1,624	225	10,147

Note [a] Assets transferred to the Department of Housing, Local Government and Heritage (DHLGH) include four buildings in Moore Street, Dublin and a number of ICT assets. Further ICT assets will be transferred to DHLGH when an ongoing validation process is completed in 2022.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	23,016	20,121
Petty cash balance	2	2
Commercial bank account balance [a]	167	219
	23,185	**20,342**

Note [a] The commercial bank account balance in 2021 includes €133,512 (2020: €153,641) in respect of a commercial bank account operated by the Department of Justice – Financial Shared Services.

2.3 Stocks

at 31 December	2021 €000	2020 €000
Stationery [a]	6	6
Equipment consumables	4	4
Janitorial supplies and first aid	1	1
IT consumables	51	51
	62	**62**

Note [a] Due to restrictions associated with the Covid-19 pandemic, it was not possible to complete a stocktake of IT consumables or stationery stocks in four locations as at 31 December 2021. The stocktake figures at these locations as at 31 December 2020 were considered a reasonable approximation of stock levels as at 31 December 2021.

2.4 Prepayments

	2021 €000	2020 €000
Office equipment and external IT services	119	203
Cultural infrastructures and development	630	—
National Library of Ireland	780	780
European City of Culture	—	1,500
Gaeltacht support schemes	541	453
Irish language support schemes	1,116	75
20 Year Strategy for the Irish Language 2010-2030	389	329
Dormant accounts	—	109
Miscellaneous	326	90
Broadcasting Fund	8,000	—
	11,901	**3,539**

2.5 Other debit balances

at 31 December	2021 €000	2020 €000
Office of Public Works	8,654	75
Paypath	192	461
Other debit suspense items	47	106
	8,893	**642**

2.6 Accrued expenses

	2021	2020
	€000	€000
National Archives	190	21
Cultural infrastructure and development	6,657	216
Culture Ireland	188	73
Decade of Centenaries 1912-1922	205	48
Irish language support schemes	504	152
Major events	111	736
Miscellaneous	54	146
	7,909	**1,392**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	341	300
Pay related social insurance	193	158
Professional services withholding tax	47	14
Value added tax	25	8
Pension deductions	7	—
	613	480
Crowley Bequest Fund (Note 7.2)	148	148
Other	281	311
	1,042	**939**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus	22,519	32,912
Deferred surrender	18,400	16,892
Exchequer grant undrawn	(9,883)	(29,759)
Net Exchequer funding	**31,036**	**20,045**
Represented by:		
Debtors		
Bank and cash	23,185	20,342
Debit balances: suspense	8,893	642
	32,078	20,984
Creditors		
Due to the State	(613)	(480)
Credit balances: suspense	(429)	(459)
	(1,042)	(939)
	31,036	**20,045**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			12,356	66,107
Disbursements from the Vote				
Estimate provision	Account	892,989		
Deferred surrender	Account	(18,400)		
Surplus to be surrendered	Account	(22,519)		
Net vote			852,070	737,601
Expenditure (cash) borne elsewhere	1.1		13,421	16,649
Non cash expenditure – fixed assets transfers	2.1		(5,586)	(54,375)
Non cash expenditure – notional rent	1		1,362	1,193
Net programme cost	1		(865,409)	(754,819)
Balance at 31 December			**8,214**	**12,356**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	29,953	33,792
Non-capital grant programmes (b)	28,322	23,911
Capital grant programmes (c)	108,823	107,154
Capital projects	20,066	12,315
Total of legally enforceable commitments	**187,164**	**177,172**

b) Non-capital grant programmes [a]	2021 €000	2020 €000
Opening balance	23,911	36,958
Transferred out	—	(16,652)
Transferred in	—	8,500
Grants paid in the year	(22,287)	(30,150)
New grant commitments	27,603	26,353
Grants cancelled	(905)	(1,098)
Closing balance	**28,322**	**23,911**

c) Capital grant programmes	2021 €000	2020 €000
Opening balance	107,154	41,132
Transferred out	—	(21,406)
Transferred in	—	126,368
Grants paid in the year	(29,907)	(41,237)
New grant commitments	32,901	9,692
Grants cancelled	(1,325)	(7,395)
Closing balance	**108,823**	**107,154**

2.11 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	**68**	**7**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,713	19,504	17,679
ii	Travel and subsistence	855	109	155
iii	Training and development and incidental expenses	1,294	815	401
iv	Postal and telecommunications services	493	183	348
v	Office equipment and external IT services	1,760	1,230	2,143
vi	Office premises expenses	572	327	362
vii	Consultancy services and value for money and policy reviews	340	—	196
		26,027	**22,168**	**21,284**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €855,000; outturn €109,000

The saving was due to significantly reduced levels of travel across all areas of the Department as a consequence of Covid-19 restrictions.

iii Training and development and incidental expenses

Estimate provision €1.294 million; outturn €815,000

The saving was due to the curtailment of planned activity under this subhead due to Covid-19 restrictions.

iv Postal and telecommunications services

Estimate provision €493,000; outturn €183,000

The saving was due to the curtailment of planned activity under this subhead due to Covid-19 restrictions.

v Office equipment and external IT services

Estimate provision €1.76 million; outturn €1.23 million

The saving was due to the curtailment of planned activity under this subhead due to Covid-19 restrictions.

vi Office premises expenses

Estimate provision €572,000; outturn €327,000

The saving was due to the curtailment of planned activity under this subhead due to Covid-19 restrictions.

vii Consultancy services and value for money and policy reviews

Estimate provision €340,000; outturn €nil

The saving was due to a policy to keep such expenditure to a minimum in light of budgetary pressures and the impact of Covid-19 restrictions.

Programme A Tourism Services

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		1,937	1,765	1,713
A.2	Administration − non pay		481	256	357
A.3	Fáilte Ireland		121,886	121,886	81,533
A.4	Tourism Ireland Limited		17,003	17,003	16,239
A.5	Tourism Marketing Fund		46,823	46,823	46,823
A.6	Tourism product development				
	Estimate provision	32,800			
	Deferred surrender	1,000			
			33,800	33,800	42,961
			221,930	**221,533**	**189,626**

Programme B Arts and Culture

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
B.1	Administration − pay		9,716	9,065	7,747
B.2	Administration − non pay		2,129	1,041	1,391
B.3	Payments to match resources generated by the National Archives		40	35	25
B.4	General expenses of the National Archives and National Archives Advisory Council		2,066	1,396	938
B.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Note 7.1)		23,183	15,596	13,912
B.6	Regional museums, galleries, cultural centres and projects		71,370	70,063	20,862
B.7	Cultural infrastructure and development				
	Estimate provision	27,100			
	Deferred surrender	6,037			
			33,137	14,070	22,458
B.8	Culture Ireland		4,600	2,905	4,368
B.9	An Chomhairle Ealaíon (part funded by the National Lottery)		130,046	130,046	105,002
B.10	General expenses of the National Museum of Ireland		15,178	15,178	14,259
B.11	General expenses of the National Library of Ireland		8,383	8,383	7,915
B.12	Fis Éireann/Screen Ireland		30,093	30,093	24,066
B.13	General expenses of the National Gallery of Ireland		11,381	11,381	10,657
B.14	European City of Culture		1,000	—	7,100
B.15	Decade of Centenaries 1912-1922		5,000	4,002	1,330
			347,322	**313,254**	**242,030**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €34.068 million lower than originally provided. €1.739 million of this related to administration expenditure and has already been explained and the balance of the variance of €32.329 million was mainly due to the following.

B.4 General expenses of the National Archives and the National Archives Advisory Council

Estimate provision €2.066 million; outturn €1.396 million

The saving of €670,000, relative to the estimate provision, was mainly due to the impact of Covid-19 restrictions on anticipated expenditure.

B.5 General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery

Estimate provision €23.183 million; outturn €15.596 million

The saving of €7.587 million, relative to the estimate provision, occurred due to the significant work required to progress the transfer of the National Symphony Orchestra to the National Concert Hall taking longer than originally anticipated which resulted in the transfer not taking place in 2021.

B.7 Cultural infrastructure and development

Estimate provision €33.137 million; outturn €14.07 million

The saving of €19.067 million, relative to the estimate provision, was due to a number of large scale projects across a number of schemes which did not progress within their time frame due to various issues including Covid-19 related delays.

B.8 Culture Ireland

Estimate provision €4.6 million; outturn €2.905 million

The savings arose as some planned international events were cancelled or postponed due to the impact of the Covid-19 pandemic.

B.14 European City of Culture

Estimate provision €1 million; outturn €nil

The €1 million provision was not drawn down in 2021 due to the commencement of legacy initiatives moving to 2022 as a result of prolongation of the title year into 2021.

B.15 Decade of Centenaries 1912-1922

Estimate provision €5 million; outturn €4.002 million

The savings arose mainly due to the public health constraints imposed by the response to the Covid-19 pandemic having a bearing on the rollout or delivery of a number of supported projects and consequently impacted on the ability of the project partners and stakeholders to draw down their full allocation in 2021.

Programme C Gaeltacht

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration – pay		5,152	4,403	4,336
C.2	Administration − non pay		1,567	773	1,047
C.3	Gaeltacht support schemes		10,199	8,338	9,740
C.4	Irish language support schemes (part funded by National Lottery)		7,650	6,359	6,492
C.5	An Coimisinéir Teanga		887	881	821
C.6	Údarás na Gaeltachta – administration		12,580	13,041	10,852
C.7	Údarás na Gaeltachta – current programme expenditure		4,750	4,750	4,250
C.8	Údarás na Gaeltachta- grants for projects and capital expenditure on premises				
	Estimate provision	14,454			
	Deferred surrender	2,225			
			16,679	13,980	13,275
C.9	Cross border co-operation		16,362	16,017	12,585
C.10	Language planning process		5,000	4,099	2,819
			80,826	**72,641**	**66,217**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €8.185 million lower than originally provided. €1.543 million of this related to administration expenditure and has already been explained and the balance of the variance of €6.642 million was mainly due to the following.

C.3 Gaeltacht support schemes

Estimate provision €10.199 million; outturn €8.338 million

The saving of €1.861 million relative to the estimate provision, was mainly due to delays with capital projects and a reduction in the number of applications received due to community facilities being closed because of the Covid-19 pandemic.

C.4 Irish language support schemes

Estimate provision €7.65 million; outturn €6.359 million

The saving of €1.291 million relative to the estimate provision was mainly due to envisaged capital projects not progressing as anticipated due to the Covid-19 pandemic.

C.8 Údarás na Gaeltachta – grants for projects and capital expenditure on premises

Estimate provision €16.679 million; outturn €13.98 million

The saving of €2.699 million, relative to the estimate provision, was due to the impact of Covid-19 on the progression of the capital works programme. €1.5 million of this funding was carried forward into 2022.

C.10 Language planning process

Estimate provision €5 million; outturn €4.099 million

The saving of €901,000 relative to the estimate provision relates to lower than anticipated progression of language plans due to the impact of the Covid-19 pandemic.

Programme D Sports and Recreation Services

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		2,653	2,807	2,419
D.2	Administration − non pay		640	267	344
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)				
	Estimate provision	27,935			
	Deferred surrender	7,630			
			35,565	23,735	26,171
D.4	Swimming pools		4,100	—	—
D.5	Sport Ireland (part funded by national lottery)				
	Original	104,510			
	Supplementary	35,000			
			139,510	164,745	163,054
D.6	Dormant accounts funding for sports measures		10,000	10,000	7,975
D.7	Large scale sport infrastructure fund		14,600	417	—
D.8	Major events		5,995	5,399	3,200
			213,063	**207,370**	**203,163**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €5.693 million lower than originally provided. Administration expenditure was €219,000 lower than originally planned. The balance of the variance of €5.474 million was mainly due to the following.

D.3 Grant for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)

Estimate provision €35.565 million; outturn €23.735 million

The drawdown of grants under the various rounds of the Sports Capital and Equipment Programme is demand led. In 2021, the impact of the ongoing Covid-19 pandemic led to a slowdown in construction activity, including activity related to sports projects.

D.4 Swimming pools

Estimate provision €4.1 million; outturn €nil

There was no expenditure on the subhead in 2021 primarily due to fact that in one significant project which is now under construction, the grantee was not in a position to draw down any of the €3.8 million grant as the legal requirements for that grant were not yet completed.

D.5 Sport Ireland

Estimate provision €104.51 million; outturn €164.745 million

Funding was transferred from other subheads, with sanction of the Department of Public Expenditure and Reform to meet emerging pressures under this subhead due to the impact of Covid-19.

D.7 Large scale sport infrastructure fund

Estimate provision €14.6 million; outturn €417,000

The first grants under the new large scale sport infrastructure fund (LSSIF) were announced at the beginning of 2020. The Covid-19 pandemic impacted on the progress of this scheme in 2021.

D.8 Major events

Estimate provision €5.995 million; outturn €5.399 million

The €596,000 underspend was mainly due to an anticipated joint bid for the Rugby World Cup in 2031 that did not ultimately come to fruition and FIFA World Cup feasibility spend was lower than anticipated.

Programme E Broadcasting

		2021 Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
E.1	Administration − pay	1,255	1,464	1,464
E.2	Administration − non pay	497	327	466
E.3	Grant to Raidió Telefís Éireann for broadcasting licence fees	208,622	196,087	197,645
E.4	Payment to An Post for collection of broadcasting licence fees	12,457	9,885	10,030
E.5	Deontas i leith Theilifís na Gaeilge	40,733	40,733	39,133
E.6	Broadcasting Fund	16,890	23,598	21,777
E.7	RTÉ spectrum	—	—	512
		280,454	**272,094**	**271,027**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall the expenditure in relation to Programme E was €8.36 million lower than originally provided. Administration expenditure was €39,000 higher than originally provided. The balance of the variance of €8.399 million was mainly due to the following.

E.3 Grant to Raidió Telefís Éireann for broadcasting licence fees

Estimate provision €208.622 million; outturn €196.087 million

Broadcasting Licence Fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection, and it is, therefore, difficult to estimate precisely the level of payments to RTÉ, An Post and the Broadcasting Fund. Falling licence fee sales due to Covid-19 meant total sales for 2021 were down on 2020, and down on target. This meant a drop in total TV licence revenue which impacted on TV licence funding for RTÉ.

E.4 Payment to An Post for collection of broadcasting licence fees

Estimate provision €12.457 million; outturn €9.885 million

An Post are paid commission on a sliding scale based on the level of licence fee sales. Sales were below target due to Covid-19 impacts. This, combined with a review of the commission payments under the service level agreement resulted in a reduced payment to An Post.

E.6 Broadcasting Fund

Estimate provision €16.89 million; outturn €23.598 million

Funding was transferred from other subheads, with sanction of the Department of Public Expenditure and Reform to meet emerging pressures under this subhead in particular in relation to the Sound and Vision Fund.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Tourism Ireland pension receipts	300	341	332
2	National Archives	40	35	26
3	Miscellaneous receipts	636	895	970
4	Receipts from additional superannuation contributions on public service remuneration	2,366	2,728	2,515
5	Dormant accounts funding	10,000	10,000	7,974
6	Sport Ireland pension receipts	134	92	93
7	Broadcasting licence fees	237,130	220,731	222,552
	Total	**250,606**	**234,822**	**234,462**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €15.784 million less than the estimate. Explanations for variances are set out below:

3 Miscellaneous receipts

Estimate €636,000; realised €895,000

The variance of €259,000 was mainly due to higher than anticipated pension receipts from agencies

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.366 million; realised €2.728 million

The variance of €362,000 was mainly due to higher than anticipated additional superannuation contributions receipts from agencies.

7 Broadcasting licence fees

Estimate €237.13 million; realised €220.731 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection. Falling licence fee sales due to Covid-19 meant total sales for 2021 were down on 2020, and down on target.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	31	17
Receipts from Gaeltacht loans	1	12
Receipts from voluntary surrender of ministerial salaries	21	19
Receipt from the Archives Portal Europe network of excellence (APEX)	—	22
Transferred to the Exchequer	(31)	(39)
Balance at 31 December	**22**	**31**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	365	335
Agencies	1,462	1,320
	1,827	**1,655**

5.2 Pay

Remuneration of Department staff

	2021 €000	2020 €000
Pay	17,807	16,197
Higher, special or additional duties allowances	64	59
Other allowances	159	134
Overtime	30	32
Employer's PRSI	1,444	1,257
Total pay [a]	**19,504**	**17,679**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

Agency remuneration [b]

	2021 €000	2020 €000
Pay	80,864	75,030
Higher, special or additional duties allowances	234	216
Other allowances	189	201
Overtime	221	229
Employer's PRSI	4,441	3,557
Total pay	**85,949**	**79,233**

Note [b] The details in relation to allowances and overtime and payments relating to staff of bodies/agencies are based solely on returns submitted by those bodies/agencies.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Departmental staff				
Higher, special or additional duties allowances	8	4	15,453	14,325
Other allowances	14	4	22,002	20,614
Overtime	12	1	10,591	11,303
Extra remuneration in more than one category	3	2	16,432	17,245
Agency staff				
Higher, special or additional duties allowances	56	3	13,411	12,564
Other allowances	117	2	30,000	12,564
Overtime	65	—	9,765	7,328
Extra remuneration in more than one category	19	—	7,772	8,621

5.4 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis as a total cost of €4,655. The payments made were consistent with the principles of the Public Service (Single Service and other Provisions) Act 2012.

The account includes expenditure of €11,599 in respect of one officer who was serving outside the Department for all or part of 2021 and whose salary was paid by the Department.

This account does not include expenditure in respect of ten officers who were serving outside the Department for all or part of 2021 in other Government department/offices who paid those officers directly.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	19	63,983	51,787
Recovery plans in place	1	1,383	1,426

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	—	—	—	3
	€000	€000	€000	€000
Department's own legal costs	—	—	—	7
Paid by or on behalf of the Department				
Compensation	—	—	—	—
Legal costs	—	—	—	—
Other costs	—	—	—	—
2021 total	—	—	—	**7**
2020 total	1	6	7	

6.2 National Lottery funding

		2021		2020
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
B.9	An Chomhairle Ealaíon (part funded by National Lottery)	130,046	130,046	105,002
C.4	Irish language support schemes (part funded by National Lottery)	7,650	6,359	6,492
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)	35,565	23,735	26,171
D.5	Sport Ireland (part funded by National Lottery)	139,510	164,745	163,054
		312,771	**324,885**	**300,719**

A full list of grantees under subhead C.4 and subhead D.3 is available on the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media website.

6.3 Deferred surrender

Deferred surrender comprises savings in 2021 of €18.4 million in capital expenditures in the following subheads that were carried over to 2022.

		€000
Description of subhead:		
B.7	Cultural infrastructure and development	6,000
B.14	European City of Culture	1,000
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises	1,500
D.3	Sports capital and equipment programme	6,000
D.7	Large scale sport infrastructure fund	3,900
		18,400

Note 7 Miscellaneous Accounts

7.1 Payments towards general expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Subhead B.5)

	2021 €000	2020 €000
Payments		
Irish Museum of Modern Art	6,410	6,014
Chester Beatty Library	3,216	2,837
National Concert Hall	4,237	3,562
Crawford Gallery, Cork	1,733	1,499
	15,596	**13,912**

7.2 The Crowley Bequest Fund

The bequest was accepted by the State in 1997, to be used to undertake a project involving the listing, microfilming and publishing of records of the Chief Secretary's Office for the period 1815-1853. The charge on the fund represents conservation and salary costs associated with this project.

Accounts of receipts and payments for the year ended 31 December 2021

	2021 €000	2020 €000
Balance on 1 January	148	156
Receipts	—	—
Payments	—	(8)
Balance on 31 December	**148**	**148**

7.3 Statement of loans for Gaeltacht housing

Loans issued towards Gaeltacht housing under the Housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof:

	2021 €000	2020 €000
Opening balance on 1 January	173	187
Annual penal interest accrued	4	4
Interest written off	—	(6)
Repayments of principal	(1)	(5)
Payments of interest	—	(7)
Closing balance on 31 December	**176**	**173**

Appendix A Accounts of bodies and funds under the aegis of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

The following table lists the bodies and funds under the aegis of the Department where the Minister has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the date on which 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
Irish Museum of Modern Art	2020	30 Jun 2021	20 Jul 2021	18 Jan 2022
Chester Beatty Library	2020	15 Sep 2021	23 Sep 2021	9 Dec 2021
National Concert Hall	2020	11 Jun 2021	14 Sep 2021	20 Dec 2021
Crawford Art Gallery	2020	30 Jun 2021	14 Jul 2021	8 Oct 2021
Arts Council	2020	30 Jun 2021	1 Sep 2021	12 Nov 2021
National Museum of Ireland	2020	30 Jun 2021	7 Jul 2021	25 Jan 2022
National Library of Ireland	2020	13 Oct 2021	30 Nov 2021	9 Dec 2021
Screen Ireland	2020	8 Nov 2021	19 Nov 2021	9 Feb 2022
National Gallery of Ireland	2020	23 Nov 2021	2 Feb 2022	9 Feb 2022
Údarás na Gaeltachta	2020	22 Dec 2021	21 Feb 2022	—
An Foras Teanga	2019	29 Apr 2021	6 May 2021	19 Nov 2021
An Coimisnéir Teanga	2020	16 Dec 2021	21 Dec 2021	3 Mar 2022
Fáilte Ireland	2020	30 Jun 2021	7 Oct 2021	16 Dec 2021
Sport Ireland	2020	10 Nov 2021	12 Nov 2021	4 Feb 2022
Tourism Ireland	2020	14 Oct 2021	30 Nov 2021	16 Dec 2021
Broadcasting Authority of Ireland	2020	30 Jun 2021	2 Jul 2021	6 Oct 2021
Raidió Telefís Éireann	2020	29 Apr 2021	30 Apr 2021	17 Jul 2021
Teilifís na Gaeilge	2020	29 Jun 2021	29 Jun 2021	6 Oct 2021

Appropriation Account 2021

Vote 34

Housing, Local Government and Heritage

Introduction

As Accounting Officer for Vote 34, 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 2021 for the salaries and expenses of the Office of the Minister for Housing, Local Government and Heritage, including grants to local authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies, grants and payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €116.672 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles, the Statement on Internal Financial Control and notes 1 to 7 form part of the account.

Transfer of functions

The transfer of functions from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, (Vote 33) of the National Parks and Wildlife Service Development Applications Unit (DAU) to the Department of Housing, Local Government and Heritage came into effect from 24 June 2021 under SI 302 of 2021 Heritage (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The transfer of functions to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, (Vote 33) from the Department of Housing, Local Government and Heritage of the Heritage Fund came into effect from 31 March 2021 under SI 185 of 2021 Heritage Fund (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis. Therefore, all the transferred functions are accounted for in the 2021 appropriation 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Valuation of assets

Ownership of six national parks is vested in the Minister of Housing, Local Government and Heritage, namely

The Burren National Park
Connemara National Park
Glenveagh National Park
Killarney National Park
Wicklow Mountains National Park
Wild Nephin National Park

Land, buildings and heritage assets located within the national parks have not been valued, and are not reflected in the statement of fixed assets. Other assets located at the parks, such as equipment and vehicles, are included in the statement of fixed assets.

Depreciation

Land is not depreciated. Other assets are depreciated monthly on a straight line basis over their estimated useful life starting in the month the asset was placed in service on the following basis

- buildings 5% per annum
- motor vehicles 20% per annum
- plant and machinery 10% per annum
- radar equipment 6.66% 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 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

Payroll and human resources functions are provided to the Department on a shared services basis by the National Shared Services Office (Vote 18).

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 payroll and human resources and shared services.

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

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 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.

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. 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 am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

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 complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €80,950 (ex. VAT), as set out below.

- A contract for timeslots in the Peatlands Pavilion at the UN Climate Change Conference (COP 26) held in Glasgow between 31 October and 12 November 2021 with expenditure of €45,000 (ex VAT) were secured by the Department. These were the only slots available at the time the Department sought to attend the event.

- A contract for environmental consultancy support for foreshore applications with expenditure during the year of €35,950 (ex VAT) was awarded using an expression of interest process only on the basis of urgency/expediency to facilitate the continuation of assessments of application for foreshore licences. A framework for mini competitions for these types of requests is intended to be setup through the Office of Government Procurement in early 2022.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 regular 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 responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

The risk register is reviewed centrally and the high-level risks are reviewed on a regular basis by the Management Board. 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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

The Department has developed a Covid-19 risk register and Covid-19 response plan to assist in the management and monitoring of Covid-19 related risks. The plan includes a range of risks from staff wellbeing through to ICT security risks and is available to local and Departmental Covid-19 committees to assist in monitoring and managing the particular risks presented by Covid-19.

The internal audit function adapted its audits to also consider the risks posed by the Covid-19 pandemic on the control environment and the effectiveness of the corresponding controls and mitigation strategies that have been put in place by management.

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Housing, Local Government and Heritage

Opinion on the appropriation account

I have audited the appropriation account for Vote 34 Housing, Local Government and Heritage for the year ended 31 December 2021 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 34 Housing, Local Government and Heritage for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Housing, Local Government and Heritage 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 appendix to this report.

The Housing Agency's Revolving Acquisitions Fund

Chapter 7 of my report on the accounts of the public services for 2021 examines the use of the Housing Agency's Revolving Acquisition Fund.

Re-allocation of voted funding

Chapter 4 of my report on the accounts of the public services for 2021 examines compliance with the procedures for re-allocation of funding from vote subheads where savings had emerged, to meet expected excess spending on other vote subheads. The re-allocation of certain funds in Vote 34 was reviewed as part of that examination.

Payment of EU fine

The Accounting Officer has disclosed in note 2.14 that, in 2021, the Department paid a fine of €5.476 million to the European Commission arising from a judgement of the Court of Justice of the European Union in November 2019. The Court case concerned the failure by Ireland to ensure that a retrospective environmental impact assessment was carried out in relation to a windfarm constructed in County Galway.

The fine imposed by the Court comprises a €5 million lump-sum payment (paid in 2020) plus a daily fine of €15,000 while the infringement continues, plus legal costs. By end 2021, the Department had paid fines totalling €13.2 million and a further liability of €3.495 million had accrued. The daily fine continued, and could result in a potential further liability of up to €5.5 million in respect of 2022.

Seamus McCarthy
Comptroller and Auditor General

31 July 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 34 Housing, Local Government and Heritage

Appropriation Account 2021

				2021	2020
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Housing				
	Estimate provision	3,116,896			
	Deferred surrender	117,000			
			3,233,896	2,782,675	2,561,784
B	Water Services				
	Estimate provision	1,405,371			
	Deferred surrender	10,000			
			1,415,371	1,371,624	1,389,694
C	Local Government				
	Original	225,084			
	Supplementary	197,300			
			422,384	720,217	1,086,129
D	Planning				
	Estimate provision	189,254			
	Deferred surrender	84,000			
			273,254	109,854	113,904
E	Met Éireann		42,821	33,659	28,267
F	Heritage				
	Original	139,011			
	Deferred surrender	3,000			
	Supplementary	1,615			
			143,626	124,995	92,783
Gross expenditure					
	Original	5,118,437			
	Deferred surrender	214,000			
	Supplementary	198,915			
			5,531,352	**5,143,024**	**5,272,561**
	Deduct				
G	**Appropriations-in-aid**		**61,932**	**66,076**	**55,318**
Net expenditure					
	Original	5,056,505			
	Deferred surrender	214,000			
	Supplementary	198,915			
			5,469,420	**5,076,948**	**5,217,243**

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 spending in the following year. With the agreement of the Minister for Public Expenditure and Reform, €275.8 million of unspent allocations in respect of the capital elements of Programmes A, D, and F was carried forward to 2022.

	2021 €	2020 €
Surplus	392,471,868	226,544,445
Deferred surrender	(275,800,000)	(214,000,000)
Surplus to be surrendered	**116,671,868**	**12,544,445**

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		5,041,916	5,181,338
Pay		79,557	74,562
Non pay		21,551	16,661
Gross expenditure		**5,143,024**	**5,272,561**
Deduct			
Appropriations-in-aid		**66,076**	**55,318**
Net expenditure		**5,076,948**	**5,217,243**
Changes in capital assets			
Purchases cash	(4,314)		
Depreciation	2,495	(1,819)	(3,270)
Changes in net current assets			
Increase in closing accruals	2,662		
Increase in stock	(341)	2,321	701
Direct expenditure		**5,077,450**	**5,214,674**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		30,625	26,062
Notional rents		4,006	3,949
Net programme cost		**5,112,081**	**5,244,685**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 34 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	37	14
Vote 12	Superannuation and Retired Allowances	28,134	24,391
Vote 13	Office of Public Works	702	1,305
Vote 18	National Shared Services Office	141	124
Vote 43	Office of the Government Chief Information Officer	1,504	121
Central Fund – ministerial pensions		107	107
		30,625	**26,062**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	63,425	57,163
Current assets			
Bank and cash	2.2	384,818	233,112
Stocks	2.3	916	575
Prepayments	2.4	1,466	1,536
Accrued income	2.5	8,971	7,492
Housing Agency revolving acquisitions fund	7.2	68,070	68,460
Other debit balances	2.6	2,143	2,816
Total current assets		**466,384**	**313,991**
Less current liabilities			
Accrued expenses	2.7	20,721	18,250
Deferred income	2.8	10,364	9,160
Other credit balances	2.9	25,436	21,461
Net Exchequer funding	2.10	361,525	214,467
Total current liabilities		**418,046**	**263,338**
Net current assets		48,338	50,653
Net assets		**111,763**	**107,816**
Represented by:			
State funding account	2.11	**111,763**	**107,816**

2.1 Capital assets

	Land and buildings [a]	Plant, machinery and motor vehicles	Furniture and fittings	Office and IT equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	41,281	9,990	4,001	24,548	7,587	87,407
Prior year adjustments	—	—	—	—	(4)	(4)
Additions [b]	141	1,789	39	502	1,836	4,307
Assets brought in to use	—	11	—	19	(30)	—
Transferred in [c]	6,068	—	—	236	—	6,304
Disposals	—	(78)	(149)	(13)	—	(240)
Cost or valuation at 31 December 2021	47,490	11,712	3,891	25,292	9,389	97,774
Accumulated depreciation						
Opening balance at 1 January 2021	133	7,111	2,435	20,564	—	30,243
Prior year adjustments [d]	71	—	—	(30)	—	41
Depreciation for the year	345	899	87	1,164	—	2,495
Depreciation on transfers	1,669	—	—	141	—	1,810
Depreciation on disposals	—	(78)	(149)	(13)	—	(240)
Cumulative depreciation at 31 December 2021	2,218	7,932	2,373	21,826	—	34,349
Net assets at 31 December 2021	**45,272**	**3,780**	**1,518**	**3,466**	**9,389**	**63,425**
Net assets at 31 December 2020	41,148	2,879	1,566	3,984	7,586	57,163

Notes
[a] Excludes national park land, buildings and heritage assets.
[b] Same threshold as DHLGH assets is applied to Heritage Assets transferred from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) in 2020 i.e. under €10,000 in value. The heritage ICT managed assets are excluded from these figures, only appearing in DHLGH once verified. This is an ongoing process, see note c.
[c] Assets transferred from the DTCAGSM include four buildings in Moore Street, Dublin and a number of ICT assets (individually costing over €10,000). Further ICT assets will be transferred in when an ongoing validation process is completed in 2022.
[d] DTCAGSM apply a 2% depreciation rate on buildings, €71,000 adjustment required to bring into alignment with 5% rate applied by DHLGH -€30,000 adjustment to bring into alignment an incorrect depreciation rate previously applied on DHLGH radar equipment with the proper rate of 6.6%.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	384,772	233,088
Commercial bank account balance	46	24
	384,818	**233,112**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
IT consumables	235	28
Meteorological consumables	146	170
Livestock	91	85
Building materials	68	129
Stationery	44	43
Fuels and fertilisers	42	33
Cleaning materials	33	23
Other	257	64
	916	**575**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software support	1,151	1,052
International contribution	150	250
Administration	4	75
Other prepayments	161	159
	1,466	**1,536**

2.5 Accrued income

at 31 December	2021	2020
	€000	€000
Foreshore receipts	5,105	3,160
Pension levy	2,243	2,410
Met Éireann receipts	1,592	1,730
Audit fees	20	192
Services and charges at National Parks and Wildlife Service sites	11	—
	8,971	**7,492**

2.6 Other debit balances

at 31 December	2021	2020
	€000	€000
Heritage projects		
Fáilte Ireland Strategic Partnership	361	347
BirdWatch Ireland 2020/2021	202	—
Killarney House	161	190
Tomies Wood	142	500
Other projects	241	117
Advances to OPW	789	1,354
Recoupable salary costs	134	92
Recoupable travel pass scheme	40	41
Recoupable travel costs	6	6
Imprests	3	3
Other debit suspense items	64	166
	2,143	**2,816**

2.7 Accrued expenses

at 31 December	2021	2020
	€000	€000
IT services and support	291	236
Programme accrual		
A - Housing	14,735	11,260
B - Water	69	1,238
C - Local Government	128	9
D - Planning	3,923	3,748
E - Met Éireann	72	845
F - Heritage	884	509
Administration expenses	619	405
	20,721	**18,250**

2.8 Deferred income

at 31 December	2021	2020
	€000	€000
Foreshore licences	10,364	9,160
	10,364	**9,160**

2.9 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Value added tax	1,337	653
Income tax	1,166	1,027
Pay related social insurance	787	664
Professional services withholding tax	511	337
Pension contributions	270	233
Universal social charge	233	207
	4,304	3,121
Urban Development Fund [a]	6,683	8,385
LIFE Wild Atlantic Nature [b]	3,578	2,710
LIFE integrated project [b]	3,326	2,164
Rural Regeneration and Development Fund [c]	2,447	1,257
LIFE on Machair [b]	2,221	—
LIFE Atlantic Crex [b]	1,241	1,306
Payroll deductions held in suspense	326	308
Kerry LIFE Project [b]	182	201
Raised Bog LIFE restoration project [b]	158	1,242
Other credit suspense items	970	767
	25,436	**21,461**

Notes

[a] See Note 7.1.

[b] The LIFE programme is the EU's funding instrument supporting environment, nature conservation and climate action projects through the EU. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value.

[c] The balance shown above relates to advanced funding from the Rural Regeneration and Development Fund (RRDF) pending receipt of verified claims in respect of individual projects. The RRDF was established as part of Project Ireland 2040 and provides investment to support rural renewal for suitable projects in towns and villages with a population of less than 10,000, and outlying areas. It is administered by the Department of Rural and Community Development. Key outcomes are to support sustainable community and economic development in rural Ireland, including through regenerating smaller towns and villages and encouraging entrepreneurship and innovation to support job creation in rural areas. Under the first call for projects, funding of circa €5.4 million has been assigned to more than 30 individual projects across the network of NPWS sites. The funding represents 75% of the project costs and projects include the upgrading and development of trails across the parks and reserves network, increased visitor facilities and improved signage/branding. Electric buses in selected national parks were also purchased to assist in lowering the carbon footprint of visitor activities.

2.10 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus	116,672	12,544
Deferred surrender	275,800	214,000
Exchequer grant undrawn	(30,947)	(12,077)
Net Exchequer funding	**361,525**	**214,467**
Represented by:		
Debtors		
Bank and cash	384,818	233,112
Debit balances: suspense	2,143	2,816
	386,961	235,928
Creditors		
Due to the State	(4,304)	(3,121)
Credit balances: suspense	(21,132)	(18,340)
	(25,436)	(21,461)
	361,525	**214,467**

2.11 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			107,816	61,180
Disbursements from the Vote				
Estimate provision	Account	5,469,420		
Deferred surrender	Account	(275,800)		
Surplus to be surrendered	Account	(116,672)		
Net vote			5,076,948	5,217,243
Expenditure (cash) borne elsewhere	1.1		30,625	26,062
Non cash expenditure – notional rent	1		4,006	3,949
Assets transferred in to the Department	2.1		4,494	44,067
Reclassification of heritage assets			(45)	—
Net programme cost	1		(5,112,081)	(5,244,685)
Balance at 31 December			**111,763**	**107,816**

2.12 Commitments

a) Global commitments

at 31 December	2021 €000	2020 €000
Procurement of goods and services	6,358	4,126
Non-capital grant programmes	1,174,083	1,074,726
Capital grant programmes	2,075,841	2,333,985
Public private partnership projects	603,377	627,511
Total of legally enforceable commitments	**3,859,659**	**4,040,348**

b) Non-capital grant programmes

	2021 €000	2020 €000
Opening balance	1,074,726	982,895
Grants paid in the year	(1,022,108)	(864,018)
New grant commitments	1,121,465	955,849
Closing balance	**1,174,083**	**1,074,726**

c) Capital grant programmes

	2021 €000	2020 €000
Opening balance	2,333,985	1,543,599
Grants paid in the year	(1,490,604)	(1,347,099)
New grant commitments	1,232,460	2,137,485
Closing balance	**2,075,841**	**2,333,985**

d) Major capital project commitments

Housing projects	**Cumulative expenditure to 31 December 2020** **€000**	**Expenditure in 2021** **€000**	**Project commitments in subsequent years** **€000**	**Expected total spend lifetime of project 2021** **€000**	**Expected total spend lifetime of project 2020** **€000**
Construction					
Jointly funded [a]					
Ashline, Kilrush Road					
Ennis, Clare County:					
Local authority	—	1,548	—	1,548	—
Department	667	4,985	3,334	8,986	10,534
	667	6,533	3,334	10,534	10,534
Beechgrove, Clonakilty, Cork County:					
Local authority	347	1,080	—	1,427	347
Department	7,669	5,728	2,365	15,762	16,842
	8,016	6,808	2,365	17,189	17,189
Priory Hall refurbishment, Donaghmede, Dublin 13:					
Local authority	10,288	—	—	10,288	10,288
Department	24,216	—	13,696	37,912	37,912
	34,504	—	13,696	48,200	48,200
Dominick Street (East Side), Dublin City:					
Local authority	3,434	—		3,434	3,434
Department	23,411	—	2,458	25,869	25,869
	26,845	—	2,458	29,303	29,303
Bunratty Road (Phase 1), Dublin 17:					
Local authority	1,224	2,564	—	3,788	1,224
Department	13,529	10,089	1,812	25,430	27,994
	14,753	12,653	1,812	29,218	29,218
O'Devaney Gardens (Phase 1A) Dublin City:					
Local authority	1,139	—	—	1,139	1,139
Department	9,532	5,139	4,859	19,530	19,530
	10,671	5,139	4,859	20,669	20,669

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Cornamona, Ballyfermot, Dublin 12:					
Local authority	1,017	—	—	1,017	1,017
Department	8,765	9,397	3,197	21,359	21,100
	9,782	9,397	3,197	22,376	22,117
Cork Street, Chamber Street, Dublin 8:					
Local authority	—	1,593	—	1,593	—
Department	7,085	8,011	3,764	18,860	20,453
	7,085	9,604	3,764	20,453	20,453
North King Street, Sean Foster Place, Dublin 7:					
Local authority	—	882	—	882	—
Department	5,583	4,838	1,623	12,044	12,926
	5,583	5,720	1,623	12,926	12,926
Ballyogan Rise, Ballyogan, Dun Laoghaire-Rathdown:					
Local authority	89	—	—	89	—
Department	—	—	18,961	18,961	—
	89	—	18,961	19,050	—
Rosemount Court, Dun Laoghaire-Rathdown:					
Local authority	5,413	—	—	5,413	5,413
Department	6,205	—	305	6,510	6,510
	11,618	—	305	11,923	11,923
Fitzgerald Park, Dun Laoghaire-Rathdown:					
Local authority	5,041	—	—	5,041	5,041
Department	4,630	—	412	5,042	5,042
	9,671	—	412	10,083	10,083
Kilternan Close, Dun Laoghaire-Rathdown:					
Local authority	—	6,985	—	6,985	—
Department	—	2,709	12,261	14,970	21,955
	—	9,694	12,261	21,955	21,955

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Racecourse Common, Lusk (Phase 2.1) Fingal:					
Local authority	2,260	—	—	2,260	2,260
Department	8,872	731	18	9,621	9,348
	11,132	731	18	11,881	11,608
Ballymoneen Road,(Phase 2) Galway City:					
Local authority	48	615	—	663	48
Department	14,797	2,646	—	17,443	17,240
	14,845	3,261	—	18,106	17,288
Garraí Beag, Monivea Road, Ballybaan More, Galway City:					
Local authority	—	327	—	327	—
Department	2,805	1,806	9,212	13,823	14,150
	2,805	2,133	9,212	14,150	14,150
St Aiden's, Brookfield, Tallaght:					
Local authority	4,276	—	—	4,276	4,276
Department	14,942	7	597	15,546	15,546
	19,218	7	597	19,822	19,822
St. Cuthbert's, Clondalkin (Phase 1) South Dublin:					
Local authority	2,988	—	—	2,988	2,988
Department	8,405	—	817	9,222	9,222
	11,393	—	817	12,210	12,210
Ballyboden, Rathfarnham:					
Local authority	2,303	—	—	2,303	2,303
Department	9,765	26	737	10,528	10,528
	12,068	26	737	12,831	12,831
Riversdale, Clondalkin, Dublin 22:					
Local authority	101	438	—	539	101
Department	236	2,142	9,940	12,318	12,756
	337	2,580	9,940	12,857	12,857

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
St. Marks Avenue, Clondalkin, Dublin 22:					
Local authority	32	267	—	299	—
Department	41	675	9,604	10,320	—
	73	942	9,604	10,619	—
Nangor Road, Clondalkin, Dublin 22:					
Local authority	—	663	—	663	—
Department	871	589	27,161	28,621	—
	871	1,252	27,161	29,284	—
Ashtown Lane, Wicklow Town, Wicklow:					
Local authority	—	660	—	660	—
Department	1,811	8,749	1,808	12,368	13,029
	1,811	9,409	1,808	13,028	13,029
Department funded					
Tullow Road, Carlow:	7,163	6,103	16	13,282	13,142
Cluain Greine Ennis, Clare:	—	—	18,535	18,535	—
Church Road, Cork City:	11,851	—	139	11,990	11,990
Clover Hill Court, Bessboro Road, Mahon, Cork City:	34	2,043	13,485	15,562	—
Deanrock, Togher Cork City:	16,142	144	943	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City:	—	—	14,185	14,185	14,185
Former Bolands Mill, Old Mallow Road, Cork City:	—	2,800	14,637	17,437	—
Watercourse Road, Blackpool, Cork, Cork City:	1,680	1,676	8,291	11,647	11,647
Whites Street, Cork City:	12,538	163	—	12,701	12,701
Wolsey Court, Blackpool, Cork City:	—	—	15,773	15,773	—

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Clarendon Brooks, Carrs Hill, Douglas, Cork County:	11,689	1,221	364	13,274	13,274
Hazelbrook, Ballyvinter, Mallow, Cork County:	8,100	5,094	3,330	16,524	16,524
Kilmoney, Carrigaline, Cork County:	—	1,761	15,846	17,607	17,118
Mill Road, Avoncore, Bloomfield, Midleton, Cork County:	2,585	8,426	—	11,011	11,011
Convent Road, Carndonagh, Donegal:	—	—	11,720	11,720	11,720
Admiran, Stranorlar, Donegal:	—	—	10,588	10,588	10,588
Bonham Street, Dublin 8:	9,936	9,120	1,996	21,052	21,052
Cherry Orchard, Ballyfermot/ Woodbank/ Rathvilly, Dublin City:	16,728	—	3,145	19,873	19,873
Springvale, Chapelizod, Dublin 8:	12,975	12,586	3,703	29,264	29,264
Ballymastone, Donabate, Finglas:	—	—	70,585	70,585	—
Cappagh Lands (Phase 3), Cappagh Road, Finglas	15	6,164	12,511	18,690	18,690
Church Fields, Phase 2B, Mulhuddart, Dublin 15, Fingal	16	1,656	19,419	21,091	—
Garraí Caol (Coast Road Site) Dublin Road, Galway City	1,000	—	13,266	14,266	14,266

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Radharc na Gréine, (Glasshouse site), Monivea Road (Phase 1), Galway City	17,673	1,217	194	19,084	19,084
Cullairbaun, Athenry	—	—	17,915	17,915	—
Fána Bhuí, Tuam, Galway	883	5,952	3,730	10,565	10,565
Kylebroughlan, Moycullen, Galway	4,464	8,765	100	13,329	13,171
Tullahill, Loughrea, Galway	14,439	2,485	20	16,944	16,569
Lohercannon, Tralee, Kerry	4,242	5,085	6,287	15,614	15,614
Newtown, Ardclough Rd, Celbridge, Kildare	—	—	18,190	18,190	—
Hebron Road, Kilkenny	802	—	15,411	16,213	16,213
Old Christians site, Rathbane, Limerick	6,678	3,902	764	11,344	11,344
Gort Buí, Ballymakenny Road, Drogheda, Louth	6,830	7,179	243	14,252	14,251
Wadman Park, Haynestown, Dundalk, Louth	17,329	—	88	17,417	17,417
Rehins Fort, Foxford Rd., Ballina, Mayo	152	1,472	9,943	11,567	—
Ursuline Convent, Sligo	—	—	20,646	20,646	—
Mount William, Williamstown, Waterford City	325	13,222	162	13,709	13,709
Clonhasten, Enniscorthy, Wexford	—	—	11,255	11,255	11,255
Kilbride Lane, Bray, Wicklow	16,851	228	263	17,342	17,342
Merrymeeting View, Rathnew, Wicklow	11,440	28	349	11,817	11,817
Total	**428,397**	**194,381**	**486,978**	**1,109,756**	**820,990**

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Capital Assistance Scheme					
25-26 Ushers Island, Ushers Quay, Dublin 8:					
Local authority	122	143	264	529	529
Department	1,013	3,425	29,073	33,511	31,587
	1,135	3,568	29,337	34,040	32,116
Block 70, The Plaza, Parkwest, Dublin 12	—	—	14,199	14,199	14,199
Total	**1,135**	**3,568**	**43,536**	**48,239**	**46,315**
Regeneration					
Jointly funded [a]					
Dolphin House, Dublin 8:					
Local authority	1,490	—	—	1,490	1,490
Department	22,610	—	1,747	24,357	24,357
	24,100	—	1,747	25,847	25,847
Department funded					
St Teresa's Gardens, Dublin	20,415	1,689	875	22,979	21,100
Cork Regeneration (Phase 2), Knocknaheeny/ Hollyhill, Cork City	11,417	—	436	11,853	11,853
Lord Edward Street, Limerick	19,460	—	128	19,588	19,588
Southill Area Centre, Limerick	12,717	58	51	12,826	12,826
Cosgrave Park/ Dalgaish Parkt, Limerick	754	667	21,105	22,526	—
Southill Area Centre- Phase 2, Limerick	214	187	12,301	12,702	—
Total	**89,077**	**2,601**	**36,643**	**128,321**	**91,214**

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Infrastructure					
South Docks, Cork City	4,368	2,651	4,771	11,790	11,710
Dodder Bridge, Dublin City	638	—	11,172	11,810	11,810
Cherrywood, Dun Laoghaire-Rathdown	3,186	430	8,044	11,660	11,630
Donabate Distributor Road, Fingal	10,785	—	—	10,785	10,785
Maynooth, Co. Kildare	641	249	10,140	11,030	11,000
Adamstown, South Dublin	3,816	5,983	5,376	15,175	15,129
Total	**23,434**	**9,313**	**39,503**	**72,250**	**72,064**

Note [a] Some projects are funded jointly by the Department and by certain local authorities own funds from Local Property Tax (LPT) retentions (80% of LPT receipts in a local authority area are retained locally). There is potential for the Department's commitments in subsequent years to be reduced if local authorities are in a position to use their own funds from LPT retention.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2020.

Ballymoneen Road

Increase in expected total spend: €817,796

The increase in the cost for this scheme relates to variations/change orders to the contract during the construction period. The final account for the project is awaited from the local authority, once assessed by the Department, this will determine the full variation in costs for the scheme.

25-26 Ushers Island

Increase in expected total spend: €1.924 million

2020 Expenditure of €1.135 million omitted from project costs in error at 31 December 2020. The increase in approved funding relates to additional works required to facilitate archaeological investigations/testing post tender.

St Teresa's Gardens

Increase in expected total spend: €1.879 million

The expected total spend in relation to this project has increased by €1.879 million following a revision of the contract to include wider project costs including design team fees.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme comprising three bundles of projects. To date, the contracts for two bundles have been entered into. These utilise what is termed an 'availability-based' PPP model, in which a private sector company designs, builds, finances and maintains the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units, and runs for 25 years from the completion of construction on each site. It incorporates all costs under the contract, including the initial construction costs of the units, as well as maintenance, operation, life-cycle, tenancy management and financing costs. The payments comprise two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

Bundle 1

Bundle 1 was completed in Q2 2021, and provides 534 units across six sites in the Greater Dublin Area. Two of the sites are located in Dublin City, with one each in South Dublin, Kildare, Wicklow and Louth. Dublin City Council was appointed to act as the lead local authority and contracting authority for the delivery of Bundle 1.

Bundle 2

Bundle 2 was completed in Q4 2021 and provides 465 units across eight sites. Three of the sites are located in the Cork County local authority area, with one each in Galway City, Waterford, Clare, Kildare and Roscommon. Cork County Council is acting as lead local authority and contracting authority for Bundle 2.

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Project total 2021 [b]	Project total 2020
	€000	€000	€000	€000	€000
Bundle 1 [a]	1,498	24,702	313,526	339,726	339,631
Bundle 2 [a]	—	2,360	289,851	292,211	289,378
Total	**1,498**	**27,062**	**603,377**	**631,937**	**629,009**

Note [a] This table reflects unitary charge (UC) obligations for social housing PPP bundles undertaken to date, including projected VAT on construction and estimated VAT on the UC payments.

[b] The increases in the project totals in 2021 are due to higher than projected inflation in 2021. As is standard for PPP projects, the projections assume an annual inflation rate of 2% per annum on the indexable element of the UC. The updated figures include the actual inflation rate for 2021 which was higher than the 2% assumed rate. This impacts future years as the assumed 2% is then being applied to a higher base indexable element.

2.13 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	72	34

2.14 Contingent liabilities

The Department is involved in a number of legal proceedings, which may generate liabilities, depending on the outcome of current, pending and possible future EU and other legal actions. Any actual amount or the timing of potential liabilities is uncertain.

EU compliance: Derrybrien Windfarm:

During 2021, the Department paid two instalments of daily fines totalling €5.476 million. The fines relate to the Court of Justice of the Europe Union judgment in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm). The judgment required a retrospective environmental impact assessment to be carried out and a review of the planning permission. An Bord Pleanála refused the application on 4 February 2022 and the ESB subsequently decided to decommission the wind farm. Officials in the Department will meet with counterparts in the European Commission in due course to discuss the impact the An Bord Pleanála decision will have on the infringement case against the State, and the associated fines. However, there are ongoing daily fines in relation to this case, which could give rise to a potential liability of €5.5 million in 2022.

Defective Concrete Blocks Scheme:

The Defective Concrete Blocks Scheme is an exceptional voluntary contribution in the form of a grant scheme established by the Department and approved by Government to assist certain homeowners to remediate defects to their dwellings. This scheme will create an estimated call of €2.15 billion (excluding inflation) on Exchequer funds over a fifteen year period and will be legislated for under the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022.

Developer Provided Water Services Infrastructure Resolution Programme:

The Department introduced a multi-annual programme in 2019 to facilitate the progressive resolution for a subset of residential estates that are not taken in charge and do not have their water services networks connected to the public (Irish Water) network, by upgrading them or replacing them with sustainable solutions.

A number of funding programmes, with an estimated capital cost of €293 million will be required to fully and progressively resolve estates with developer provided infrastructure. The first round of allocations amounting to €3.36 million, announced by the Minister in September 2020, is the first wave, and includes a small number of demonstration projects for investment under the multi-annual programme. A study is currently being carried out by Irish Water to better inform the estimated cost to resolve developer provided infrastructure.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021			2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	83,306			
	Supplementary	880			
			84,186	79,557	74,562
ii	Travel and subsistence		2,233	978	1,002
iii	Training and development and incidental expenses		2,538	2,124	1,792
iv	Postal and telecommunications services		1,481	1,296	1,000
v	Office equipment and external IT services				
	Original	21,709			
	Supplementary	735			
			22,444	14,236	10,728
vi	Office premises expenses		4,247	2,542	2,025
vii	Consultancy services and value for money and policy reviews		83	—	14
viii	Research (statistics and economics)		199	72	1
ix	Protected disclosures (investigation services)		80	38	39
x	Recruitment and HR operations		332	265	60
			117,823	**101,108**	**91,223**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €2.233 million; outturn €978,000

The expenditure was €1.255 million lower than the estimate provision due to lower than anticipated expenditure on travel as a result of the restrictions imposed in relation to the Covid-19 Pandemic.

v Office equipment and external IT services

Estimate provision €21.709 million; outturn €14.236 million

This subhead includes a supplementary estimate of €735,000, which transferred into the Department as part of the transfer of the functions from DTCAGSM. Overall the expenditure was €8.208 million lower than the estimate mainly due to the effects of the Covid-19 pandemic. Interruptions in the global supply chain resulted in delays to significant capital projects and upgrades scheduled by Met Eireann and the Department's ICT Unit. External resource intensive projects were also delayed as was the central procurement of enterprise project management tool. Migration to SharePoint online and centralised build to share applications resulted in reduced costs.

vi Office premises expenses

Estimate provision €4.247 million; outturn €2.542 million

The expenditure was €1.705 million lower than the estimate provision due to the Custom House masterplan and other capital projects not being completed in 2021, because of the shutdown of the construction sector due to Covid-19.

viii Research (statistics and economics)

Estimate provision €199,000; outturn €72,000

The expenditure was €127,094 lower than the estimate provision due to Covid-19 restrictions which inhibited the initiation of relevant research and review projects.

Programme A Housing

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		15,481	17,244	17,409
A.2	Administration − non pay		3,471	2,320	3,135
A.3	Local authority housing				
	Estimate provision	1,078,559			
	Deferred surrender	58,000			
			1,136,559	960,676	890,575
A.4	Social housing current expenditure programme		250,000	271,900	197,357
A.5	Rental accommodation scheme		133,000	121,995	132,964
A.6	Housing assistance payment scheme		558,000	541,693	464,649
A.7	Capital assistance scheme		96,000	93,047	90,749
A.8	Capital loans and subsidy scheme		54,500	53,880	53,087
A.9	Communal facilities		500	122	78
A.10	Mortgage to rent		23,000	13,988	11,732
A.11	Capital advance leasing facility		220,350	220,350	158,799
A.12	Traveller accommodation and support		21,310	21,301	19,818
A.13	Accommodation for homeless		218,000	223,500	270,900
A.14	Housing for people with a disability and older people		1,370	838	512
A.15	Estate regeneration/remedial works		73,000	43,779	65,203
A.16	Energy efficiency - retrofitting				
	Estimate provision	25,000			
	Deferred surrender	40,000			
			65,000	25,284	66,092
A.17	Repair and leasing scheme		11,000	4,276	4,003
A.18	Private housing grants		60,000	53,990	44,407
A.19	Mortgage allowances		500	471	408
A.20	Affordable housing/shared ownership subsidy		3,000	1,855	2,325
A.21	Infrastructure fund		88,000	19,903	31,650

A.22	Pyrite and mica remediation – cash limited				
	Estimate provision	21,000			
	Deferred surrender	19,000			
			40,000	19,050	13,775
A.23	Housing and Sustainable Communities Agency		10,875	9,456	8,750
A.24	Residential Tenancies Board		11,012	11,012	6,870
A.25	Rental accommodation inspection		12,500	5,263	4,555
A.26	Approved Housing Bodies Regularity Authority		1,274	1,050	—
A.27	Planned maintenance/voids		13,000	32,146	—
A.28	Affordable shared equity and cost rental		110,000	9,253	—
A.29	Other services		3,194	3,033	1,982
			3,233,896	**2,782,675**	**2,561,784**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €451.2 million lower than originally provided. There was an over spend of €612,000 related to administration expenditure which has already been explained. Although Programme A shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €451.8 million, was mainly due to the following.

A.3 Local authority housing

Estimate provision €1.137 billion; outturn €960.676 million

This subhead includes deferred surrender of €58 million carried forward from 2020. Overall the expenditure was €175.883 million lower than the estimate provision due mainly to the impact of the enhanced Level 5 Covid-19 restrictions introduced in January, which resulted in most residential construction being halted for over three months, impacting both delivery and expenditure under the subhead.

In 2021, the Department had a build target of 3,362 units (not including Part Vs and PPPs). Covid-19 related construction delays meant housing delivery was impacted resulting in the delivery of 1,381 units. While the subhead did not deliver on the local authority social housing targets, significant progress was made on advancing housing projects through the on-site construction phase. At end-2021, there were a number of social homes on site/under construction that incurred significant expenditure in 2021 even though, due to Covid-19 related delays, they did not reach completion stage within the year.

A.4 Social housing current expenditure programme

Estimate provision €250 million; outturn €271.9 million

The increase in expenditure of €21.9 million relative to the estimate provision was mainly due to an increase in initial claims of c.1,000 properties in 2021 (3,749 in 2020 compared to 4,757 in 2021) which had the effect of increasing the costs of both new unit claims and the quarterly claims on existing units throughout the year.

A.5 Rental accommodation scheme

Estimate provision €133 million; outturn €121.995 million

The expenditure was €11.005 million lower than the estimate provision mainly due to changes to the RAS recoupment procedures for rental payments to private landlords introduced in 2021, and an increased number of exits from RAS during the year.

A.9 Communal facilities

Estimate provision €500,000; outturn €121,534

Communal facility projects are additional facilities to complement Capital Assistance Scheme construction projects. The expenditure was €378,466 lower than the estimate provision due to construction related working restrictions caused by Covid-19 and the programme being demand led.

A.10 Mortgage to Rent

Estimate provision €23 million; outturn €13.988 million

The expenditure was €9.012 million lower than the estimate provision mainly due to the continued impact of Covid-19 restrictions which led to ongoing delays in closing Mortgage to Rent (MTR) transactions. In addition, Covid-19 restrictions on building works meant there was a reduced number of capital claims for repair works to MTR properties received from local authorities. In 2021, additional scheme expenditure of €1.755 million was funded from LPT, partly offsetting the underspend.

A.14 Housing for people with a disability and older people

Estimate provision €1.37 million; outturn €838,000

The expenditure was €532,269 lower than the estimate provision due mainly to the full allocation of €300,000 for Tenancy Sustainment Officers (TSO) for persons with a mental health disability not being spent. A number of the TSOs are part-time which means that the full salary does not apply. In addition €500,000 capital funding approved for the introduction of a housing grant scheme for older people to allow them to remain living in their existing homes rather than moving into residential care was not allocated due to legal issues being identified that prevented the scheme going ahead.

A.15 Estate regeneration/remedial works

Estimate provision €73 million; outturn €43.779 million

The expenditure was €29.221 million lower than the estimate provision due to the effects of Covid-19 site shutdowns and supply chain issues encountered by local authorities. Savings were also incurred on remedial works and Disabled Persons Grant scheme due to local authorities' inability to secure contractors to carry out the works within the year they were sanctioned.

A.16 Energy efficiency - retrofitting

Estimate provision €65 million; outturn €25.284 million

This subhead includes deferred surrender of €40 million carried forward from 2020. Overall the expenditure was €39.716 million lower than the estimate provision due to the restrictions imposed on the construction sector and delays experienced on the implementation of the programme by the local authorities as a result of the impact of Covid-19, which resulted in lower than anticipated expenditure.

A.17 Repair and leasing scheme

Estimate provision €11 million; outturn €4.276 million

The expenditure was €6.724 million lower than the estimate provision partially due to Covid-19 restrictions which impacted both on delivery and the carrying out of a survey of vacant units.

A.18 Private housing grants

Estimate provision €60 million; outturn €53.99 million

The expenditure was €6.01 million lower than the estimate provision due to difficulty in delivering the targeted level of grants (10,700 grants in line with programme for Government commitments) owing to the impact of Covid-19 restrictions which resulted in the majority of local authorities being unable to achieve full drawdown of their allocations as Government restrictions curtailed the activities of technical staff, occupational therapist resources and the availability of construction resources, leaving approved applications incomplete and unable to proceed to recoupment stage.

A.20 Affordable housing/shared ownership subsidy

Estimate provision €3 million; outturn €1.855 million

The underspend of €1.145 million relative to the estimate provision was due to a lower than anticipated number of eligible households under the affordable housing and shared ownership schemes, (these schemes are not live to new applicants so only previously approved households can fall in and out of qualifying for the subsidy as the economy turns). As the economy improved in 2021 applicants, who were originally approved under the schemes, fell outside the qualifying income bands for the affordable housing and shared ownership schemes, leaving expenditure lower than anticipated.

A.21 Infrastructure fund

Estimate provision €88 million; outturn €19.903 million

The expenditure was €68.097 million lower than the estimate provision mainly due to slow take-up and subsequent reform of the Serviced Sites Fund (SSF). With only four grant agreements having been signed between the Department and local authorities of the 40 SSF projects with approval in principle, and by end 2021 only three SSF projects being on site, the fund was reformed and is now the Affordable Housing Fund (AHF), accepting applications for new projects or reapplications of existing SSF projects since Sept 2021. AHF approved projects are only now proceeding to expenditure phase.

The Local Infrastructure Housing Activation Fund spend was lower than expected in 2021 due to the impact of the Level 5 Covid-19 restrictions imposed in the first half of 2021, which resulted in reduced activity and a lower quantity of claims being submitted. Some projects anticipated to commence in 2021 did not do so mainly due to planning and financing issues.

A.22 Pyrite and mica remediation — cash limited

Estimate provision €40 million; outturn €19.05 million

This subhead includes deferred surrender of €19 million carried forward from 2020. Overall the expenditure was €20.95 million lower than the estimate provision and is attributed to remediation output being lower than estimated due to Covid-19 restrictions affecting the scheduling and implementation of remediation works. The mica remediation scheme only became open to applicants in June 2020, and along with the implementation of a working group on defective concrete blocks, applications submitted slowed in 2021.

A.23 Housing and Sustainable Communities Agency

Estimate provision €10.875 million; outturn €9.456 million

The expenditure was €1.419 million lower than the estimate provision of which €0.548 million relates to set up costs of the Approved Housing Body Regulatory Authority being delayed and not incurred by the Housing Agency, with €0.430 million relating to a number of vacancies being unfilled by the Housing Agency as budgeted. In addition, due to Covid-19 restrictions planned events moved online leading to savings.

A.25 Rental accommodation inspection

Estimate provision €12.5 million; outturn €5.263 million

The expenditure was €7.237 million lower than the estimate provision as the Department’s subvention to local authorities is based on the number of minimum rental standards regulations compliance inspections undertaken on dwellings, which were severely impacted due to pandemic restrictions in 2021.

A.26 Approved Housing Bodies Regulatory Authority

Estimate provision €1.274 million; outturn €1.05 million

The Approved Housing Bodies Regulatory Authority was formally established in February 2021. As it developed its work programme during the year, it was expected that there would be variations in what was deliverable/achievable in 2021. The underspend of €223,660 lower than the estimate provision is due mainly to ICT implementation being phased in over three years instead of one large spend in 2021.

A.27 Planned maintenance/voids

Estimate provision €13 million; outturn €32.146 million

In 2021, the voids programme received an additional allocation of €31.2 million, which facilitated the return to active use of 1,475 units over initial projections. These additional units were required as part of mitigation activity given the significant impact of construction sector closures on new build delivery.

A.28 Affordable shared equity and cost rental

Estimate provision €110 million; outturn €9.253 million

The exchequer expenditure was €100.747 million lower than the estimate provision due mainly to the affordable shared equity scheme (First Home Scheme), where the anticipated launch date of the scheme was revised to Q2 2022, due to the complex nature of the design of the product and establishment of the vehicle to deliver same. The spend on the cost rental equity loan was also less than projected as projects that were scheduled to be completed in 2021 slipped in to 2022 largely due to delays from the Level 5 Covid-19 restrictions.

A.29 Other services

Estimate provision €3.194 million; outturn €3.033 million

The expenditure was €161,216 lower than the estimate provision due to the impact of Covid-19 restrictions which meant that a number of planning and housing research projects were not completed in 2021. Expenditure on legal services also varied to the estimated provision as this is a demand led area and is not possible to predict costs or payment schedules for legal cases.

Programme B Water

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		3,525	5,754	5,686
B.2	Administration − non pay		789	596	828
B.3	Water quality programme		26,213	21,423	22,618
B.4	Rural water programme		56,500	48,056	43,988
B.5	Irish Water				
	Estimate provision	1,296,200			
	Deferred surrender	10,000			
			1,306,200	1,276,059	1,303,189
B.6	Local authorities		13,590	17,892	12,374
B.7	Legacy water environmental issues		5,000	165	43
B.8	Marine environment		3,200	1,507	945
B.9	Water Advisory Body		320	48	18
B.10	Other services		34	124	5
			1,415,371	**1,371,624**	**1,389,694**

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 €43.747 million lower than originally provided. There was an overspend of €2.036 million which related to administration expenditure and has already been explained. Although Programme B shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €45.783 million, was mainly due to the following.

B.3 Water quality programme

Estimate provision €26.213 million; outturn €21.423 million

The expenditure was €4.79 million lower than the estimate provision as there were underspends on a number of Water Framework Directive programmes due to decreased activity as a result of Covid-19 restrictions in the first half of the year. Furthermore, the publication of the draft river basin management plan was delayed which meant that many events and activities planned around this were postponed. In addition there was a significant underspend on EU INTERREG V (environment measures) programme because the drawdown by projects was slower than anticipated.

B.4 Rural water programme

Estimate provision €56.5 million; outturn €48.056 million

The expenditure was €8.444 million lower than the estimate provision in both capital and current expenditure due to planning issues associated with projects, Covid-19 restrictions and shortages in local authority staff resources.

B.6 Local authorities

Estimate provision €13.59 million; outturn €17.892 million

The increase in expenditure of €4.302 million relative to the estimate provision was mainly due to an opportunity that arose to make an early repayment on an outstanding legacy water services loan by a local authority with potential Exchequer savings of €1.7 million over the life of the loan.

B.7 Legacy water environmental issues

Estimate provision €5 million; outturn €165,000

The expenditure was €4.835 million lower than the estimate provision mainly because the claims under the Developer Provided Infrastructure programme were slower than anticipated due to the necessity of local authorities to engage with stakeholders (landowners, Irish Water), planning issues, procurement, therefore it takes considerable time for the projects to reach completion.

The lead remediation grant scheme is a demand-led scheme and expenditure can be difficult to predict. The Department is currently examining how uptake of this scheme can be improved.

B.8 Marine environment

Estimate provision €3.2 million; outturn €1.507 million

The expenditure was €1.693 million lower than the estimate provision due to an accumulation of Covid-19 restrictions impacting on a number of work programmes and research projects. This includes anticipated work by the Marine Institute under the multiannual service level agreement 2019 to 2023 where funding was not drawn down as expected.

B.9 Water Advisory Body

Estimate provision €320,000; outturn €48,000

The expenditure was €272,000 lower than the estimate provision due to the impact of Covid-19 restrictions on the programmes of the Water Advisory Body. All meetings were held online and therefore no travel or meeting expenses were incurred. There was also no conference fees, and the anticipated spend on training was not incurred due to the restrictions.

Programme C Local Government

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
C.1	Administration − pay		7,971	9,810	10,728
C.2	Administration − non pay		1,785	1,253	1,752
C.3	Local Government Fund				
	Original	192,331			
	Supplementary	197,300			
			389,631	699,300	1,056,060
C.4	Fire and emergency services		18,366	8,399	15,557
C.5	Franchise		3,040	622	365
C.6	Other services		1,591	833	1,667
			422,384	**720,217**	**1,086,129**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €297.833 million higher than originally provided. There was an overspend of €1.307 million, which related to administration expenditure and has already been explained. Although Programme C shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an overspend of €296.526 million, was mainly due to the following.

C.3 Local Government Fund

Estimate provision €192.331million; outturn €699.3 million

The increase in expenditure relative to the estimate provision was mainly due to the need for additional Covid-19 supports in 2021. The total support provided was €558.9 million. The additional cost of this support to the Exchequer was €507.3 million, as €51.6 million came from existing balances in the Fund (€38.4 million from a carryover of 2020 Covid-19 support and €13.2 million from Fund reserves). €197.3 million of Exchequer funding was provided via the supplementary estimate, while a €310 million virement covered the balance.

C.4 Fire and emergency services

Estimate provision €18.366 million; outturn €8.399 million

The expenditure was €9.967 million lower than the estimate provision as construction projects of fire stations were delayed as a direct impact of Covid-19 restrictions. Other major expenditure on specialist fire appliances, whose lead time has now stretched to two years, have also been massively impacted.

C.5 Franchise

Estimate provision €3.040 million; outturn €622,000

The expenditure was €2.418 million lower than the estimate provision due to the establishment of the Electoral Commission having not yet progressed to the point of incurring ICT expenditure, along with slower progress than anticipated on the development of a number of aspects of the electoral register modernisation project.

C.6 Other services

Estimate provision €1.591 million; outturn €833,000

The expenditure was €757,935 lower than the estimate provision due to factors including €500,000 of expenditure not required to be recouped in regard to the malicious injuries subhead, €128,600 lower expenditure than expected relating to the INSPIRE Project, an ongoing legal commitment under EU Directive, as some data providers were not in a position to request services, and €170,000 of expenditure on legal services. This is a demand led area and is not possible to predict costs or payment schedules for legal cases, while expenditure increased by €52,000 in relation to damage caused by storms, which varies from year to year.

Programme D Planning

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		5,747	4,097	5,000
D.2	Administration − non pay		1,288	767	1,345
D.3	An Bord Pleanála		17,127	17,127	19,531
D.4	Planning Tribunal		4,000	657	4,322
D.5	Office of the Planning Regulator		3,088	2,992	2,481
D.6	Planning policy		725	715	366
D.7	National, regional and urban planning		275	163	219
D.8	My plan		185	152	115
D.9	Urban renewal/regeneration				
	Estimate provision	66,010			
	Deferred surrender	84,000			
			150,010	40,898	39,564
D.10	Development contribution rebate scheme		1	—	—
D.11	Ordnance Survey Ireland		18,658	18,625	18,055
D.12	Land Development Agency		65,000	16,600	14,100
D.13	Foreshore		3,340	765	803
D.14	Marine spatial planning		1,050	783	188
D.15	Environmental planning policy		350	36	65
D.16	Other services		2,410	5,477	7,750
			273,254	**109,854**	**113,904**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €163.4 million lower than originally provided. There was an underspend of €2.171 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €161.229 million, was mainly due to the following.

D.4 Planning Tribunal

Estimate provision €4 million; outturn €657,000

The expenditure was €3.343 million lower than the estimate provision due to the number of legal cost claims settled in 2021 being lower than expected. The Department has no control over third party legal costs awarded by the Tribunal of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

D.7 National regional and urban planning

Estimate provision €275,000; outturn €163,000

The expenditure was €111,541 lower than the estimate provision as a series of S.28 Guidelines expected to be published in 2021 could not be sufficiently progressed due to Covid-19 restrictions, associated costs relating to their publication did not therefore arise in 2021. In addition, ESRI research in 2021 was less than envisaged**.**

D.9 Urban renewal/regeneration

Estimate provision €150.01 million; outturn €40.898 million

This subhead includes deferred surrender of €84 million carried forward from 2020. Overall the expenditure was €109.112 million lower than the estimate provision due to the nature and type of the projects supported by the URDF programme (new capital programmes take time to establish) and the shutdown of construction projects in 2021 as a result of Covid-19 restrictions, which resulted in a slow-down in the advancement of projects and project costs falling well short of the provision for 2021.

D.12 Land Development Agency

Estimate provision €65 million; outturn €16.6 million

The expenditure was €48.4 million lower than the estimate provision primarily as anticipated construction, due to commence in 2021, was delayed as a consequence of Covid-19 restrictions. In addition, the planning application for the Devoy Barracks site in Naas was refused.

D.13 Foreshore

Estimate provision €3.34 million; outturn €765,000

The expenditure was €2.575 million lower than the estimate provision due to a number of provisions not materialising during the year. This includes a provision for Foreshore contingencies and anticipated settlements of some legal cases that did not occur in 2021. The spend on legal fees and valuations was also less than anticipated.

D.14 Marine spatial planning

Estimate provision €1.05 million; outturn €783,000

The expenditure was €267,155 lower than the estimate provision due to the impact of Covid-19 restrictions, where many elements of the final National Marine Planning framework had to be delayed or cancelled. An underspend also materialised due to a delay in posts being filled under the service level agreement between the Department, the Department of Agriculture, Food and the Marine and the Marine Institute due to Covid-19 restrictions.

D.15 Environmental planning policy

Estimate provision €350,000; outturn €36,000

The expenditure was €313,775 lower than the estimate provision, a key factor impacting the underspend related to a portion of the units' resources having to be diverted away from its work programme to focus on progressing essential legislation needed as a direct result of the Covid-19 pandemic. In addition the EIA Traffic Light Review was delayed due to the unit having to re tender for a new consultant.

D.16 Other services

Estimate provision €2.41 million; outturn €5.477 million

There was a net increase in subhead expenditure of €3.067 million. Unplanned spending of €5.066 million was required in respect of the European Court of Justice penalties in regard to case C-261/18 – Derrybrien Wind Farm. This was partly offset by an underspend of €2 million in relation to the Cork Event Centre, the development of which is a matter for Cork City Council, due to the project not advancing and no expenditure therefore having been incurred.

Programme E Met Éireann

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
E.1	Administration − pay	15,021	13,816	13,573
E.2	Administration − non pay	17,600	11,145	8,577
E.3	Subs to international meteorological organisations	8,100	7,729	5,101
E.4	Flood forecasting and warning service	2,100	969	1,016
		42,821	**33,659**	**28,267**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €9.162 million lower than originally provided. There was an underspend of €7.66 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.502 million, was mainly due to the following.

E.4 Flood forecasting and warning service

Estimate provision €2.1 million; outturn €969,000

The expenditure was €1.131 million lower than the estimate provision due to the new modelling systems not yet operational and variances experienced due to delays in both the tender process and staff recruitment.

Programme F Heritage

		Estimate provision	2021 Outturn	2020 Outturn
			€000	€000	€000
F.1	Administration – pay				
	Original	35,561			
	Supplementary	880			
			36,441	28,836	22,166
F.2	Administration − non pay				
	Original	7,969			
	Supplementary	735			
			8,704	5,470	1,024
F.3	Heritage Council (part funded by National Lottery)		9,561	9,651	7,394
F.4	Built Heritage		9,970	10,396	7,165
F.5	Natural heritage (National Parks and Wildlife Service)		28,882	25,794	17,979
F.6	Irish Heritage Trust		1,150	2,150	650
F.7	Built heritage investment scheme		3,000	2,906	2,404
F.8	Peatlands restoration, conservation and management				
	Estimate provision	14,000			
	Deferred surrender	3,000			
			17,000	9,874	6,988
F.9	Waterways Ireland		28,918	29,918	27,013
			143,626	**124,995**	**92,783**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme F was €18.631 million lower than originally provided. There was an underspend of €10.839 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €7.792 million, was mainly due to the following.

F.5 Natural heritage (National Parks and Wildlife Service)

Estimate provision €28.882 million; outturn €25.794 million

The expenditure was €3.088 million lower than the estimate provision largely as a result of delays in processing of farm plan payments due to limited farm advisor capability and more generally due to limited contractor availability across the suite of projects run by the Science and Biodiversity Unit, although the anticipated level of grants awarded under the peatlands community engagement scheme was also not realised.

F.6 Irish Heritage Trust

Estimate provision €1.15 million; outturn €2.15 million

The increase in expenditure of €1 million relative to the estimate provision was to allow Irish Heritage Trust to complete essential projects at Fota House and Johnstown Castle.

F.8 Peatlands restoration, conservation and management

Estimate provision €17 million; outturn €9.874 million

This subhead includes deferred surrender of €3 million carried forward from 2020. Overall the expenditure was €7.126 million lower than the estimate provision due to a stakeholder consultation being significantly impacted by the Covid-19 restrictions, which led to a delay in the roll out of a Financial Incentive Scheme and the commencement of works on lands on some sites. Some larger land purchases were also delayed due to conveyancing matters and some peatland sites to be developed did not progress as expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees payable by local authorities, etc., for audit of their accounts	1,956	2,168	1,747
2	Receipts from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation) Act, 2005)	741	741	741
3	Met Éireann receipts	12,000	10,596	6,361
4	Miscellaneous receipts	755	652	1,060
5	Foreshore receipts	2,400	2,300	1,776
6	OSI	420	395	377
7	Receipts from pension related deduction on remuneration	35,978	40,516	36,002
8	ERDF receipts INTERREG V environment measures	4,000	5,502	4,073
9	Dormant Accounts Fund – Housing First Implementation	3,000	3,000	3,000
10	ERDF receipts – INTERREG Atlantic Area Programme	108	—	—
11	ERDF receipts – RAGES Project	14	—	15
12	Services and charges at national parks and wildlife sites	465	161	137
13	Rents (incl receipts from lettings and fishing rights etc.)	95	45	29
	Total	**61,932**	**66,076**	**55,318**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, the appropriation-in-aid were €4.144 million less than the estimate. Explanations for the variances are set out below.

1 Fees payable by local authorities, etc., for audit of their accounts

Estimate €1.956 million; realised: €2.168 million

The increase of €211,999 was because demands for audit fees are issued on an ongoing basis as audits are completed and the programme was more timely than expected in 2021.

3 Met Éireann receipts

Estimate €12 million; realised: €10.596 million

The shortfall of €1.404 million was due to delays to expected receipts for aviation charges as a result of the impact of the Covid-19 restrictions.

4 Miscellaneous receipts

Estimate €755,000; realised: €652,000

The shortfall of €103,048 was because miscellaneous receipts are difficult to predict reliably.

7 Receipts from pension related deduction on remuneration

Estimate €35.978 million; realised: €40.516 million

The increase of €4.538 million was mainly due to an increased level of recruitment and remuneration in the local authority sector along with some 2020 superannuation contributions being received in 2021.

8 ERDF receipts INTERREG V environment measures

Estimate €4 million; realised €5.502 million

The increase of €1.502 million relates directly to drawdown in B.3.4, this can vary based on how much is drawn down in any one year.

10 ERDF receipts – INTERREG Atlantic Area Programme

Estimate €108,000; realised: €nil

The shortfall of €108,000 was mainly due to all INTERREG projects supported by Marine Environment Section being impacted by Covid-19 restrictions. In addition, there are ongoing issues with the INTERREG Atlantic Area IT portal operated by the EU, effecting the submission of financial claims.

12 Services and charges at national parks and wildlife sites

Estimate €465,000; realised: €161,000

The shortfall of €303,447 was due to the Covid-19 restrictions. While our parks and outdoor spaces remained open, the lockdown originally resulted in the closure of our visitor centres and then limited the capacity of centres upon re-opening. This impacted entrance fee receipts.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	503	3,423
Residential Tenancies Board pension contributions	193	91
Refunds	61	—
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	10	—
Foreshore lease	—	3,066
Recoveries under Pyrite Resolution Act 2013	—	2,330
Transferred to the Exchequer	(767)	(8,910)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	1,366	1,207
Ordnance Survey Ireland	213	220
Local Government Management Agency	102	104
An Bord Pleanála	180	184
Residential Tenancies Board	89	89
Housing and Sustainable Communities Agency	118	111
Housing Finance Agency	15	15
Office of the Planning Regulator	24	21
Land Development Agency	54	39
The Heritage Council	19	13
Waterways Ireland	344	333
Total	**2,524**	**2,336**

5.2 Pay – Department

	2021 €000	2020 €000
Pay	71,534	66,516
Higher, special or additional duties allowances	474	721
Other allowances	1,718	1,711
Overtime	1,075	1,028
Employer's PRSI	6,259	5,613
Total pay	**81,060**	**75,589**

5.2 Pay – agencies

	2021 €000	2020 €000
Pay	59,831	54,652
Higher, special or additional duties allowances	90	87
Other allowances	994	937
Overtime	1,008	695
Employer's PRSI	5,589	4,966
Total pay	**67,512**	**61,337**

5.3 Allowances and overtime payments – Department [a]

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	211	15	22,002	27,290
Other allowances	187	79	28,676	28,134
Overtime	238	28	32,613	31,120
Extra remuneration in more than one category	208	77	40,805	48,159

Note [a] The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to F.

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	37	2	17,960	23,325
Other allowances	295	26	15,680	15,556
Overtime	296	26	23,614	30,663
Extra remuneration in more than one category	203	67	13,276	25,014

5.4 Other remuneration arrangements

Eighteen retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €79,448. The payments were consistent with the principles of the Public Service Pensions (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €192,695 in respect of three officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	39	133,688	69,799
Recovery plans in place	14	30,628	20,422

One individual with an overpayment to the value of €236 transferred into the Department during the year.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's annual gross salary is €213,859 (as at 31 December 2020, €211,742).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2021	2021	2020
		€000	€000	€000
Tribunal of inquiry into certain planning matters and payments [a]	1997	141,301	658	4,322

Note [a] There will be further payments associated with the Tribunal. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. On the basis of a Tribunal estimate and expenditure to the end of 2021, additional costs of some €5 million may arise, primarily relating to third party legal representation.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year [a, b]

	Claims by			Total	Total
	employees	members of the public	EU fines	2021	2020
Number of cases	3	21	1	25	14
	€000	€000	€000	€000	€000
Department's own legal costs	—	—	—	—	49
EU fines [c]	—	—	5,476	5,476	7,745
Payments by/on behalf of Department					
Compensation	7	81	—	88	529
Legal costs	6	609	—	615	283
Other legal costs	—	13	—	13	—
Total	**13**	**703**	**5,476**	**6,192**	**8,606**

Notes [a] At 31st December 2021, the following claims are outstanding

- Personal injury: 4 (2020:2)
- Other claims: 1 (2020: 1)
- EU fines: 1 (2020: 1)

[b] At 31st December 2021, the Department has included in other creditors due, €244,600 (2020: Nil) being the total outstanding legal costs due to the State Claims Agency.

[c] The Department paid two instalments of daily fines totalling €5.476 million in 2021. The fines relate to the Court of Justice of the Europe Union judgment in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm), and are in line with Department of Public Expenditure and Reform sanction. This Department is working closely with Department of the Environment, Climate and Communications and the Department of Public Expenditure and Reform with respect to the resolution of the judgment and the payment of the daily fines.

Cumulative costs of cases completed in 2021

	Claims by		Total
	employees	members of the public	
Number of cases	2	13	15
	€000	€000	€000
Department's own legal costs	—	212	212
Payments by/on behalf of Department			
Compensation	2	85	87
Legal costs	6	194	200
Other costs	—	40	40
Total	**8**	**531**	**539**

6.3 Late payment interest

	2021	2020
	€	€
Total of interest and compensation payments	**10,384**	**13,385**

6.4 National Lottery funding

		2021 Estimate	2021 Outturn	2020 Outturn
		€000	€000	€000
Subhead description				
A.9	Communal facilities	500	122	78
A.18	Private housing grants	6,121	6,121	5,829
F.3	Heritage Council	9,561	9,651	7,394
		16,182	**15,894**	**13,301**

These payments are part funded by the National Lottery and details are available on the Department's website: https://www.gov.ie/en/collection/129d3-national-lottery-funding/

6.5 EU funding

The outturn shown in Subhead B.3 includes payments in respect of activities which are co-financed by the European Regional Development Fund. Estimates of expenditure and actual outturns were as follows.

		2021 Estimate	2021 Outturn	2020 Outturn
		€000	€000	€000
Subhead description				
B.3	Water quality programme	5,572	3,972	5,472

6.6 Fraud and suspected fraud

The Department is aware of an alleged fraud involving a local authority relating to payments for the provision of water services. This case is under investigation by An Garda Síochána and the Department awaits the outcome of the investigation

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €275.8 million in capital expenditures in the following subheads that were carried over to 2022.

		€000
A.3	Local authority housing	175,000
A.7	Capital assistance scheme	2,900
A.10	Mortgage to rent	1,000
A.14	Housing for people with a disability and older people	500
A.15	Estate regeneration/remedial works	4,200
A.16	Energy efficiency - retrofitting	20,500
A.21	Infrastructure fund	30,500
A.22	Pyrite and mica remediation – cash limited	700
A.27	Planned maintenance/voids	12,000
D.9	Urban renewal/regeneration	25,000
F.8	Peatlands restoration, conservation and management	3,500
		275,800

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2021 €000	2020 €000
Opening balance	8,385	14,111
Receipts	—	—
Expenditure for the year	(1,702)	(5,726)
	6,683	**8,385**

The Urban Development Fund is a European Regional Development Fund (ERDF) programme to support integrated regeneration initiatives in designated urban centres. The scheme is operated by regional assemblies who are managing authorities responsible for verifying eligible expenditure on approved projects. The Department makes funds available (on instruction by the managing authority and subject to the managing authority's verification) to reimburse local authorities on a matching funding basis. Applications for eligibility under the Fund were adjudicated on in December 2015 with the programme running for the period to the end of 2020. Payments under the programme will continue until early 2023. The balance in the Fund reflects pre-financing made available from the ERDF pending receipt of verified claims in respect of projects concerned.

7.2 Housing Agency Revolving Acquisitions Fund

	2021 €000	2020 €000
Opening balance	68,460	69,393
Non-recoverable costs [a]	(413)	(983)
Rental income	23	50
Closing balance at 31 December	**68,070**	**68,460**

Note [a] Certain costs incurred by the Housing Agency (HA) such as legal and professional fees and other housing acquisition costs are non-recoverable and therefore reduce the overall balance of the Fund. The non-recoverable costs figure for 2021 is €412,607.

The Housing Agency Acquisitions (HAA) fund, which is a revolving fund, was established with effect from 1 January 2017 with the objective of acquiring some 1,600 units over the period to 2021 for social housing use. In the period since the fund's inception in 2017 to the end of 2021, the HA had acquired 868 properties. The HA is using this fund to acquire vacant properties from banks, investors and from the open market (primarily for Housing First properties) in areas with high levels of social housing demand. In doing this, the HA is working in close consultation with local authorities to ensure that suitable properties are only purchased in areas where there is a demand for social housing. The HA sells the houses, at cost, to approved housing bodies in order to replenish the fund. On completion of the programme, the HA will refund the Department any closing balance of the fund.

Although the HAA fund itself fell short of the 1,600 target, primarily due to market conditions, the existence of the HAA fund and the HA acquisition team associated with the fund have facilitated the acquisition of 1,490 homes for use as social housing from 2016-2021 [a]. At the end of Q4 2021, 868 [b] properties were acquired using the HAA fund. A further 52 properties were delivered under the HAA fund programme but bought directly by local authorities in 2019/2020 using capital funding through Social Housing Capital Investment Programme.

The HA also competed the acquisition of 572 properties while acting on behalf of local authorities.

Notes [a] Seed funding was provided by the Department in 2016 before the formal establishment of the fund.
[b] Issue arose with 2 of the properties acquired so they were subsequently sold on the open market and not used for social housing.

Appendix A Accounts of bodies and funds under the aegis of the Department of Housing, Local Government and Heritage

The following table lists the bodies and funds under the aegis of the Department in 2021 and where the Department has an obligation to present financial statements. It indicates, as at end March 2022, the period to which the last audited financial statements relate and the date on which 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
An Bord Pleanála	2020	30 Jun 2021	30 Jun 2021	14 Dec 2021
Ervia and Gas Networks Ireland	2020	30 Mar 2021	20 May 2021	23 Jul 2021
Housing Finance Agency	2020	25 Mar 2021	6 Jul 2021	13 Jul 2021
Housing and Sustainable Communities Agency [a]	2020	7 Dec 2021	18 Feb 2022	21 Apr 2022
Irish Water	2020	30 Mar 2021	20 May 2021	13 Sep 2021
Local Government Fund	2020	26 Nov 2021	26 Nov 2021	10 Dec 2021
Local Government Management Agency	2020	28 May 2021	16 Jul 2021	22 Jul 2021
Residential Tenancies Board	2020	15 Jun 2021	30 Jun 2021	13 Sep 2021
Ordnance Survey Ireland	2020	13 Dec 2021	15 Feb 2022	4 Mar 2022
Office of Planning Regulator	2020	11 Jun 2021	30 Jun 2021	30 Jul 2021
Land Development Agency	2020	17 Jun 2021	18 Jun 2021	20 Jan 2022
The Heritage Council	2020	29 Sep 2021	14 Oct 2021	2 Feb 2022
Waterways Ireland	2020	14 Dec 2021	—	—

Note [a] Includes Pyrite Resolution Board

Appropriation Account 2021

Vote 35

Army Pensions

Introduction

As Accounting Officer for Vote 35, 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 2021 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.73 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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 pension payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this 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, with an independent Chair, 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 Department
- there are systems aimed at ensuring the security of the ICT systems.

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. The internal audit unit operates independently and its work is informed by analysis of the financial risks to which the Department, including the Army Pensions Vote 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. During 2021 internal audit completed an audit in the Army Pensions Vote area. 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.

Compliance with procurement rules

I confirm that 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.

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 monthly 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practicable and appropriate, having regard to the nature of the work in the Department. As a result, the Department introduced a number of procedural and control changes. Under the Department'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.

Jacqui McCrum
Accounting Officer
Army Pensions

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 35 Army Pensions

Opinion on the appropriation account

I have audited the appropriation account for Vote 35 Army Pensions for the year ended 31 December 2021 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 35 Army Pensions for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Defence 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

28 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 35 Army Pensions

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision for Defence Forces' pension benefits	262,650	259,903	251,027
Gross expenditure		**262,650**	**259,903**	**251,027**
	Deduct			
B	**Appropriations-in-aid**	**5,000**	**4,983**	**4,986**
Net expenditure		**257,650**	**254,920**	**246,041**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**2,729,751**	**8,109,287**

Jacqui McCrum
Accounting Officer
Army Pensions

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

	2021	2020
		€000
Programme cost	259,835	250,963
Pay	64	61
Non pay	4	3
Gross expenditure	**259,903**	**251,027**
Deduct		
Appropriations-in-aid	**4,983**	**4,986**
Net expenditure	**254,920**	**246,041**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,875	2,793
Net programme cost	**257,795**	**248,834**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 35 borne elsewhere, in respect of the administration of pension benefits and other services.

		2021	2020
		€000	€000
Vote 18	National Shared Services Office	1,121	1,147
Vote 36	Defence	1,728	1,646
Vote 43	Office of the Government Chief Information Officer	26	—
		2,875	**2,793**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Current assets			
Bank and cash		2,819	51
Other debit balances		1	—
Total current assets		**2,820**	**51**
Less current liabilities			
Other credit balances	2.1	2,499	36
Net Exchequer funding	2.2	321	15
Total current liabilities		**2,820**	**51**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.3	**—**	**—**

2.1 Other credit balances

at 31 December	2021 €000	2020 €000
Amounts due to the State		
Income tax	2,054	1
Universal social charge	327	—
Local property tax	61	—
Professional services withholding tax	1	—
	2,443	1
Pension payments held in suspense	56	35
	2,499	**36**

2.2 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	2,730	8,109
Exchequer grant undrawn	(2,409)	(8,094)
Net Exchequer funding	**321**	**15**
Represented by:		
Debtors		
Bank and cash	2,819	51
Debit balances: suspense	1	—
	2,820	51
Creditors		
Due to the State	(2,443)	(1)
Credit balances: suspense	(56)	(35)
	(2,499)	(36)
	321	**15**

2.3 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	257,650		
Surplus to be surrendered	Account	(2,730)		
Net vote			254,920	246,041
Expenditure (cash) borne elsewhere	1.1		2,875	2,793
Net programme cost	1		(257,795)	(248,834)
Balance at 31 December			**—**	**—**

Note 3 Vote Expenditure

Programme A Provision for Defence Forces' pensions benefits

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	70	68	64
A.2	Defence Forces (pensions) schemes and payments in respect of transferred service	253,105	251,230	242,855
A.3	Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defences Forces	9,000	8,290	7,820
A.4	Payments to spouses of veterans of the War of Independence	150	104	154
A.5	Compensation payments	225	73	74
A.6	Medical appliances and travelling and incidental expenses	100	138	60
		262,650	**259,903**	**251,027**

Significant variations

Overall, the expenditure in relation to Programme A was €2.747 million lower than originally provided. The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.3 Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defences Forces

Estimate provision €9 million; outturn €8.29 million

The underspend of €710,000 is due to fewer than expected new disability pension and disablement lump sum awards coming into payment in 2021. Factors impacting on spend are the numbers and outcome of new disability pension applications. Because of its demand driven nature it is difficult to predict expenditure in this subhead from year to year. A further factor in 2021 was that the Army Pensions Board which investigates applications for disability pensions and disablement gratuities was unable to hold meetings at certain times during the year due to Covid-19 restrictions.

A.5 Compensation payments

Estimate provision €225,000; outturn €73,000

The underspend of €152,000 arises as the main 'contingency' element of this subhead provides for payment of special lump sum compensation by the Department of Defence for service-related deaths or disablement of members of the Defence Forces while serving overseas with the UN and certain other missions. There were no such payments in this category during 2021.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Contributions to Defence Forces Spouses' and Children's Pension Schemes	3,347	3,169	3,223
2	Contributions to Defence Forces Contributory (Main) Pensions Schemes	1,500	1,762	1,692
3	Recoveries of overpayments	40	48	70
4	Payments received in respect of transferred service	40	—	—
5	Miscellaneous	70	2	—
6	Receipts from additional superannuation contributions on public service remuneration	3	2	1
	Total	**5,000**	**4,983**	**4,986**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

1 Contributions to Defence Forces Spouses' and Children's Pension Schemes

Estimate €3.347 million; realised €3.169 million

The shortfall of €178,000 was due to the fact that contributions to the Spouses' and Children's Pension Schemes by serving Permanent Defence Force personnel were lower than anticipated. Contributions will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

2 Contributions to Defence Forces Contributory (Main) Pensions Schemes

Estimate €1.5 million; realised €1.762 million

The surplus of €262,000 was due to the fact that contributions to the pensions schemes by serving Permanent Defence Force personnel were higher than anticipated. Contributions will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Number of staff	**1**	**1**

5.2 Pay

	2021 €000	2020 €000
Pay	62	59
Employer's PRSI	2	2
Total pay [a]	**64**	**61**

Note [a] The pay figure above includes the salary of one full time Department of Defence staff member (see Note 5.1) who provides administrative support to the Army Pensions Board, and fees paid to two members of the Board in 2021.These pay costs and associated travel costs of €4,000 are charged to A.1 subhead.

Currently there are 23.9 employees (FTEs) of the Department of Defence engaged solely in the administration of Defence Forces superannuation and disability arrangements. Their remuneration, which amounts to some €1,149,000 is charged to Vote 36.

5.3 Retirement pension (annual) – average payments to retired Defence Force personnel [a]

Category of pensioner	Number of pension recipients at year-end		Average individual payment (rounded)	
	2021	2020	2021	2020
			€	€
Retired officers	1,854	1,853	32,580	32,100
Retired NCOs and privates	9,202	9,086	17,700	17,100
Dependants and other [b]	1,834	1,833		
Total	**12,890**	**12,772**		

Note [a] Table 5.3 shows the total headcount for all categories of recipients from all relevant subheads as at year-end within Vote 35. Some retired personnel are in receipt of both a military retirement pension and a military disability pension, and similar payments are also payable to some spouses/children of deceased personnel: such dual recipients are counted only once for headcount purposes above. The average individual pension payment recorded for retired personnel is calculated by reference to total expenditure on retirement pensions as at year-end under subhead A2.

[b] The average individual payment has not been recorded above under 'dependants and other' as the amounts vary due to the different categories of recipients within this sub-group. The overall average dependants' superannuation-related pension for 1,417 recipients in 2021 was €9,500, broadly the same as in 2020.

5.4 Retirement gratuity (lump sum) – average payments where retiring on pension [a]

Category of pensioner	Number of recipients		Average individual payment (rounded)	
	2021	2020	2021	2020
			€	€
New retirees on pension during the year				
Officers	20	25	122,752	99,250
NCOs and privates	278	267	41,976	44,550
Total	**298**	**292**		

Note [a] The level of pension and retirement gratuity varies with retiring rank, pensionable earnings, overall reckonable service, etc.

5.5 Salary of Accounting Officer

The Accounting Officer's salary is charged to Vote 36 Defence.

Note 6 Miscellaneous

6.1 Payments in excess of entitlements

There were 91 overpayments outstanding at year end (2020: 83), amounting to €83,659, of which €31,617 relates to previous years. Overpayments of €129,869 came to light in 2021 of which €75,146 was recovered and €2,681 written off. Efforts are ongoing to recover outstanding amounts. The vast majority of these overpayments relate to the portion of pension paid in the period after the date of a pensioner's death, when the monthly payroll had already been processed for that month.

		2021	2020
	€	€	€
Opening balance		**64,686**	**54,224**
Overpayments identified in year		129,869	102,652
		194,555	156,876
Recouped			
Overpayments identified 2021	75,146		
Overpayments identified pre-2021	27,306	102,452	87,676
		92,103	69,200
Written off			
Overpayments identified 2021	2,681		
Overpayments identified pre-2021	5,763	8,444	4,514
Closing balance		**83,659**	**64,686**

6.2 Payments subject to public service pension abatement

Separately from the figures at 6.1 above, there were 16 other overpayments outstanding at year-end amounting to €53,969 (see table below). These were in respect of former members of the Permanent Defence Force in receipt of military retirement pensions, who had subsequently taken up employment elsewhere in the public service. Such pensions are subject to the abatement provisions of Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. In each case, the pension overpayments arose due to delays on the part of the relevant public service employer in notifying the Department of Defence of the pensioner's re-employment. Overpayments of €22,993 came to light in 2021 in respect of seven cases, of which €1,091 has been recovered.

		2021	2020
	€	€	€
Opening balance		**40,327**	**50,201**
Overpayments identified in the year		22,993	8,136
		63,320	58,337
Recouped			
Overpayments identified 2021	1,091		
Overpayments identified pre-2021	8,260	9,351	18,010
Closing balance		**53,969**	**40,327**

Appropriation Account 2021

Vote 36

Defence

Introduction

As Accounting Officer for Vote 36, 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 2021 for the salaries and expenses of the Office of the Minister for Defence, including certain services administered by that Office; for the pay and expenses of the Defence Forces; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €29.513 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, except for the following.

Stock valuation

Military stocks are valued at average cost. Air Corps stocks are valued at purchase price. Departmental stocks are valued at their most recent purchase price. Military and Air Corps stocks include certain items that have been refurbished.

Capital assets

The threshold for inclusion of capital asset additions for government departments and offices in the statement of capital assets increased to €10,000 for an individual asset with effect from 1 January 2021. Since this date, the Department of Defence continues to record additions to capital assets at individual values of less than €10,000.

Land and buildings are not valued and are not included in capital assets (note 2.1). A schedule of land and buildings administered by the Department of Defence is shown in appendix A. These are used for Defence Forces purposes and include unique and dedicated properties.

Payments under certain programmes for the development of Defence Forces equipment, including the purchase of aircraft and the refurbishment of armoured personnel carriers, are recorded as prepayments until they are brought into use, at which stage they are recorded as capital assets.

Capital assets under development

Payments in respect of the development of land and buildings administered by the Department of Defence are included as part of note 2.2 – capital assets under development. When such projects are completed, they are removed from capital assets under development. There is no transfer to the asset register as, in line with the policy noted above, land and buildings are not included in capital assets.

Depreciation

Military assets and Civil Defence motor vehicles are depreciated to residual values at rates varying between 3% and 20% per annum using the straight line method.

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 shared services for human resources and payroll.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this 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, with an independent Chair, 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 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.

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. The internal audit unit operates independently and 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.

Non-compliance with procurement rules

I confirm that 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 complied with the guidelines with the exception of 14 contracts (in excess of €25,000), totalling €461,289 (ex. VAT) in 2021 as follows:

- four contracts with a value of €57,711 were increased beyond the original estimated value
- three contracts with a value of €88,697 were awaiting completion of central purchasing arrangements
- seven contracts with a value of €314,881 were delayed pending the outcome of an internal policy review.

Each of these 14 contracts has been reviewed by the Department, and steps are being taken to bring these contracts into compliance with competitive procurement rules as quickly as possible.

The Department has provided details of 122 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 monthly 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 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.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practical and appropriate, having regard to the nature of the work in the Department. As a result, the Department has introduced a number of procedural and control changes. Under the Department'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 2021 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Department of Defence

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 36 Defence

Opinion on the appropriation account

I have audited the appropriation account for Vote 36 Defence for the year ended 31 December 2021 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 36 Defence for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Defence 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 36 Defence

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Defence policy and support, military capabilities and operational outputs	809,781	786,405	780,999
Gross expenditure		**809,781**	**786,405**	**780,999**
	Deduct			
B	**Appropriations-in-aid**	**24,320**	**30,457**	**30,210**
Net expenditure		**785,461**	**755,948**	**750,789**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**29,513,137**	**6,171,741**

Jacqui McCrum
Accounting Officer
Department of Defence

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		758,570	754,376
Administration pay		20,905	19,691
Administration non pay		6,930	6,932
Gross expenditure		**786,405**	**780,999**
Deduct			
Appropriations-in-aid		**30,457**	**30,210**
Net expenditure		**755,948**	**750,789**
Changes in capital assets			
Purchases cash	(106,095)		
Depreciation	62,066		
Loss on disposals	1,110		
Disposals cash	257	(42,662)	(64,120)
Changes in assets under development			
Cash payments		(16,051)	(11,714)
Changes in net current assets			
Decrease in closing accruals	(7,776)		
Increase in stock	(13,806)	(21,582)	(5,092)
Direct expenditure		**675,653**	**669,863**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)	12,988		
Notional rents	1,339		
		14,327	**12,849**
Net programme cost		**689,980**	**682,712**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 36 borne elsewhere, net of expenditure incurred in respect of other votes.

		2021 €000	2020 €000
Vote 1	President's Establishment	(448)	(432)
Vote 2	Department of the Taoiseach	(88)	(85)
Vote 9	Office of the Revenue Commissioners	24	4
Vote 12	Superannuation and Retired Allowances	13,094	11,813
Vote 13	Office of Public Works	579	643
Vote 18	National Shared Services Office	1,018	1,002
Vote 35	Army Pensions	(1,728)	(1,646)
Vote 43	Office of the Government Chief Information Officer	404	71
Central Fund – Ministerial pensions		133	140
		12,988	**11,510**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	583,534	587,408
Capital assets under development	2.2	11,032	6,660
		594,566	**594,068**
Current assets			
Bank and cash	2.3	27,467	17,038
Stocks	2.4	234,043	220,237
Prepayments	2.5	200,656	152,906
Other debit balances	2.6	512	521
Accrued income		3,305	3,085
Total current assets		**465,983**	**393,787**
Less current liabilities			
Accrued expenses	2.7	4,306	10,656
Deferred income		40	32
Other credit balances	2.8	10,464	11,384
Net Exchequer funding	2.9	17,515	6,175
Total current liabilities		**32,325**	**28,247**
Net current assets		433,658	365,540
Net assets		**1,028,224**	**959,608**
Represented by:			
State funding account	2.10	**1,028,224**	**959,608**

2.1 Capital assets

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	1,291,598	4,684	54,988	1,351,270
Additions	56,841	205	2,513	59,559
Disposals	(21,256)	(138)	(2,498)	(23,892)
Cost or valuation at 31 December 2021	1,327,183	4,751	55,003	1,386,937
Accumulated depreciation				
Opening balance at 1 January 2021	716,527	2,532	44,803	763,862
Depreciation for the year	58,108	358	3,600	62,066
Depreciation on disposals	(19,987)	(93)	(2,445)	(22,525)
Cumulative depreciation at 31 December 2021	754,648	2,797	45,958	803,403
Net assets at 31 December 2021 [a]	**572,535**	**1,954**	**9,045**	**583,534**
Net assets at 31 December 2020	575,071	2,152	10,185	587,408

Note [a] The Department of Defence administers land holdings (approx. 8,300 hectares) and buildings at numerous locations throughout the country, being a mix of operational military facilities, training lands, married quarters and other properties, as set out in Appendix A – Schedule of land and buildings.

2.2 Capital assets under development

	Construction contracts
	€000
Amounts brought forward at 1 January 2021	6,660
Cash payments in the year	16,051
Projects completed [a]	(11,679)
Amounts brought forward at 31 December 2021	**11,032**

Note [a] As projects to develop land and buildings are completed, they are removed from capital assets under development. There is no transfer to the asset register as land and buildings are not included in capital assets.

2.3 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balance	26,364	15,697
Other bank and cash account balances	1,103	1,341
	27,467	**17,038**

Non-Vote bank accounts

There are 13 other bank accounts managed by Defence Forces personnel to administer the casual meals system in barracks. No funding from the Vote is issued to these bank accounts. The amount held at the end of 2021 was €22,795 (2020: €16,261). This balance is not included in the 'bank and cash' amount shown above.

2.4 Stocks

at 31 December	2021	2020
	€000	€000
Military stocks [a]	232,907	219,115
Civil Defence	1,051	1,045
Stationery	15	19
IT consumables	70	58
	234,043	**220,237**

Note [a] Write-offs and obsolete military stock in the year amounted to €888,000.

2.5 Prepayments

at 31 December	2021	2020
	€000	€000
Maritime patrol aircraft	162,340	116,803
Aircraft maintenance and training	7,277	—
Modernisation of primary armament	6,156	3,669
Armoured personnel carrier fleet maintenance and upgrade programme	6,103	8,321
Troop carrying vehicles	3,700	5,546
Mid-life refit of LÉ Niamh	3,587	—
Defence Forces equipment acquisition	471	2,836
Javelin missile programme	—	3,624
Other	11,022	12,107
	200,656	**152,906**

2.6 Other debit balances

at 31 December	2021	2020
	€000	€000
Payroll	—	38
Imprest	286	314
Cycle to work scheme	168	129
Overseas	5	3
Other suspense	53	37
	512	**521**

2.7 Accrued expenses

at 31 December	2021	2020
	€000	€000
Programme accruals – current	2,237	4,202
Programme accruals – capital	1,833	6,307
Administration expenses	236	147
	4,306	**10,656**

2.8 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	4	4
Pay related social insurance	15	14
Professional services withholding tax	366	250
Value added tax	9,642	10,677
Pension contributions	(5)	22
Universal social charge	1	—
Relevant contracts tax	143	176
	10,166	11,143
Payroll deductions held in suspense	8	10
Other credit suspense items	290	231
	10,464	**11,384**

2.9 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	29,513	6,172
Exchequer grant undrawn	(11,998)	3
Net Exchequer funding	**17,515**	**6,175**
Represented by:		
Debtors		
Bank and cash	27,467	17,038
Debit balances: suspense	512	521
	27,979	17,559
Creditors		
Due to the State	(10,166)	(11,143)
Credit balances: suspense	(298)	(241)
	(10,464)	(11,384)
	17,515	**6,175**

2.10 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			959,608	889,748
Disbursements from the Vote				
Estimate provision	Account	785,461		
Surplus to be surrendered	Account	(29,513)		
Net Vote			755,948	750,789
Expenditure (cash) borne elsewhere	1.1		12,988	11,510
Capital assets under development completed in the year	2.2		(11,679)	(11,066)
Non cash expenditure – notional rents	1		1,339	1,339
Net programme cost	1		(689,980)	(682,712)
Balance at 31 December			**1,028,224**	**959,608**

2.11 Commitments

a) Legally enforceable commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	9,282	11,682
Capital projects	141,405	192,324
Total of legally enforceable commitments	**150,687**	**204,006**

b) Major capital projects

	Cumulative expenditure to 31 December 2020 €000	Expenditure in 2021 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2021 €000	Expected total spend lifetime of project 2020 €000
Naval vessels replacement programme and armament project	287,591	3	—	287,594	287,594
Maintenance and upgrade programme for armoured personnel carriers	68,508	15,233	11,259	95,000	95,000
IT infrastructure virtual desktop architecture project	12,122	389	—	12,511	12,800
Fixed wing utility aircraft	47,223	495	—	47,718	47,810
Mid-life refit of LÉ Róisín	10,622	1,485	193	12,300	12,300
Mid-life refit of LÉ Niamh	1,928	3,683	6,689	12,300	12,300
Maritime patrol aircraft	116,803	45,537	65,959	228,299[a]	222,102
¾ tonne, 4x4 fleet replacement (FFR)	9,135	3,973	5,070	18,178	18,178
Troop carrying vehicles	5,546	9,499	9,555	24,600	24,600
Total	**559,478**	**80,297**	**98,725**	**738,500**	**732,684**

Note [a] The increase of €6.197 million on the expected total spend of the project is due to additional costs to cater for a contract amendment in 2021 to provide and install certain additional equipment.

2.12 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	**389**	**177**

2.13 Contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	22,000	20,905	19,691
ii	Travel and subsistence	650	443	374
iii	Training and development and incidental expenses	400	388	299
iv	Postal and telecommunications services	880	462	616
v	Office equipment and external IT services	4,510	4,368	4,090
vi	Office premises expenses	1,865	1,193	1,429
vii	Consultancy services and value for money and policy reviews	195	76	124
		30,500	**27,835**	**26,623**

Significant variations

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

ii Travel and subsistence

Estimate provision €650,000; outturn €443,000

The underspend of €207,000 was due to the restrictions in place because of Covid-19.

iv Postal and telecommunications services

Estimate provision €880,000; outturn €462,000

The underspend of €418,000 was due to less than anticipated spend on communications equipment and postal services.

vi Office premises expenses

Estimate provision €1.865 million; outturn €1.193 million

The underspend of €672,000 was mainly due to lower demands on building services resulting from Covid-19 restrictions with less onsite attendance.

vii Consultancy services and value for money and policy reviews

Estimate provision €195,000; outturn €76,000

The underspend of €119,000 was mainly due to the fact that an expected payment did not arise as a project extended into 2022.

Programme A Defence policy and support, military capabilities and operational outputs

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	22,000	20,905	19,691
A.2	Administration − non pay	8,500	6,930	6,932
A.3	Permanent Defence Force: pay	445,500	419,471	405,459
A.4	Permanent Defence Force: allowances	48,000	51,990	46,488
A.5	Reserve Defence Force: pay, etc.	2,000	1,830	1,015
A.6	Chaplains and officiating clergy: pay and allowances	1,250	1,098	1,116
A.7	Defence Forces civilian support: pay and allowances, etc.	23,000	20,583	20,180
A.8	Defence Forces: capability development	94,000	91,307	128,436
A.9	Air Corps: equipment and support	18,350	26,776	20,403
A.10	Military transport	17,790	23,483	21,002
A.11	Naval Service: equipment and support	14,000	16,600	11,720
A.12	Barrack expenses and engineering equipment	15,650	15,269	13,009
A.13	Defence Forces built infrastructure: construction and maintenance	37,000	24,938	20,835
A.14	Defence Forces uniforms, clothing, equipment and catering	15,120	14,729	15,892
A.15	Defence Forces communications and IT	11,940	16,688	15,390
A.16	Military education and training	2,550	2,564	2,386
A.17	Defence Forces logistics and travel	4,000	2,470	3,236
A.18	Defence Forces medical and healthcare support	7,130	7,569	6,822
A.19	Lands	786	629	563
A.20	Equitation	1,000	1,195	845
A.21	Litigation and compensation costs	7,500	5,557	6,997
A.22	Miscellaneous expenditure	4,100	5,132	3,679
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	2,000	2,873	2,445
A.24	Civil Defence (including dormant accounts fund)	5,640	4,844	5,493
A.25	Irish Red Cross Society	975	975	965
		809,781	**786,405**	**780,999**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

A.3 Permanent Defence Force: pay

Estimate provision €445.5 million; outturn €419.471 million

The underspend of €26.029 million was due to lower than projected recruitment in 2021, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force during the year.

A.4 Permanent Defence Force: allowances

Estimate provision €48 million; outturn €51.99 million

The overspend of €3.99 million was mainly due to an increase in the payment of allowances due to Covid-19 related duties.

A.5 Reserve Defence Force: pay, etc.

Estimate provision €2 million; outturn €1.83 million

The underspend of €170,000 was due to strength levels being less than targeted and as a consequence the uptake of paid training was less than anticipated.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.25 million; outturn €1.098 million

The underspend of €152,000 was due to lower than anticipated recruitment of chaplains in 2021.

A.7 Defence Forces civilian support: pay and allowances, etc.

Estimate provision €23 million; outturn €20.583 million

The underspend of €2.417 million was due to the number of civilian employees being less than provided for in the estimate and lower than anticipated recruitment.

A.9 Air Corps: equipment and support

Estimate provision €18.35 million; outturn €26.776 million

The overspend of €8.426 million was due to additional expenditure on crash rescue vehicles and support and training for certain Air Corps aircraft.

A.10 Military transport

Estimate provision €17.79 million; outturn €23.483 million

The overspend of €5.693 million was mainly due to the purchase of replacement military vehicles. This overspend was partly offset by lower fuel costs.

A.11 Naval Service: equipment and support

Estimate provision €14 million; outturn €16.6 million

The overspend of €2.6 million was mainly due to the procurement of parts and maintenance services.

A.13 Defence Forces built infrastructure: construction and maintenance

Estimate provision €37 million; outturn €24.938 million

The underspend of €12.062 million was due to delays in the procurement process for the capital programme in addition to on-site containment measures required under Covid-19.

A.15 Defence Forces communications and IT

Estimate provision €11.94 million; outturn €16.688 million

The overspend of €4.748 million was mainly due to the requirement for additional procurement of essential telecommunications equipment and supplies.

A.17 Defence Forces logistics and travel

Estimate provision €4 million; outturn €2.47 million

The underspend of €1.53 million was due to lower than anticipated travel costs due to Covid-19 restrictions.

A.18 Defence Forces medical and healthcare support

Estimate provision €7.13 million; outturn €7.569 million

The overspend of €439,000 was mainly due to additional treatments occurring in 2021 which were cancelled in 2020 due to Covid-19 restrictions.

A.19 Lands

Estimate provision €786,000; outturn €629,000

The underspend of €157,000 was due to some environmental projects planned for 2021 that could not proceed due to Covid-19 restrictions.

A.20 Equitation

Estimate provision €1 million; outturn €1.195 million

The overspend of €195,000 was mainly due to an increase in the cost of the upkeep of the horses in the Army Equitation School and the cost of the purchase of a number of horses.

A.21 Litigation and compensation costs

Estimate provision €7.5 million; outturn €5.557 million

The underspend of €1.943 million arose due to the fact that this expenditure is difficult to predict as it is subject to a number of unpredictable variables, including the timing of court hearings, the progress of cases, and the number, value and timing of awards and settlements.

A.22 Miscellaneous expenditure

Estimate provision €4.1 million; outturn €5.132 million

The overspend of €1.032 million was mainly due to costs associated with the Commission on the Defence Forces, unanticipated expenditure on the Research, Technology and Innovation project and additional advertising and communication costs associated with the military recruitment campaigns.

A.23 Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy

Estimate provision €2 million; outturn €2.873 million

The overspend of €873,000 was mainly due to an increase in the EU common costs and in funding of the European Defence Agency.

A.24 Civil Defence (including dormant accounts fund)

Estimate provision €5.64 million; outturn €4.844 million

The underspend of €796,000 was due to projects not progressing as anticipated due to supply issues and Covid-19.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from United Nations in respect of overseas allowances, etc.	8,113	12,769	13,234
2	Receipts from EU in respect of fishery protection costs	—	—	—
3	Receipts from banks and other organisations	1,300	1,364	1,445
4	Receipts from occupation of official quarters	90	160	140
5	Receipts from rations on repayment	450	623	347
6	Receipts from other issues on repayment	20	24	25
7	Receipts for aviation fuel	40	13	48
8	Receipts on discharge by purchase	50	129	104
9	Lands and premises			
	(a) rents, etc.	462	443	407
	(b) sales	100	—	1
10	Sale of surplus stores	100	395	311
11	Refunds in respect of services of seconded personnel	50	168	67
12	Miscellaneous	300	440	601
13	Receipts from additional superannuation contributions on public service remuneration	11,895	12,986	12,475
14	Dormant accounts receipts	1,350	943	1,005
	Total	**24,320**	**30,457**	**30,210**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.137 million more than the original estimate. Explanations for variances are set out below:

1 Receipts from United Nations in respect of overseas allowances, etc.

Estimate €8.113 million; realised €12.769 million

The surplus of €4.656 million was due to higher than anticipated UN receipts in respect of equipment and troop costs. The timing of receipts from the UN is difficult to predict. See Note 6.1.

5 Receipts from rations on repayment

Estimate €450,000; realised €623,000

The surplus of €173,000 was due to more than anticipated repayment of rations.

9 Land and premises

Estimate €562,000; realised €443,000

The shortfall of €119,000 was due to the fact that a number of transactions did not proceed to completion due to legal issues.

10 Sale of surplus stores

Estimate €100,000; realised €395,000

The surplus of €295,000 was mainly due to trade-ins of vehicles due to fleet upgrades.

11 Refunds in respect of services of seconded personnel

Estimate €50,000; realised €168,000

The surplus of €118,000 was due to more than anticipated refunds received.

12 Miscellaneous

Estimate €300,000; realised €440,000

The surplus of €140,000 was mainly due to higher than anticipated receipts in respect of refunds for education fees and training.

13 Receipts from additional superannuation contributions on public service remuneration

Estimate €11.895 million; realised €12.986 million

The surplus of €1.091 million arose because receipts from additional superannuation contributions are difficult to accurately estimate, particularly in the Defence Forces given the range of issues that can impact on the calculations, including enlistments, retirements, range of allowances, etc.

14 Dormant accounts receipts

Estimate €1.35 million; realised €943,000

The shortfall of €407,000 was mainly due to Covid-19 impacts on the procurement supply chain which delayed the purchasing process for Civil Defence.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**9,298**	**9,396**

5.2 Pay

Remuneration of all staff

	2021 €000	2020 €000
Pay	417,690	403,752
Higher, special or additional duties allowances	211	220
Overtime	286	373
Shift and roster allowance	271	240
Military and other allowances	44,945	40,515
Employer's PRSI	42,721	40,972
Total pay [a, b]	**506,124**	**486,072**

Notes
[a] The overall totals do not include the Office of the Ombudsman for the Defence Forces which accounts for four personnel and total pay of €289,360. That office produces a separate account.
[b] Total pay represents the pay elements of subheads A.1, A.3, A.4, A.6 and A.7.

5.3 Civil servants

	2021	2020
Full time equivalents		
Number of staff at year end [a]	**370**	**357**

Note [a] 14 of these personnel are embedded in Defence Forces' units and are employed full time in providing support to those units.

	2021 €000	2020 €000
Pay	19,407	18,337
Higher, special or additional duties allowances	122	87
Other allowances	52	51
Overtime	61	99
Employer's PRSI	1,263	1,117
Total pay	**20,905**	**19,691**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	12	6	22,002	20,722
Other allowances	15	—	9,248	8,645
Overtime	45	—	8,930	23,551
Extra remuneration in more than one category	9	2	24,700	15,410

5.4 Civilian employees

	2021	2020
Full time equivalents		
Number of staff at year end	**440**	**444**

	2021 €000	2020 €000
Pay	17,349	16,882
Higher, special or additional duties allowances	89	133
Overtime	225	274
Shift and roster allowances	271	240
Travel time allowance	421	445
Tool and other allowances	213	202
Employer's PRSI	1,839	1,831
Total pay	**20,407**	**20,007**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	58	—	8,853	9,361
Overtime	111	—	9,304	9,375
Shift and roster allowances	40	4	14,821	15,935
Travel time allowance	59	12	13,335	13,257
Tool and other allowances	248	—	3,235	3,298
Extra remuneration in more than one category	156	34	27,995	26,158

5.5 Permanent Defence Force (including Army Nursing Service and Chaplaincy)

	2021	2020
Full time equivalents		
Number of staff at year end	**8,488**	**8,595**

	2021 €000	2020 €000
Pay and military service allowance	380,934	368,533
Overseas allowances	20,934	19,371
Security duty allowances	17,230	14,186
Border duty allowance	2,042	2,128
Patrol duty allowance	1,663	1,743
Miscellaneous allowances	2,390	2,389
Employer's PRSI	39,619	38,024
Total pay	**464,812**	**446,374**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Overseas allowances	1,775	1,079	42,950	41,376
Security duty allowances	7,294	122	20,551	21,815
Border duty allowance	459	2[a]	26,384	5,840
Patrol duty allowance	502	6	12,435	9,015
Miscellaneous allowances	800	96	10,974	15,147
Extra remuneration in more than one category	2,745	1,165	37,995	41,024

Note [a] The two individuals who were paid Border Duty Allowance in excess of €10,000 in 2021 received arrears in respect of prior years.

5.6 Revenue payment

A payment of €74,079 was made to the Revenue Commissioners in 2021 for benefit-in-kind in relation to statutory public hospital charges for the dependants of enlisted members of the Permanent Defence Force in 2020.

5.7 Other remuneration arrangements

A total of €1,127,272 was paid to 33 retired Defence Force personnel in receipt of Defence Forces pensions, ranging from €13,487 to €89,243, who were re-employed on various duties during 2021. In addition, a total of €29,710 ranging from €150 to €5,330 was paid to 15 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2021. Appropriate procedures are in place with regard to payments to retired personnel in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.8 Seconded staff

This account includes expenditure of €346,492 in respect of five officers who were serving outside the Department for all or part of 2021 and whose salaries were not recouped by the Department. This account does not include expenditure in respect of two officers who were serving outside the Department for all or part of 2021 in other Government departments/offices whose salaries were paid by the departments/offices in which they were serving.

5.9 Payroll overpayments

At 31 December	**2021**	**2020**
Number of recipients	106	137
Recovery plans in place	24	45
	€	**€**
Overpayments	171,872	175,210
Value of recovery plans	56,769	78,454

No overpayments were transferred from the Department of Defence to any other department/office in 2021.

5.10 Medical treatment

Inpatient and outpatient services were provided to enlisted personnel and their dependants in public hospitals without application of the statutory charge.

5.11 Severance/redundancy

No severance or redundancy payments were made in 2021.

5.12 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level III (PPC)[a], with an annual gross salary of €202,604 (as at 31 December 2020, €200,598).

Note [a] Employees appointed on or after 6 April 1995 pay the Class A rate of PRSI contribution and make an employee contribution in respect of personal superannuation benefits (PPC).

Note 6 Miscellaneous

6.1 Overseas missions

This account includes the sums indicated below in respect of the remuneration of military personnel serving with UN and EU peace support operations and various organisations, together with travel and subsistence and transportation costs:

	2021	2020
	€000	€000
UN and EU missions		
UNIFIL (Lebanon)	32,084	31,235
UNDOF (Golan Heights)	13,088	12,581
KFOR (Kosovo)	1,420	1,463
EUFOR (Bosnia Herzegovina)	589	567
Other UN and EU missions	5,423	4,878
	52,604	50,724
Other		
Military representatives and advisors	2,653	2,103
German Battlegroup	314	1,611
Organisation for Security and Co-operation in Europe	247	183
Mediterranean operations (search and rescue)	658	682
ECAT Kabul	21	—
Total	**56,497**	**55,303**

Of the sum of €52.6 million for UN and EU missions, €7.4 million relates to missions the full costs of which are borne by the State. The remaining €45.2 million relates to UNIFIL, UNDOF and MINUSMA (Mali) in respect of which arrangements for the re-imbursement of certain costs have been agreed with the UN and the German Armed Forces. The timing of re-imbursements from the UN is dependent on various factors including the funding available to that organisation.

The monies received by way of appropriations-in-aid in 2021 was €12.8 million, made up of €6.7 million for personnel costs and €6.1 million for equipment costs. The amount outstanding at year end was €3.2 million (€1.7 million personnel costs and €1.5 million equipment costs).

6.2 Committees, commissions and special inquiries

The Commission on the Defence Forces was established in December 2020 and reported in February 2022. Its terms of reference included the consideration of appropriate capabilities, structures and staffing for the Army, the Air Corps, the Naval Service and the Reserve Defence Force. The costs of the Commission to 31 December 2021 were €358,000.

6.3 Support for Defence Forces' representative associations

This account includes a total of €468,829 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.4 Write-offs

The following sums were written off within the year.

	2021 €000	2020 €000
Damage to military vehicles	49	73
Loss of, or damage to, stores, equipment or property	—	35
Debt write-off	38	11
	87	**119**

6.5 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	—	—	—
Suspected fraud/irregularity	2	33	—
		33	**—**

The Department became aware of two suspected fraud/irregularity cases during 2021 (2020: nil). The total amount involved is estimated to be €33,000. Both of these cases are being investigated by An Garda Síochána.

6.6 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	**members of the public**	**2021**	**2020**
Number of cases	387	36	423	948
	€000	**€000**	**€000**	**€000**
Department's own legal costs	923	35	958	1,481
Payments by/on behalf of Department				
Compensation	2,740	133	2,873	3,166
Legal costs	1,570	52	1,622	2,471
Other costs	172	9	181	—
2021 total	**5,405**	**229**	**5,634**	**7,118**
2020 total	6,759	359	7,118	

Note At 31 December 2021, 521 claims were outstanding (2020: 548 claims).

Cumulative costs of cases completed in 2021

	Claims by		
	employees	**members of the public**	**Total**
Number of cases	98	10	108
	€000	**€000**	**€000**
Department's own legal costs	371	58	429
Payments by/on behalf of Department			
Compensation	1,944	363	2,307
Legal costs	991	144	1,135
Other costs	125	14	139
Total	**3,431**	**579**	**4,010**

6.7 Arbitration and conciliation

In 2021, costs of €7,389 were incurred (2020: €3,000) in relation to three arbitration and conciliation cases (2020: nil cases).

Appendix A Schedule of land and buildings

1. Vested in the Minister for Defence

Property	Area (hectares) [a]
Clare	
Knockalisheen Camp	51.24
Cork	
Murphy Barracks, Ballincollig	0.89
Collins Barracks, Cork	24.22
Portion of Camp Field, Collins Barracks	—
Old Barracks and Graveyard, Fermoy	4.23
Fitzgerald Camp, Fermoy	0.40
RDF premises, Kilcrohane	0.40
Michael Collins Memorial Plot, Béal na Bláth	0.004
RDF premises, Skibbereen	0.20
RDF premises, Mallow	0.03
Dublin	
Casement Aerodrome, Baldonnel including sewage plant on adjacent land	276.93
Esplanade, Collins Barracks	0.20
Site at Islandbridge, Dublin 8	0.40
Galway	
Oranmore Rifle Range	216.10
Springfield water supply to Oranmore Range	—
Dún Uí Mhaoilíosa, Galway	29.95
Kerry	
Ballymullen Barracks, Tralee	6.07
Fort Shannon, Tarbert	0.81
RDF premises, Kilorglin	0.10
Kildare	
Curragh Camp and lands	1,968.12
Curragh Lands – Kildare by-pass	—
Nos. 2, 78 and 96 Orchard Park, Curragh	0.06
Magee Barracks, Kildare	1.99
Lands at Blackrath, Curragh	14.37
Kilkenny	
Stephens Barracks, Kilkenny	5.67

Property	Area (hectares) [a]
Louth	
Red Barns Rifle Range, Dundalk	5.46
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	1.98
Roscommon	
Rifle Range, Carna	114.53
Tipperary	
Rifle Range, Kilcoran	5.46
Waterford	
Military Barracks, Waterford	0.28
Westmeath	
Columb Barracks, Mullingar	9.61
Custume Barracks, Athlone	5.26
Garrynafela Lands, Athlone	5.97
Wicklow	
Glen of Imaal Artillery Range	2,698.85
Coolmoney Camp and Lands	97.53
Rockbrae House and Lands, Bray	1.95
Range Warden's Post, Seskin	0.40

Note [a] Hectares stated are approximate. Most of the properties contain buildings thereon.

2. Vested in the Minister for Public Expenditure and Reform

Property	Area (hectares) [a]
Clare	
RDF premises, Ennis	0.10
Cork	
Kilworth Camp and Range	1,377.55
Portion at Kilworth Camp for provision of road services to TII	10.69
Bere Island	91.05
Naval Base, Haulbowline [b]	33.99
Fort Davis, Whitegate	22.04
Fort Templebreedy, Crosshaven	14.97
Furious Pier, Castletownbere	—
Landing Pier, Cobh	—
Donegal	
Finner Camp, Bundoran	337.01
Dublin	
Cathal Brugha Barracks, Rathmines, Dublin 6	18.62
Nos. 17-28, Cathal Brugha Apartments, Rathmines, Dublin 6	0.27
McKee Barracks, Blackhorse Avenue, Dublin 7	18.21
64 McKee Park, Dublin 7	0.02
St Bricin's Hospital, Dublin 7	3.24
Old School House, Arbour Hill, Dublin 7	—
2 Tomar Court, Arbour Hill, Dublin 7	0.01
Laois	
RDF premises, Portlaoise	0.03
Limerick	
Sarsfield Barracks, Limerick	5.99
Louth	
Aiken Barracks, Dundalk	7.28
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16

Property	Area (hectares) [a]
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

Notes [a] Hectares are approximate. Most of the properties contain buildings thereon.

[b] Temporarily transferred to the Department of Agriculture, Food and the Marine for the remedial work on the former ISPAT site.

Appendix B Accounts of bodies and funds under the aegis of the Department of Defence

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2022, the period to which the last audited financial statements relate and the date on which 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
Ombudsman for the Defence Forces	2020	30 Sep 2021	7 Oct 2021	20 Oct 2021
Defence Forces Canteen Board	2020	17 May 2021	25 May 2021	1 Jun 2021

Appropriation Account 2021

Vote 37

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 2021 for the salaries and expenses of the Office of the Minister for 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

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year
and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €143.68 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 pension 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 of the Exchequer and transferred to the National Shared Services Office who commenced processing the individual pension payments from October 2017. The amounts paid are reported by the Department of Finance in the Financial 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exception of 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 corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayments 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 public 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. Under new banking arrangements implemented during 2020, the Department issues funds to the bank one day in advance of customer payments. This process continued in 2021 and these funding payments are also included in scheme 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 services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office 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

A multi-year plan to address asset identification including write-off and transfers, asset tagging and periodic inventories, which began implementation in 2019, was continued in 2021.

The Department continued its review of the asset registers during 2021. This resulted in the identification of IT software assets on the register that had become obsolete, several IT hardware assets which had been replaced and furniture and fittings assets which were obsolete and/or had individual values of less than €1,000. Prior to March 2020, the Department had capitalised assets less than the €1,000 threshold (now €10,000). Approximately €78.68 million of assets were written off in 2021. The net book value of these assets was nil at 31 December 2021. Ongoing data cleansing of the asset register will continue to ensure assets can be traced from the asset register back to a physical inventory or equivalent.

A new tag/barcode format was developed in 2019 in conjunction with the Department's IT support contractors. The asset barcode format is compatible with future Financial Management Shared Services plans. The Department is currently producing tags for 2017 additions (2018 and 2019 fixed asset additions were tagged in 2020), and the 2017 asset tags will be attached to relevant assets during 2022. Tagging of assets acquired earlier and still in use will continue in 2022.

The Department uses a fixed asset software package called Lansweeper to undertake weekly inventory scans of IT hardware and software. The Department can run reports on a weekly, monthly, or ad hoc basis to ascertain what IT assets are linked to the Department's network.

Following the major review of the asset registers detailed above, the Department sent inventory details to 46 business areas to verify the existence of furniture and fittings. The total value of these inventories was €3.04 million (original cost). This process will be completed on a rotational basis to ensure coverage of all business areas over several years.

Debt reconciliations

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

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

Unmatched amounts

Overpaid customers sometimes make repayments with insufficient details to associate it with their outstanding debt. As a result, in some cases, the Department is constrained from identifying and matching these amounts to the customer. These occurrences are less frequent since the Department moved its banking to Danske Bank in 2020. Unmatched amounts may also include receipts processed in advance of debts being raised or balances due for refund to customers who have overpaid their debt. Since DRAS went live in 2014, it has processed over €549 million in receipts and scheme deduction overpayment recoveries. As at 31 December 2021, the total amount recorded on the Department's accounting system for unmatched overpayment recoveries is €3.8 million (2020: €4.7 million).

Work continues on the resolution of these unmatched amounts. The work being undertaken consists of: (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 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, and in particular, that

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

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.

Non-compliance with procurement rules

I confirm that 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 complied with the guidelines with the exception of 93 contracts (in excess of €25,000), totalling €32,209,365 (ex. VAT) as set out below:

- Twenty-five service provider contracts with a total spend of €18,622,933 in 2021 to deliver local employment services across the State. The regularisation of these contracts was delayed due to the pandemic. Requests for tenders (RFT) to renew these services were published in 2021 (phase 1 in Q2 and phase 2 in Q4). Contracts for phase 1 were awarded in December 2021. A procurement exercise has taken place for the new Intreo Partners Local Area Employment Service. All Local Employment Service contracts ceased on 31 August 2022. Phase 2 preferred bidders for the new Intreo Partners Local Area Employment Service have been announced, the contract arrangements are being finalised and operations being mobilised in 16 of the 17 Lots advertised. There is a delay in the return of contract with one Lot.
- Twenty-four service provider contracts with a total spend of €8,578,242 in 2021 to deliver the EmployAbility Service across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. The Department has commenced engagement with the stakeholders and representative bodies who currently operate these services on behalf of the Department. The Department is continuing to review how such services should be procured and delivered on an ongoing basis in line with public procurement procedures.
- Forty service provider contacts with a total spend of €4,197,749 in 2021 to deliver the Jobs Clubs service across the State. The regularisation of these contracts was delayed due to the pandemic. Requests for tenders to renew these services were published in 2021 (phase 1 in Q2 and phase 2 in Q4). Contracts for phase 1 were awarded in December 2021. A procurement exercise has taken place for the new Intreo Partners Local Area Employment Service. All Jobs Clubs contracts ceased on 31 August 2022. Phase 2 preferred bidders for the new Intreo Partners Local Area Employment Service have been announced, the contract arrangements are being finalised and operations being mobilised in 16 of the 17 Lots advertised. There is a delay in the return of contract with one Lot.
- One contract for the provision of education programmes for DSP staff by National College of Ireland (NCI) was extended to July 2023 to facilitate the delivery of the current suite of accredited education programmes until expiry of the QQI awards in November 2023. Expenditure of €69,020 (ex. VAT) was incurred in 2021. The tender process has commenced and is near finalisation.

- One contract entered into for the enhancements to PARP/Oracle Financials for the new SIF Sterling Account as part of Danske Bank migration incurred expenditure of €162,754. This contract is now complete.
- The Department was informed by OGP on 26 July that a new contract for ICT consumables would come into place on 1 August 2021. The new supplier experienced difficulties sourcing some products initially and the lead in time for the new framework did not provide adequate time to facilitate setting up new operational procedures for staff ordering goods from multiple locations. In order to maintain our services to customers and to ensure that business continuity requirements were met, it was necessary to continue with the previous supplier until the difficulties with the new supplier were resolved. As a result, expenditure of €259,149 was incurred in 2021.
- An ongoing services contract for translations listed on the 2020 40/02 return which incurred expenditure of €319,518 in 2021. There was a legal challenge to a request for tenders issued by the Department and to ensure business continuity it was necessary to roll over this contract. A request for tenders was published in July, the closing date was 26 August 2022 and it is currently being evaluated.

The Department has provided details of 99 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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

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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Total Covid-19 support expenditure during 2021 amounted to €8.6 billion split between Vote 37 (€4.6 billion) and the SIF (€4 billion). Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) payments were funded by Vote 37 while Pandemic Unemployment Payment expenditure for 2021 was funded by the SIF.

The Revenue Commissioners administered both the TWSS and the EWSS on behalf of the Department. Payments totalling €4.6 billion have been charged to Vote 37 for 2021 – €16.1 million in relation to TWSS and €4.6 billion in relation to EWSS.

The TWSS was legislated for under section 28 of the Emergency Measures in Public Interest (Covid-19) Act 2020.

The EWSS was legislated for under the Financial Provisions (Covid-19) (No. 2) Act 2020, and was signed into law on 1 August 2020. Section 28B was inserted into the Emergency Measures in the Public Interest (Covid-19) Act 2020. This provided for the introduction of the EWSS on 1 September 2020, which replaced the TWSS.

While the TWSS finished on 30 August 2020, certain administrative tasks were undertaken which in some cases gave rise to TWSS payments during 2021.

I rely on letters of assurances received from the Chairman of the Revenue Commissioners that the appropriate controls are exercised in relation to the administration and payments made under both schemes.

As outlined in the Statement of Internal Financial Control in the Department's 2020 Accounts, during that year, the impact of public health restrictions necessitated widespread redeployment of staff within the Department and restrictions on personal movement and interactions, and had an extraordinary impact on the labour market leading to an unprecedented increase in unemployment. In this context, some of the normal control measures that would operate in a standard environment (for example, calling jobseekers to interview in Intreo centres) had to be curtailed or suspended. The measures taken were appropriate and proportionate both to comply with the public health restrictions and to ensure the Department could deploy staff resources to the priority task of processing, paying and maintaining Covid-19 related claims. Where possible, and where staff availability and public health restrictions permitted, such control measures were reinstated or alternative methods were used to the limited extent possible (e.g., phone interviews with customers).

While the impact on scheme controls continued into 2021, overall these impacts are less than in 2020 due to the further reinstatement of some scheme controls and the introduction of alternative control measures, where possible in line with staff resourcing.

John McKeon
Accounting Officer
Department of Social Protection

28 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Social Protection for the year ended 31 December 2021 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 Social Protection for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of 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 appendix to this report.

Regularity of social welfare payments

Chapter 10 of my report on the accounts of the public services for 2021 refers to welfare payments in excess of entitlement under schemes operated by the Department of Social Protection. I consider the estimated level of irregular welfare payments to be material to Vote 37, as explained in the chapter.

Recovery of benefit and assistance payments following compensation awards

Chapter 11 of my report on the accounts of the public services for 2021 examines the Department of Social Protection's processes to recover social welfare payments from compensation awards made to claimants as a consequence of personal injuries claims. The appropriation account records recoveries received related to social welfare payments originally charged to Vote 37.

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 a number of contracts that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

28 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 37 Social Protection

Appropriation Account 2021

			2021	2020
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
Original	606,503			
Deferred surrender	910			
Supplementary	(40,000)			
		567,413	544,707	536,309
Pensions				
Original	1,066,077			
Supplementary	19,593			
		1,085,670	1,083,119	1,048,546
Working age – income supports				
Original	2,450,199			
Supplementary	(27,169)			
		2,423,030	2,354,248	3,794,149
Working age – employment supports				
Original	3,290,654			
Supplementary	1,898,084			
		5,188,738	5,171,571	4,717,276
Illness, disability and carers				
Original	3,308,293			
Supplementary	(39,235)			
		3,269,058	3,257,599	3,203,725
Children				
Original	2,635,040			
Supplementary	(76,100)			
		2,558,940	2,557,600	2,608,327
Supplementary payments, etc.				
Original	565,434			
Supplementary	9,785			
		575,219	577,641	564,028
Subvention to the Social Insurance Fund				
Original	3,764,837			
Supplementary	(1,174,677)			
		2,590,160	2,606,030	—

	Estimate provision		2021 Outturn	2020 Outturn
	€000	€000	€000	€000
Gross expenditure				
Original	17,687,037			
Deferred surrender	910			
Supplementary	570,281			
		18,258,228	**18,152,515**	**16,472,360**
Deduct				
Appropriations-in-aid				
Original	297,070			
Supplementary	96,740			
		393,810	**432,977**	**201,541**
Net expenditure				
Original	17,389,967			
Deferred surrender	910			
Supplementary	473,541			
		17,864,418	**17,719,538**	**16,270,819**

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 spending in the following year. €1.2 million of unspent allocations in respect of the capital elements of subheads A.2 (v) and A.2 (vi) was carried forward to 2022.

	2021	2020
	€	€
Surplus	144,880,093	862,853,290
Deferred surrender	(1,200,000)	(910,000)
Surplus to be surrendered	**143,680,093**	**861,943,290**

John McKeon
Accounting Officer
Department of Social Protection

28 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		17,607,808	15,936,051
Pay		310,417	298,995
Non pay		234,290	237,314
Gross expenditure		**18,152,515**	**16,472,360**
Deduct			
Appropriations-in-aid		**432,977**	**201,541**
Net expenditure		**17,719,538**	**16,270,819**
Changes in capital assets			
Purchases cash	(15,890)		
Depreciation	26,676		
Loss on disposal/write-off	1	10,787	(6,657)
Changes in net current assets			
Decrease in closing accruals	(869)		
Decrease in stock	86	(783)	13,136
Direct expenditure		**17,729,542**	**16,277,298**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		98,351	92,663
Notional rents		14,386	14,386
Net programme cost		**17,842,279**	**16,384,347**

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.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners [a]	287	370
Vote 12	Superannuation and Retired Allowances	83,572	77,101
Vote 13	Office of Public Works	12,714	14,441
Vote 18	National Shared Services Office	697	686
Vote 43	Office of the Government Chief Information Officer	1,014	—
Central Fund – ministerial pensions		67	65
		98,351	**92,663**

Note [a] The costs incurred by Revenue on the administration of the Covid-19 Temporary Wage Subsidy Scheme and the Employment Wage Subsidy Scheme and the Employer Covid-19 Refund scheme have not been included as the operation of these schemes was fully integrated within Revenue systems.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	138,653	145,336
Current assets			
Stocks	2.3	191	277
Prepayments	2.4	60,580	65,884
Social Insurance Fund suspense account [a]		229,970	—
Other debit balances	2.5	218,388	88,530
Total current assets		**509,129**	**154,691**
Less current liabilities			
Bank and cash	2.2	385,384	15,475
Accrued expenses	2.6	56,726	62,899
Other credit balances	2.7	27,656	25,697
Net Exchequer funding	2.8	35,318	47,358
Total current liabilities		**505,084**	**151,429**
Net current assets		4,045	3,262
Net assets		**142,698**	**148,598**
Represented by:			
State funding account	2.9	**142,698**	**148,598**

Note [a] Represents advances from Vote 37 to the Social Insurance Fund (SIF) subvention suspense account which were not expended by year end.

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	20,352	302,490	32,419	355,261
Adjustment [a]	—	330	13,100	13,430
Additions	—	402	15,488	15,890
Disposals	—	—	—	—
Write-off [b]	(13,035)	(65,644)	—	(78,679)
Transfers	—	38,373	(38,373)	—
Cost or valuation at 31 December 2021	7,317	275,951	22,634	305,902
Accumulated depreciation				
Opening balance at 1 January 2021	18,118	191,807	—	209,925
Adjustment [c]	—	9,326	—	9,326
Depreciation for the year	620	26,056	—	26,676
Depreciation on disposals/write off	(13,034)	(65,644)	—	(78,678)
Cumulative depreciation at 31 December 2021	5,704	161,545	—	167,249
Net assets at 31 December 2021	**1,613**	**114,406**	**22,634**	**138,653**
Net assets at 31 December 2020	2,234	110,683	32,419	145,336

Note [a] Adjustments totalling €13.1 million were made to capital assets under development (CAUD) because expenditure incurred in previous years in respect of CAUD projects had been incorrectly classified as non-capital expenditure.

[b] Write-offs consist of software, IT hardware, furniture and equipment including franking machines, photocopiers, tables, chairs, etc. Significant data cleansing of the asset register continued during 2021. The Department identified a number of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings which were obsolete and/or had asset values under €1,000.

[c] Adjustments totalling €9.326 million were made to depreciation in relation to assets already in use by the Department and should have been transferred from CAUD to office equipment in previous years, and to assets where the useful life was amended during the year.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
An Post advance balances [a]	134,064	197,920
PMG balances (overdraft)	(525,026)	(222,697)
Commercial bank account balance	5,578	9,302
	(385,384)	**(15,475)**

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 2021, the combined balance held by An Post in respect of Vote 37 and the SIF was €231.2 million. The combined corresponding balance at the end of 2020 was €335.6 million.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	160	226
IT consumables	31	51
	191	**277**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Specific programme prepayments [a]	55,886	63,660
Software support	2,514	1,841
Administration	2,180	108
Other prepayments	—	275
	60,580	**65,884**

Note [a] The Department provides advance funding to some organisations delivering schemes. These include advances or floats for cash flow paid to schemes and other organisations providing Community Employment, Jobs Initiative, Local Employment Services and Jobs Clubs. Advances are provided to Community Employment and Job 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 Jobs 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.

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	244	1,251
Advances to Pobal	5,350	4,922
Advance to Revenue Commissioners [a]	7,411	20,436
Scheme prepayments [b]	161,354	24,650
Other debit suspense	2,454	4,212
Due from SIF in respect of		
• Vote related receipts recovered through SIF	18,809	18,927
• payments by Vote on behalf of SIF	21,758	12,456
• imprest payments receivable from SIF	1	669
	218,388	**88,530**

Note [a] Advance to the Revenue Commissioners is in respect of both the Employment Wage Subsidy Scheme and the Temporary Wage Subsidy Scheme.

[b] Scheme prepayments include scheme payments made in the year and not charged in the current year.

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Specific programme accruals [a]	49,658	49,963
Other accruals	5,556	6,004
IT services and support	808	406
Administration expenses	704	6,526
	56,726	**62,899**

Note [a] Moneys owed to organisations providing Community Employment, Job Initiative and Local Employment Services on behalf of the Department. This money relates to organisations as opposed to individual claimants.

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	3,740	3,407
Pay related social insurance	3,001	2,676
Universal social charge	702	654
Professional services withholding tax	3,974	3,626
Value added tax	16	54
Pension contributions	2,446	1,295
Local property tax	51	42
Extra Exchequer receipts	1	1
	13,931	11,755
Payroll deductions	2,235	2,176
Due to SIF in respect of		
• payments by SIF on behalf of Vote	4,035	5,784
• imprest payments received from SIF	2,167	(6)
Unmatched overpayment recoveries	3,846	4,639
Debt recovery on behalf of other EU countries	877	869
Other credit suspense items	565	480
	27,656	**25,697**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	143,680	861,943
Deferred surrender	1,200	910
Exchequer grant undrawn	(109,562)	(815,495)
Net Exchequer funding	**35,318**	**47,358**
Represented by:		
Debtors		
Debit balances: suspense	218,388	88,530
SIF: suspense	229,970	—
Creditors		
Bank and cash	(385,384)	(15,475)
Due to the State	(13,931)	(11,755)
Credit balances: suspense	(13,725)	(13,942)
	(413,040)	(41,172)
	35,318	**47,358**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			148,598	153,112
Disbursements from the Vote				
Estimate provision	Account	17,864,418		
Deferred surrender	Account	(1,200)		
Surplus to be surrendered	Account	(143,680)	17,719,538	
Net vote				16,270,819
Expenditure (cash) borne elsewhere	1.1		98,351	92,663
Non cash expenditure – notional rent	1		14,386	14,386
Capital assets under development and fixed asset adjustment	2.1		4,104	1,965
Net programme cost	1		(17,842,279)	(16,384,347)
Balance at 31 December			**142,698**	**148,598**

2.10 Commitments

Global commitments at 31 December	**2021** **€000**	**2020** **€000**
Procurement of goods and services	72,832	51,386
Capital projects	9,957	4,701
Total of legally enforceable commitments	**82,789**	**56,087**

2.11 Matured liabilities

at 31 December	**2021** **€000**	**2020** **€000**
Estimate of matured liabilities not discharged at year end	**114**	**122**

2.12 Contingent liabilities

The Department is involved in 70 legal cases which may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	315,172			
	Supplementary	(3,072)			
			312,100	310,417	298,995
ii	Travel and subsistence				
	Original	4,155			
	Supplementary	(3,546)			
			609	562	1,478
iii	Training and development and incidental expenses				
	Original	16,889			
	Supplementary	(3,984)			
			12,905	10,978	12,867
iv	Postal and telecommunications services				
	Original	13,977			
	Supplementary	523			
			14,500	13,793	11,967
v	Office equipment and external IT services				
	Original	74,465			
	Deferred surrender	620			
	Supplementary	(6,855)			
			68,230	59,282	59,257
vi	Office premises expenses				
	Original	21,365			
	Deferred surrender	290			
	Supplementary	(580)			
			21,075	17,619	16,841
vii	Consultancy services				
	Original	1,100			
	Supplementary	(300)			
			800	487	346
viii	Payments for agency services				
	Original	142,880			
	Supplementary	(21,986)			
			120,894	117,276	121,650

ix	eGovernment related projects			
	Original	16,500		
	Supplementary	(200)		
		16,300	14,293	12,908
		567,413	**544,707**	**536,309**

Significant variations

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

ii Travel and subsistence

Estimate provision €4.2 million; outturn €562,000

The underspend of €3.6 million relative to the estimate provision was because travel requirements reduced in 2021 due to the Covid-19 pandemic. All non-essential travel for officials of the Department was suspended and many activities were moved online.

iii Training and development and incidental expenses

Estimate provision €16.9 million; outturn €11 million

The underspend of €5.9 million relative to the estimate provision was because

- €2 million of savings was achieved on staff services due to sufficient stocks of Personal Protective Equipment (PPE). Provision had been made for additional PPE stocks but these were not required in 2021.
- €3.9 million of savings was achieved on various incidental expenses including research supports (€900,000), staff training (€800,000), contingency (€500,000) hire of rooms (€500,000), translation fees (€300,000), legal fees (€500,000) bank charges (€200,000) and other miscellaneous charges (€200,000).

vii Consultancy services

Estimate provision €1.1million; outturn €487,000

The underspend of €613,000 relative to the estimate provision was because

- One project with a value of €400,000 for actuarial services which was originally approved for 2021 was rescheduled to 2022.
- Three projects were delayed due to the impact of the Covid-19 pandemic. As a result, the full budget allocation for 2021 was not drawdown and expenditure totalling €213,000 is now expected to be incurred in 2022.

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

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	315,172			
	Supplementary	(3,072)			
			312,100	310,417	298,995
A.2	Administration – non pay				
	Original	291,331			
	Deferred surrender	910			
	Supplementary	(36,928)			
			255,313	234,290	237,314
Pensions					
A.3	State Pension (Non-Contributory)				
	Original	1,066,077			
	Supplementary	19,593			
			1,085,670	1,083,119	1,048,546
Working Age - Income Supports					
A.4	Jobseeker's Allowance				
	Original	1,643,600			
	Supplementary	(5,900)			
			1,637,700	1,567,383	1,656,771
A.5	One-Parent Family Payment				
	Original	553,567			
	Supplementary	6,853			
			560,420	561,233	564,887
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension		13,200	12,691	13,425
A.7	Deserted Wife's Allowance		830	635	859
A.8	Basic SWA Payments				
	Original	112,621			
	Supplementary	(18,241)			
			94,380	94,865	115,212
A.9	Farm Assist				
	Original	61,742			
	Supplementary	(2,802)			
			58,940	59,030	66,414
A.10	Exceptional and Urgent Needs Payments				
	Original	46,020			
	Supplementary	(3,750)			
			42,270	43,089	41,029

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.11	Other Working Age – Income Supports				
	Original	18,619			
	Supplementary	(3,329)			
			15,290	15,322	18,076
	Covid-19 – Pandemic Unemployment Payment		—	—	*1,317,476*
	Working Age – Employment Supports				
A.12	Community Employment Programme				
	Original	362,704			
	Supplementary	(44,414)			
A.13	Rural Social Scheme		318,290	320,213	340,612
	Original	52,193			
	Supplementary	(2,653)			
			49,540	49,476	52,745
A.14	Tús				
	Original	98,776			
	Supplementary	(16,536)			
			82,240	78,557	83,568
A.15	Job Initiative		12,670	13,116	14,973
A.16	Back to Work Enterprise Allowance				
	Original	64,821			
	Supplementary	(35,461)			
			29,360	28,881	39,274
A.17	Youth Employment Support Scheme				
	Original	2,440			
	Supplementary	(1,860)	580	563	2,015
A.18	Back to Education Allowance				
	Original	96,500			
	Supplementary	(41,410)			
			55,090	54,322	65,921
A.19	JobsPlus				
	Original	28,300			
	Supplementary	(25,052)			
			3,248	3,315	5,376
A.20	Local Employment Service				
	Original	25,800			
	Supplementary	(6,960)			
			18,840	18,623	18,156

				2021	2020
			Estimate provision	Outturn	Outturn
A.21	Jobs Clubs	**€000**	**€000**	**€000**	**€000**
	Original	7,950			
	Supplementary	(3,670)			
			4,280	4,198	4,452
A.22	Work Placement Experience Programme				
	Original	135,700			
	Supplementary	(134,900)			
			800	596	—
A.23	Other Working Age – Employment Supports				
	Original	33,800			
	Supplementary	(21,150)			
			12,650	13,111	12,333
A.yy	Covid-19 Temporary Wage Subsidy Scheme				
	Original	10,000			
	Supplementary	6,100			
			16,100	16,071	2,706,962
A.zz	Covid-19 Employment Wage Subsidy Scheme (EWSS)				
	Original	2,359,000			
	Supplementary	2,226,050			
			4,585,050	4,570,529	1,370,889
Illness, Disability and Carers					
A.24	Disability Allowance		1,836,909	1,828,845	1,811,854
A.25	Blind Pension		12,811	12,255	12,641
A.26	Carer's Allowance				
	Original	953,893			
	Supplementary	(22,463)			
			931,430	930,556	926,352
A.27	Domiciliary Care Allowance				
	Original	199,840			
	Supplementary	3,265			
			203,105	202,445	193,104
A.28	Carer's Support Grant				
	Original	265,200			
	Supplementary	(8,220)			
			256,980	257,223	227,543
A.29	Disability Activation Supports				
	Original	13,660			
	Supplementary	(3,007)			
			10,653	10,375	13,875

				2021	2020
		Estimate provision		Outturn	Outturn
A.30	Wage Subsidy Scheme	€000	€000	€000	€000
	Original	25,980			
	Supplementary	(8,810)			
			17,170	15,900	18,356
Children					
A.31	Child Benefit				
	Original	2,119,120			
	Supplementary	(34,370)			
			2,084,750	2,090,446	2,102,329
A.32	Working Family Payment				
	Original	376,860			
	Supplementary	(38,760)			
			338,100	338,407	377,312
A.33	Back to Work Family Dividend		12,560	10,248	12,978
A.34	Back to School Clothing And Footwear Allowance		53,500	51,651	54,054
A.35	School Meals Scheme				
	Original	65,100			
	Supplementary	(3,600)			
			61,500	58,386	53,468
A.36	Child Related Payments				
	Original	7,900			
	Supplementary	630			
			8,530	8,462	8,186
Supplementary Payments, Agencies and Miscellaneous Services					
A.37	Rent Supplement				
	Original	116,190			
	Supplementary	7,470			
			123,660	122,962	133,090
A.38	Telephone Support Allowance		8,400	8,467	8,326
A.39	Household Benefits Package				
	Original	76,189			
	Supplementary	2,860			
			79,049	84,432	77,347
A.40	Free Travel		95,000	91,266	94,529
A.41	Fuel Allowance				
	Original	186,512			
	Supplementary	10,608			
			197,120	195,261	181,446

				2021	2020
		Estimate provision		Outturn	Outturn
A.42	Grant to the Citizens Information Board	€000	€000	€000	€000
	Original	62,222			
	Supplementary	(10,032)			
			52,190	59,037	55,993
A.43	Miscellaneous Services				
	Original	20,921			
	Supplementary	(1,121)			
			19,800	16,216	13,294
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005				
	Original	3,764,837			
	Supplementary	(1,174,677)			
			2,590,160	2,606,030	—
	Low Pay Commission		—	—	*3*
Total			**18,258,228**	**18,152,515**	**16,472,360**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €105.7 million less than Further Revised Estimates provided. This was made up as follows.

- An underspend of €22.7 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained
- An underspend of €83 million relates to scheme and service subheads. The main variances are described below.

A.7 Deserted Wife's Allowance

Estimate provision €830,000; outturn €635,000

The underspend of €195,000, which was due to average recipient numbers (64) being 20 less than estimated (84).

A.8 Basic Supplementary Welfare Allowance Payments

Estimate provision €112.6 million; outturn €94.9 million

The underspend of €17.7 million was due to

- Actual recipient numbers (10,520) were 3,031 lower than provided for in the original estimate (13,551) due to less recourse to Supplementary Welfare Allowance basic payments arising from improved processing times on primary schemes such as Disability Allowance and Jobseekers. This saved €33 million.

Offset by

- Actual inter-scheme adjustments (€22.3 million) recovered from primary schemes such as Disability Allowance and jobseekers were €12.4 million less than provided for in the estimate (€34.7 million), again due to less throughput of claims on SWA Basic. This cost €12.4 million.
- Actual average weekly payment values (€213.44) were €5.06 greater than estimated (€208.38). This cost €2.9 million, of which €700,000 related to the payment of the Christmas Bonus not provided for in the original estimate.

A.10 Exceptional and Urgent Needs Payments (ENP)

Estimate provision €46 million; outturn €43.1 million

The ENP subhead funds once-off payments of an exceptional or urgent needs nature. For this reason, there is greater variance in numbers and values of payments than one might see for a regular weekly or monthly paid scheme. The underspend of €2.9 million was due to

- Actual payments (51,774) being less than estimated (89,700). This saved €19.5 million.
- Offset by actual average payments (€832.74) being higher than expected (€513.04) due to the changing dynamic of exceptional needs payments, whereby the housing element of payments has increased from 66% in 2020 to 74% of payments in 2021. This cost €16.6 million.

A.11 Other Working Age – Income Supports

Estimate provision €18.6 million; outturn €15.3 million

The underspend of €3.3 million was due to

- Expenditure of €11.1 million on Daily Expenses Allowances compared to an estimate of €13.1 million due to lower average recipients. This saved €2 million.
- Expenditure of €4.1 million on Other Supplements compared to an estimate of €5.3 million due to lower recipients. This saved €1.2 million.
- Expenditure of €100,000 on Humanitarian Aid compared to an estimate of €200,000. This saved €100,000.

A.12 Community Employment Programme

Estimate provision €362.7 million; outturn €320.2 million.

The underspend of €42.5 million was due to

- Actual participant numbers (19,270) were 2,570 lower than provided for in the 2021 FREV (21,840). This was due to Covid-19 restrictions which made it difficult to fill vacancies on Community Employment projects. This resulted in an underspend of €34.1 million.
- Actual average payment values (€255.15) were lower than provided for in the original estimate (€255.34). This saved €200,000.
- Actual average payment value for supervisors (€755.37) being lower than provided for in the original estimate (€824.67). This saved €4.6 million.
- An underspend of €5 million was due to other factors, primarily reduction in the cost of Individual Learning Plans (€2.3 million), as a result of Covid-19 restrictions and advances issued/recouped balances from implementation bodies (€1.8 million).

Offset by:

- €1.4 million due to actual number of supervisors (1,282) being 33 higher than provided for in the original estimate (1,249).

A.13 Rural Social Scheme

Estimate provision €52.2 million; outturn €49.5 million

The underspend of €2.7 million was due to

- Actual average number of participants (3,040) being 107 lower than provided for in the original estimate (3,147). This saved €1.5 million.
- Actual participant average payment values (€258.17) were lower than estimated (€266.91). This saved €1.4 million.

Offset by

- Actual average number of supervisors (133) was higher than provided for in the original estimate (130). This cost an additional €100,000.
- €100,000 due to higher non payroll running costs.

A.14 Tús - Community Work Placement

Estimate provision €98.8 million; outturn €78.6 million

The underspend of €20.2 million was due to:

- Actual participant numbers (4,620) were lower than provided for in the estimate (5,684) due to Covid-19 restrictions which made it difficult to fill vacancies on Tús projects. This resulted in an underspend of €14.4 million.
- Actual participant average payment values (€252.11) were lower than provided for in the original estimate (€259.79). This resulted in an underspend of €1.8 million.
- Lower non payroll running costs (€7.3 million) than provided for in the original estimate (€9.5 million). This saved €2.2 million.
- Lower supervisor numbers (283) than provided for in the original estimate (330) resulted in a saving of €1.8 million.

A.16 Back to Work Enterprise Allowance

Estimate provision €64.8 million; outturn €28.9 million

The underspend of €35.9 million was due to

- Actual recipient numbers (2,610) were lower than provided for in the estimate (5,824) due to Covid-19 restrictions which reduced the take-up of Back to Work Enterprise Allowance in 2021. This resulted in an underspend of €35.8 million.
- Actual average payment values (€213.29) were lower than provided for in the estimate (€214.22). This resulted in an underspend of €100,000.

A.17 Youth Employment Support Scheme (YESS)

Estimate provision €2.4 million; outturn €563,000

The underspend of €1.8 million was due to

Covid-19 restrictions for significant periods during 2021 meant that it was not possible to engage with employers and for jobseekers to be offered and take-up places on YESS.

- €1.9 million underspend due to lower recipient numbers (40) than provided for in the 2021 Estimate (198).

Offset by

- €100,000 due to higher average payment values in 2021 (€271.63) than provided for in the original REV €236.51.

A.18 Back to Education Allowance (BTEA)

Estimate provision €96.5 million; outturn €54.3 million

The underspend of €42.2 million was due to

- Actual average recipients over the academic year (5,446) were lower than estimated (10,860). This saved €43.3 million.
- Actual average payment values (€217.67) for recipients paid during the year were lower than estimated (€222.95). This saved €200,000.

Offset by

- Actual average recipient numbers over the summer (2,720) were higher than estimated (2,400). This cost €1.3 million. As in 2020, the Department introduced a Covid-19 related measure for BTEA recipients in 2021, which provided for the majority of BTEA recipients remaining on the scheme for the summer months.

A.19 JobsPlus

Estimate provision €28.3 million; outturn €3.3 million

The underspend of €25 million was due to

- Actual participant numbers (696) were lower than provided for in the estimate (4,850) due to Covid-19 restrictions which reduced the take-up of JobsPlus in 2021. This resulted in an underspend of €24.2 million.
- Actual participant average payment values (€396.79) were lower than provided for in the original estimate (€486.25). This resulted in an underspend of €800,000.

A.20 Local Employment Service

Estimate provision €25.8 million; outturn €18.6 million

The estimate included an additional allocation of €6.5 million for the provision of an expanded Local Area Employment Service (LEAS), as part of the July 2020 Jobs Stimulus. Following scoping and definition of requirements, this was tendered in May 2021 with an implementation date in 2022 for two new Contracted Public Employment Services (CPES).

The underspend of €7.2 million was due to

- Actual expenditure of €nil on the expanded LEAS compared to €6.5 million provided in the estimate. This saved €6.5 million.
- Actual expenditure of €18.6 million on the existing Local Employment Service (LES) was less than provided for in the estimate (€19.3 million). This is because organisations contracted to provide LES are only paid for costs incurred. This saved €700,000.

A.21 Jobs Clubs

Estimate provision €8 million; outturn €4.2 million

The estimate included an additional allocation of €2.8 million to fund additional capacity for Job Clubs, as part of the July 2020 Jobs Stimulus. Following scoping and definition of requirements, this was tendered in May 2021 with an implementation date in 2022 for two new Contracted Public Employment Services (CPES).

The underspend of €3.8 million was due to:

- Actual spend of €nil on the expanded Job Clubs Service compared to estimate (€2.8 million). This saved €2.8 million.
- Actual spend of €4.2 million on the existing Job Clubs service compared to €5.2 million provided in the estimate. The saving of €1 million was due to the curtailment of referrals and less travel and subsistence costs due to less face-to-face referrals for engagement with existing jobseekers.

A.22 Work Placement Experience Programme

Estimate provision €135.7 million; outturn €596,000

The Work Placement Experience Programme (WPEP) was announced as a measure under the July 2020 Jobs Stimulus with a planned date for implementation of November 2020. The programme provided for 10,000 work experience placements over the life of the scheme for jobseekers with host employers for a minimum of 6 months. WPEP was also an integral element of the Pathways to Work strategy 2021 – 2025.

The original estimate was €135.7 million, the outturn was €600,000 resulting in an underspend of €135.1 million.

The original estimate was prepared and finalised in mid-September 2020 to inform the 2021 Budget estimates published in October 2020. It assumed the launch of the WPEP in early November 2020 and from then to the end of 2021 with a maximum of 10,000 concurrent participants. It also assumed an average weekly payment value per participant of €352.42. This is quite close to the average weekly payment value of circa €346 over the first 12 months of the scheme up to July 2022.

The WPEP scheme was launched in July 2021, with the number of participants receiving a payment reaching 155 by mid-December 2021. The reasons for the underspend included

- Delayed launch of the scheme because of ongoing Covid restrictions.
- The 2021 estimates provision gradually ramping up to a maximum of 10,000 concurrent places. The intention of the July 2020 Jobs stimulus was to provide for 10,000 places over the life of the scheme.
- For Jobseekers, our information is that they were seeking employment rather than work experience. This is also evidenced from the high levels of labour market engagement now as the economy has reopened. Work is continuing to promote awareness of the programme among employers and jobseekers.

Employers have cited a number of reasons for non-engagement with the programme to date:

- Pressure on maintaining or resuming business operations in a Covid environment;
- Tightening labour market with reducing unemployment levels;
- Priority to recruit staff to fill vacancies over providing work placements with formal requirements to provide training and to report on same.

A.23 Other Working Age – Employment Supports

Estimate provision €33.8 million; outturn €13.1 million

The underspend of €20.7 million related primarily to Covid-19 restrictions lasting longer than expected which impacted the demand for various support grants. It was made up as follows

- Actual expenditure of €3.9 million on the Enterprise Support Grant compared to €15 million provided for in the estimate. This scheme includes two elements, former Pandemic Unemployment Payment (PUP) recipients who re-opened their business and support for Back to Work Enterprise Allowance participants. This saved €11.1 million.
- Actual expenditure of €2 million on Training Support Grant compared to €11.3 million in the estimate. This saved €9.3 million.
- Actual expenditure of €nil on targeted activation supports compared to €2.5 million provided for in the estimate. This initiative was intended to target unemployed people furthest removed from the labour market but did not proceed due to a focus on other Covid-related priorities, resulting in a saving of €2.5 million.
- Actual expenditure of €200,000 on Family Support Training compared to an estimate of €600,000. This saved €400,000.

Offset by:

- Actual expenditure of €4.5 million on Part Time Job Incentive for the Self-Employed (PTJISE) compared to €2.6 million provided for in the estimate. This cost €1.9 million and was due to extension of the PTJISE beyond Q1 2021 as provided for in the estimate.
- Actual expenditure of €1.8 million on Part Time Job Incentive compared to €1.1 million provided for in the estimate due to higher participants. This cost €700,000.

A.yy Covid-19 Temporary Wage Subsidy Scheme

Estimate provision €10 million; outturn €16.1 million

The Covid-19 Temporary Wage Subsidy Scheme (TWSS) scheme operated as an emergency scheme from March 2020 to August 2020, when it was replaced by the Employment Wage Subsidy Scheme (EWSS). The TWSS scheme, while funded through the Department's Vote, is administered by Revenue. There was an overspend of €6.1 million due to arrears being greater than provided for in the estimate.

A.zz Covid-19 Employment Wage Subsidy Scheme (EWSS)

Estimate provision €2,359 million; outturn €4,570.5 million

There was an overspend of €2,211.5 million on EWSS in 2021.

The original 2021 estimate funded the Employment Wage Subsidy Scheme (EWSS) to the end of June 2021. Subsequent Government decisions extended the scheme up to the end of May 2022.

A.29 Disability Activation Supports

Estimate provision €13.7 million; outturn €10.4 million

The underspend of €3.3 million was due to

- €2.8 million less on Employability Service, €1.5 million of which related to training and other supports announced in Budget 2021 to enhance the employability of jobseekers with disabilities not taken up during 2021 because of Covid restrictions, with the balance due to lower expenditure on Employability Service salaries and other expenses.
- €400,000 less on Ability due to Covid presenting significant challenges for projects funded under the Ability programme to meet the needs of disability groups.
- €100,000 due to a range of factors including rounding.

A.30 Wage Subsidy Scheme (WSS)

Estimate provision €26 million; outturn €15.9 million

This subhead funds the WSS for people with disabilities and the Employment Support Scheme (ESS) which has been closed for a number of years.

The underspend of €10.1 million was due to

- Actual average WSS participants (1,265) were 687 lower than estimated (1,952) while claims were paused due to participant employers availing of the Employment Wage Subsidy Scheme (EWSS). This resulted in a saving of €8.8 million.
- Actual average payment values for WSS participants (€231.66) were lower than estimated (€246.25). This saved €900,000.
- Actual average number of recipients on Employment Support Scheme (39) were 37 lower than provided for in the estimate (76), due to participant employers availing of EWSS. This resulted in a saving of €300,000.

A.32 Working Family Payment

Estimate provision €376.9million; outturn €338.4 million

There was an underspend of €38.5 million due to

- Actual average recipient numbers (45,880) being less than estimated (47,957) due to lower take-up of in-work supports like Working Family Payment due to less people with families on lower incomes in employment arising from Covid restrictions. This saved €16.3 million.
- Actual average payment values (€141.89) were lower than estimated (€151.01). This saved €21.8 million.
- Actual inter-scheme adjustments charged to other schemes being -€100,000 compared to €300,000. This saved €400,000.

A.33 Back to Work Family Dividend

Estimate provision €12.5 million; outturn €10.2 million

There was an underspend of €2.3 million due to

- Actual average recipients (2,965) being 826 lower than provided for in the original estimate (3,791). This saved €2.7 million.
- Offset by actual average payment values (€66.45) being €2.78 higher than provided for in the original estimate (€63.67). This cost €400,000.

A.35 School Meals Scheme

Estimate provision €65.1 million; outturn €58.4 million

The underspend of €6.7 million on the School Meals Scheme in 2021 was due to school closures during the pandemic from January 2021. While School Meals Scheme funding remained available throughout, not all schools availed of this option. Of the schools that did, many only provided support to children of the most financially vulnerable families. This was achieved largely through the home delivery of food parcels by suppliers. The planned extension of the hot school meals programme from January 2021 was delayed until April 2021 with some schools deferring until September 2021.

A.36 Child Related Payments

Estimate provision €7.9 million; outturn €8.5 million

There was an overspend of €600,000 due to

- Actual spend on Guardian's Non-Contributory Payment (GPNC) was €8 million, compared to an estimate of €7.6 million due to actual recipients (560) being higher than estimated (532). This cost €400,000
- Actual payment values for GPNC (€270.77) being €2.90 higher than provided for in the original estimate (€267.87). This cost €90,000 and is mainly due to the payment of the Christmas Bonus not provided for in the original estimate.
- Actual expenditure of €450,000 on Widowed Parent Grant compared to an estimate of €360,000. This cost €90,000.

A.37 Rent Supplement

Estimate provision €116.2 million; outturn €123 million

There was an overspend of €6.8 million due to

- Actual average number of recipients (18,320) being higher than estimated (17,690). This cost €4.1 million.
- Actual average weekly payment values (€129.21) being higher than estimated (€126.31). This cost an additional €2.8 million.

Offset by

- €100,000 in fewer adjustments than profiled.

A.39 Household Benefits Package

Estimate provision €76.2 million; outturn €84.4 million

There was an overspend of €8.2 million due to

- Average number of households receiving Electricity Allowance funded from Vote 37 (125,825) was higher than provided in the estimate (123,952). This cost €800,000.
- Average monthly payment value for Electricity Allowance funded from Vote 37 (€38.67) was higher than provided for in the estimate (€35.00). This cost €5.5 million.
- Average monthly payment value for Gas Allowance funded from Vote 37 (€39.98) was higher than provided for in the estimate (€35). This cost €700,000.
- The number of Free TV license funded from Vote 37 (139,543) was higher than provided for in the estimate (129,625). This cost €1.5 million.

Offset by

- Average number of households receiving Gas Allowance funded from Vote 37 (11,666) was lower than provided for in the estimate (11,857). This saved €100,000.
- Average cost of a Free TV license funded from Vote 37 (€146.53) was lower than provided for in the estimate. This saved €200,000.

A.42 Grant to the Citizens Information Board

Estimate provision €62.2 million; outturn €59 million

The underspend was due to the impact of Covid-19 on demand led services such as Abhaile, MABS, DMA MABS, CIS and further underspends in ICT.

A.43 Miscellaneous Services

Estimate provision €20.9 million; outturn €16.2 million

The underspend of €4.7 million was due to

- There was no expenditure on Subvention to the Pensions Authority compared to €3 million provided for in the estimate due to projects envisaged in the scope of the allocation not proceeding. This saved €3 million.
- Actual expenditure of €6.3 million on Food Aid for the Most Deprived compared to €8 million provided for in the estimate due to constraints incurred by partner organisations rolling out services due to Covid-19 restrictions. This saved €1.7 million.

A.44 Payment to the Social Insurance Fund Under Section 9(9) (a) of the Social Welfare Consolidation Act 2005

Estimate provision €3,764.8 million; outturn €2,606 million

Social Insurance Fund (SIF) spending has traditionally been funded on a tripartite basis – with contributions from the Exchequer where required, employers and employees/self-employed. Legally, the Exchequer is the residual financier of the SIF and Exchequer contributions were the standard for over 40 years from 1952 to 1997. The SIF recorded a surplus each year between 1998 and 2007 and from 2016 to 2019. It recorded a deficit each year from 2008 to 2015 and in 2020 and 2021.

This subhead funds the deficit on the SIF when expenditure exceeds income and when the accumulated surplus from earlier years is insufficient to fund expenditure.

The underspend of €1,158.8 million is due to

- Actual SIF income (€11,839.4 million) was €709.8 million more than estimated (€11,129.6 million) due to higher PRSI receipts from more people at work. This saved €709.8 million.
- Actual SIF expenditure (€14,870.9 million) was €473.7 million less than estimated (€15,344.6 million). This saved €473.7 million. Schemes with lower expenditure included
    - Jobseekers Benefit and Jobseekers Benefit for Self-Employed (€1,230.7 million) due to exits from Pandemic Unemployment Payments (PUP) to jobseekers after June 2021 not happening due to extension of PUP.
    - Redundancy and Insolvency Payments (€31.2 million).
    - Illness Benefit (€63.2 million) due to less people at work.
    - €25.3 million less due to a range of offsetting factors.

    Offset by
    - Pandemic Unemployment Payment (€695.5 million) due to extension of scheme beyond June 2021.
    - Funding of the Christmas Bonus paid to recipients of Social Insurance Fund schemes (€181.4 million).

Offset by

- Amended surplus carried forward from 2020 (€425.4 million) was €24.7 million less than provided for in the estimate (€450.1 million). This cost €24.7 million.

Note 4 Receipts

4.1 Appropriations-in-aid

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
Social Insurance Fund transfer to Vote 37					
1	Recovery of administration expenses from the Social Insurance Fund		126,400	145,930	121,980
Appropriations-in-aid: other					
2	Recoveries of social assistance overpaid				
	Original	47,500			
	Supplementary	(550)			
			46,950	47,504	49,071
3	Repayment from the Social Insurance Fund of amounts paid initially as social assistance				
	Original	4,000			
	Supplementary	(560)			
			3,440	3,323	5,698
4	Receipts under 'liability to maintain family' provisions in Part XII of the Social Welfare (Consolidation) Act 2005				
	Original	300			
	Supplementary	90			
			390	394	332
5	Receipts from the General Register Office				
	Original	340			
	Supplementary	130			
			470	462	253
6	Receipts from the additional superannuation contributions on public service remuneration				
	Original	7,030			
	Supplementary	140			
			7,170	7,103	6,820

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
7	Receipts from European Social Fund				
	Original	7,100			
	Supplementary	(2,100)			
			5,000	5,000	17
8	Receipts from National Training Fund (Community Employment				
	Original	10,200			
	Supplementary	(7,400)			
			2,800	5,061	4,538
9	Receipts from Pensions Authority – staff superannuation				
	Original	600			
	Supplementary	80			
			680	686	582
10	Homeless Unit operational costs — contributions from external agencies		—	—	156
11	Receipts from dormant accounts		5,000	5,000	3,216
12	Receipts from European Globalisation Fund		—	—	—
13	Recovery of assistance from insurance claims				
	Original	1,800			
	Supplementary	250			
			2,050	2,220	1,923
14	Receipts from Fund for European Aid to the Most Deprived				
	Original	4,800			
	Supplementary	(4,340)			
			460	3,928	5,235
15	Miscellaneous				
	Original	1,000			
	Supplementary	(500)			
			500	11,370	1,720

16	Recovery of overpayments for Covid Temporary Wage Subsidy Scheme for claims in 2020				
	Original	80,000			
	Supplementary	92,200			
			172,200	174,705	—
17	Recovery from Employment Wage Subsidy in 2021 for claims in 2020				
	Original	1,000			
	Supplementary	19,300			
			20,300	20,291	—
	Total		**393,810**	**432,977**	**201,541**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €39.2 million more than the estimate. Explanations for variances are set out below:

1 Recoveries of administration expenses from the Social Insurance Fund

Estimate €126.4 million; realised €145.9 million

This subhead provides for the recovery of costs incurred by the Department of Social Protection in administering schemes funded from the Social Insurance Fund (SIF). The additional receipts are mainly due to the full cost of medical certificates paid to doctors in respect of Illness Benefit, Injury Benefit and Partial Capacity Benefit initially charged to Vote 37 Administration that are now being recovered from the SIF.

3 Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance.

Estimate €4 million; realised €3.3 million

This subhead is used to record the Recovery of Social Assistance from the SIF where inter-scheme adjustment is 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 claim for Illness Benefit (IB), Invalidity Pension (IP) or State Pension Contributory (SPC). The amount of SWA Basic paid is subsequently recovered from the SIF when their IB, IP or SPC claim is decided. When the decision is made in a later year to when the SWA Basic payment occurred, the recovery from the SIF is recorded as income under this subhead.

Receipts can vary considerably from month to month, ranging from €44,000 to almost €800,000 per month in 2021.

5 Receipts from the General Register Office

Estimate €340,000; realised €462,000

This subhead is used to record receipts for Birth, Death and Marriage certificates provided directly by the General Register Office. Receipts had been declining each year from almost €700,000 in 2010 to €253,000 in 2020. 2021 saw the first increase in receipts for a number of years and was the highest since 2016 (€423,000).

7 Receipts from European Social Fund

Estimate €7.1 million; realised €5 million

The European Social Fund is the European Union's financial instrument for investing in people to help prevent and fight unemployment, making Europe's workforce better equipped to face new challenges.

The original estimate of €7.1 million was a high level, indicative one, made prior to more detailed analysis of the claim submitted to the European Commission. €5 million was received of which €2 million related to Back To Work Enterprise Allowance (BTWEA) and €3 million related to JobsPlus. A balance of €600,000 was retained pending final audit of the BTWEA and JobsPlus schemes by the EU Commission. This remaining amount is expected in 2022.

8 Receipts from National Training Fund (Community Employment)

Estimate €10.2 million; realised €5.1 million

This subhead records receipts from the National Training Fund in respect of training provided to participants on various employment support schemes funded by the Department. Receipts were €5.1 million lower than expected due to:

- €1.0 million less received for training of Community Employment participants due to less training provided as a result of Covid restrictions. €3.2 million realised compared to €4.2 million provided for in the estimate.
- €4.2 million less recovered in respect of Training Support Grant due to lower take-up of Training Support Grant than expected. €1.8 million realised compared to €6 million provided for in the estimate.
- Offset by receipts of €100,000 for training of WorkPlace Experience Programme (WPEP) participants when no provision was provided for in the estimate.

13 Recovery of assistance from insurance claims

Estimate €1.8 million; realised €2.2 million

This subhead is used to record receipts from insurance compensation awards in respect of Disability Allowance recipients.

Receipts can vary from month to month, with yield in any month dependent on court sittings. In 2021, monthly receipts ranged from under €100,000 to almost €300,000 per month.

14 Receipt from Fund for European Aid to the Most Deprived

Estimate €4.8 million; realised €3.9 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. This subhead records receipts from the FEAD fund. The lower receipts in 2021, was mainly due to the early receipt of funding of €700,000 in December 2020, expected in Q1 2021 at the time of the estimate.

15 Miscellaneous

Estimate €1 million; realised €11.4 million

This subhead records receipts whose value is small or were not anticipated when the estimate was prepared. Receipts in 2021 included:

- €7.8 million due to surrender of surplus accumulated by CIB service delivery companies.
- €2.7 million due to the recovery of an overpayment relating to 2020 from Bus Eireann Expressway.
- €400,000 relating to cancelled cheques.
- €400,000 receipt from the EU programme for Employment and Social Innovation Fund (EaSI) in respect of the Lone Parents Activation project.
- €100,000 from a range of smaller items.

16 Recovery of overpayments for Covid Temporary Wage Subsidy Scheme for claims in 2020

Estimate €80 million; realised €174.7 million

This subhead records the recovery of overpayments from employers relating to the Temporary Wage Subsidy Scheme (TWSS) administered by Revenue and follows a review of TWSS claims by Revenue. Receipts ranged from €1.9 million to €34.6 million per month.

17 Recovery from Employment Wage Subsidy in 2021 for claims in 2020

Estimate €1 million; realised €20.3 million

This subhead provides for the recovery of overpayments by Revenue from employers relating to the Employment Wage Subsidy scheme (EWSS). The EWSS replaced the TWSS from September 2020. The estimate of €1 million was a provisional estimate, given that the scheme was in its early stages. The recovery of overpayments amounting to €20.3 million related to 2020 claims.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	1	6
Conscience money	2	10
Witness expenses	1	1
Pensions Authority fines	—	—
Transferred to the Exchequer	(3)	(16)
Balance at 31 December	**1**	**1**

4.3 Recovery of welfare assistance overpayments

The Central Debt Unit (CDU) is responsible for the management of individual customer overpayments and debt recovery. [a]

The summary position on welfare assistance overpayments managed by CDU at 31 December 2021 was as follows:

		2021 Outturn		2020 Outturn
	€000	€000	€000	€000
Overpayments outstanding at 1 January 2021		390,894		381,195
Adjustment [b]		28		(4)
Adjusted opening balance at 1 January 2021		390,922		381,191
Net overpayments recorded				
Suspected fraud	15,464		17,829	
Claimant error	33,652		31,452	
Official error	1,058		918	
Estate cases	22,016		25,826	
		72,190		76,025
		463,112		457,216
Less:				
Amounts recovered [c]	(51,179)		(56,604)	
Recoveries adjustment [d]	237		432	
		(50,942)		(56,172)
Prior year debts cancelled [e]		(5,118)		(5,254)
Amounts written off as irrecoverable [f]		(27,878)		(4,896)
Overpayments outstanding at 31 December [g]		**379,174**		**390,894**

Notes

[a] The management of overpayments and debt recoveries that arise from contractual relationship or service level agreements with corporate entities delivering group schemes such as Treatments Benefits and Community Employment are administered by the respective scheme area and are not stated here. Total 2021 recoveries for these schemes were €660,000.

In 2021 the Revenue Commissioners administered debt recoveries for the Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) and are not reported here. Recoveries of €79.9 million for 2021 overpayments are netted off 2021 EWSS scheme expenditure.

[b] The opening balance adjustment is to bring the reported balance into line with the opening debtor listing at 1 January 2021.

[c] The amount of debt recovered in 2021 is analysed as follows:

(a) €46.6 million posted to income in respect of previous years debt

(b) €4.6 million posted against expenditure in respect of the current years debt.

[d] The adjustment of €237,000 is in respect of recorded recoveries in prior years which were cancelled in 2021.

[e] The prior year debts cancelled of €5.1 million represents overpayments raised in prior years which were cancelled in 2021.

[f] During 2021, the Department completed a project to write off individual cases of older debt which were deemed irrecoverable. This was in addition to ongoing write offs in the normal course of business. Specific sanction was requested and received from the Department of Public Expenditure and Reform for this project under which a total of 9,595 cases with a value of €27.2 million were written off during 2021. (Vote: €23.7 million; SIF: €3.5 million). There was no similar project in 2020 but debts of €4.9 million were written off in the normal course of business. Included in the total write off amount of €27.9 million are write offs for 715 customers who had individual debts greater than €10,000 written off totalling €19.8 million.

[g] In line with the PUP scheme being placed on a discrete statutory basis, funded from the SIF, PUP overpayment activity is recorded in the SIF.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Department	6,435	6,402
Agencies [a]	153	157
	6,588	**6,559**

Note [a] The Citizen Information Board and the Pensions Authority.

5.2 Pay

	2021 €000	2020 €000
Pay	307,723	297,019
Higher, special or additional duties allowances	1,096	1,025
Other allowances	1,587	348
Overtime	3,080	4,097
Employer's PRSI	22,499	20,743
Total pay	**335,985**	**323,232**

Remuneration of Department staff

The following remuneration arrangements refer to pay elements of subheads A.1 (i), A.2 (viii) and A.2 (ix).

	2021 €000	2020 €000
Pay	297,989	288,422
Higher, special or additional duties allowance	1,015	914
Other allowances	1,587	348
Overtime	3,078	4,097
Employer's PRSI	21,507	19,858
Total pay	**325,176**	**313,639**

Agency remuneration

	2021 €000	2020 €000
Pay	9,734	8,597
Higher, special or additional duties allowance	81	110
Other allowances	—	—
Overtime	2	1
Employer's PRSI	992	885
Total Pay	**10,809**	**9,593**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Department staff				
Higher, special or additional duties allowances	368	19	26,456	21,445
Other allowances	369	25	59,158	12,719
Overtime	1,465	46	18,534	22,513
Extra remuneration in more than one category	262	76	28,129	11,224
Agency staff				
Higher, special or additional duties allowances	13	2	17,488	17,839
Overtime	2	—	1,228	733

5.4 Other remuneration arrangements

The cost of staff serving outside the Department in 2021 was €708,899 in respect of 12 staff. These costs are recouped by the Department from the relevant organisations.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €000	2020 €000
Overpayments	504	1,946	1,970
Recovery plans in place	237	934	1,023

32 individuals with recovery plans to the value of €40,436 transferred to other departments in the year.

5.6 Severance/redundancy

During 2021, two staff members whose employment was terminated, were paid redundancy payments totalling €12,268 and severance payments totalling €nil.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by					Total	Total
	employees		members of the public			2021	2020
	Personal injuries [a]	Breach HR/ employment policies [b]	Personal injuries [c]	Department schemes [d]	Other [e]		
Number of cases	22	2	8	5	14	51	498
	€000	€000	€000	€000	€000	€000	€000
Department's own legal costs	287	—	65	—	13	365	188
Payments by/on behalf of Department							
Compensation	306	12	1	—	—	319	3,856
Legal costs	36	77	—	196	238	547	649
Other costs	7	—	—	—	—	7	—
2021 Total	**636**	**89**	**66**	**196**	**251**	**1,238**	**4,693**
2020 Total	291	15	183	4,126	78	4,693	

Notes

[a] Total cases 22. Amounts paid in respect of individuals ranged from €10 to €112,269.

[b] Total cases 2. Amounts paid in respect of individuals ranged from €12,360 to €76,743.

[c] Total cases 8. Amounts paid in respect of individuals ranged from €53 to €50,183.

[d] Total cases 5. The largest individual payment was €169,161. An amount of €3.539 million (439 cases) was paid to survivors of Magdalen Laundries during 2021 (€3.566 million (458 cases) in 2020). Payments to survivors of Magdalen Laundries did not involve legal actions taken against the Department and have been excluded from the 2021 figures.

[e] Total cases 14. Total individual costs ranged from €3,551 to €66,163. 10 cases relate to legal costs to other parties. 2 cases relate to a decision by a superintendent registrar (SR). The other costs relate to a Legal Advisor under contract by the Department.

Cumulative costs of cases completed in 2021

	Claims by					Total
	employees		members of the public			
	Personal injuries	Breach HR/ employment policies	Personal injuries	Department schemes	Other	
Number of cases	8	2	2	5	12	29
	€000	€000	€000	€000	€000	€000
Department's own legal costs	298	—	3	—	—	301
Payments by/on behalf of Department						
Compensation	36	17	—	—	—	53
Legal costs	233	77	—	196	238	744
Other costs	2	—	—	—	—	2
2021 Total	**569**	**94**	**3**	**196**	**238**	**1,100**

6.2 EU funding

The outturn shown in Subheads A.1 and A.42 includes payments in respect of activities which are co-financed by the EU. Estimates and actual receipts are recorded in Note 4.1, subheads 7, 14 and 15.

Subhead description:	2021 Estimate	2021 Realised	2020 Realised
	€000	€000	€000
European Social Fund, programme for Employability, Inclusion and Learning/European Employment Services.	5,000	5,000	17
Fund for European Aid to the Most Deprived	460	3,928	5,235
Employment and Social Innovation (EaSI) programme.	—	374	—

European Social Fund (ESF), programme for Employability, Inclusion and Learning (PEIL) and European Employment Services

The European Social Fund (ESF) is the European Union's financial instruction for investing in people. The mission of the ESF is to help prevent and fight unemployment, to make Europe's workforce and companies better equipped to face new challenges and to prevent people losing touch with the labour market. The ESF PEIL Operating Programme (OP) ran from 2014 to 2020 and was the European Union's financial instrument for this purpose. In 2021, €3m and €2m was receipted from the ESF for the Department's JobsPlus and Back to Work Enterprise Allowance schemes respectively for expenditure during the PEIL period. The successor ESF Programme to PEIL is the ESF+ OP and this will run from 2021 to 2027.

Funds for European Aid to the Most Deprived

Funding of €3.9 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 €26 million has been incurred in the operation of this programme to December 2021. The EU provides funding to member states that match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023.

Employment and Social Innovation programme

The Employment and Social Innovation (EaSI) programme is a financing instrument at EU level to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. The Department has worked with our social welfare counterparts in Greece and Finland (and NGOs in the three participating countries) to run a project called "Lone Parents Digital Activation" with co-funding from the EU under the EaSI measure. The maximum EU grant amount for the project is €1,245,926.97 (80% of the overall project budget) and this covers a 30-month project implementation period from November 2021 to April 2024. DSP is co-funding €105,000, with similar co-funding amounts from Finland and Greece. The initial tranche of €373,778 has been received from EaSI in December 2021. Further tranches will follow at the 12 month, 24 month and 30 month points (final balancing payment).

6.3 Late interest payments

	2021 €000	2020 €000
Interest payments	**8**	**12**

6.4 Deferred surrender

Deferred surrender comprises savings in 2021 of €1.2 million in capital expenditures in the following subheads that were carried over to 2022.

	€000
Description of subhead:	
A.2 (v) Office equipment and external IT services	820
A.2 (vi) Office premises expenses	380
	1,200

Appendix A Department of Social Protection Summary of Programme Expenditure

	2021 €million	2020 €million
Vote 37		
Gross expenditure	**18,152**	**16,472**
Less non-scheme expenditure		
Administration	(545)	(536)
SIF subvention	(2,606)	—
Grant to Citizens Information Board	(59)	(56)
Miscellaneous services and grants to the Low Pay Commission	(6)	(4)
Vote 37 scheme expenditure (A)	**14,936**	**15,876**
Social Insurance Fund		
Gross expenditure	**15,668**	**14,823**
Less non-scheme expenditure		
Administration	(244)	(221)
National Training Levy	(797)	(717)
Social Insurance Fund scheme expenditure (B)	**14,627**	**13,885**
Total Department scheme expenditure (A+B)	**29,563**	**29,761**

Scheme expenditure breakdown

Payments by scheme and category	2021 €million	2020 €million
Pensions		
State Pensions (Contributory)	6,186	5,835
State Pensions (Non-Contributory)	1,083	1,049
Widows'/Widowers'/Surviving Civil Partners' Pension	1,651	1,586
Bereavement Grant	—	—
Total	**8,920**	**8,470**
Working Age Income Supports		
Jobseeker's Allowance	1,567	1,657
One Parent Family Payment	561	565
Jobseeker's Benefit	336	416
Redundancy and Insolvency Benefit	25	48
Maternity Benefit	267	258
Paternity Benefit, Parents Benefit and Adoptive Benefit	50	19
Basic Supplementary Welfare Allowance	95	115
Farm Assist	59	66
Deserted Wife's Benefit	64	68
Other Working Age- Income Supports	15	18
Exceptional and Urgent Needs payments	43	41
Treatment Benefits and Health and Safety Benefit	116	92
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	13	14
Deserted Wife's Allowance	1	1
Covid-19 Pandemic Unemployment Payment	4,019	4,979
Total	**7,231**	**8,357**
Supplementary Payments		
Rent Allowance	—	—
Fund for European Aid to the Most Deprived (FEAD)	6	5
Magdalen Laundries and other Institutions Payments	4	4
Rent Supplement	123	133
Household Benefits Package	274	263
Telephone Support Allowance	18	18
Fuel Allowance	316	290
Free Travel	91	95
Total	**832**	**808**

Working Age Employment Supports		
Community Employment Programme	320	341
Back to Education Allowance	54	66
Back to Work Enterprise Allowance	29	39
TÚS Community Work Placement Scheme	79	84
JobsPlus	3	5
Other Working Age – Employment Supports	13	12
Youth Employment Support Scheme/Work Placement	1	2
Rural Social Scheme	50	53
Jobs Initiative	13	15
Local Employment Scheme	19	18
Jobs Club	4	4
Partial Capacity Benefit	25	25
Covid-19 Wage Subsidy	16	2,707
Employment Wage Subsidy Scheme	4,571	1,371
Total	**5,197**	**4,742**
Illness, Disability and Carers		
Disability Allowance	1,829	1,812
Illness Benefit	677	650
Invalidity Pension	730	760
Carer's Payment	978	975
Carer's Support Grant	257	228
Domiciliary Care Allowance	202	193
Wage Subsidy Scheme	16	18
Disablement Benefit	70	70
Blind Pension	12	13
Death Benefit	10	10
Injury Benefit and Medical Care	11	12
Disability Activation Supports	10	14
Total	**4,802**	**4,755**
Children		
Child Benefit	2,090	2,102
Working Family Payment	338	377
Back to Work Family Dividend	10	13
Back to School Clothing and Footwear	52	54
School Meals	58	53
Child Related Payments	33	30
Total	**2,581**	**2,629**
Net expenditure on all schemes	**29,563**	**29,761**

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

The following table lists the bodies and funds under the aegis of the Department 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 the date on which 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	2020	22 Sep 2021	22 Sep 2021	7 Oct 2021
Pensions Authority	2021	24 Jun 2022	28 Jun 2022	—
Citizens Information Board	2020	20 Dec 2021	21 Dec 2021	30 Mar 2022

Appropriation Account 2021

Vote 38

Health

Introduction

As Accounting Officer for Vote 38, 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 2021 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including grants to the Health Service Executive and miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €394.234 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.

Changes to Vote structure

The account has been prepared in accordance with the 2021 Revised Estimate for Health.

Two new subheads have been added in order to account for the departmental Covid-19 costs in 2021. Subhead B.4 was set up to cover costs associated with Covid-19 research activities. Subhead E.5 was set up for funding of various Covid-19 initiatives including mandatory hotel quarantine, Covid-19 vaccine certificates and the passenger locator forms.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Payments to the HSE

Funds are advanced to the HSE in relation to the provision of services on a grant basis, in line with funding set out in the annual letter of determination which issues to the HSE setting out its approved level of expenditure. The total amount paid to the HSE was charged against the relevant subheads. Grant funding paid to the HSE in 2021 amounted to €21.339 billion (2020: €20.475 billion). This is accounted for across 14 subheads – each subhead from I to M.4, excluding M.1 which related to the capital expenditure of agencies under the aegis of the Department other than the HSE.

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

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18).

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 (e.g. HR) 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 this 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.

The Department will continue to strengthen the control environment in which it operates in 2022.

Cyber attack

Following a cyber-attack in May 2021, the Department engaged its security consultants to enhance protective measures while conducting a complete review of the incident and infrastructure. A 24/7 preventative, monitoring, detection and response service was implemented to protect systems through automatic and manual monitoring. Using extended detection and response software, this provides real time analysis backed up by investigative services and, if required, response and remediation services. This will help facilitate the prevention of issues by early notification and response, and is in line with current industry practice. Staff awareness and training in cyber security issues have been increased and the Department will shortly implement a mandatory internal cyber security awareness programme to develop and deliver an ongoing security agenda, aligned with the Department's policies, that provides topical and engaging material in order to promote cyber security awareness and reinforce a culture of best practice.

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 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.

Procurement compliance

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. In 2021, the Department did not follow normal competitive processes for procurement of contracts in 26 instances totalling €34.767 million. This includes two specific Covid-19 response contracts totalling €30.123 million. The details set out below includes one contract that had both non-competitive and non-compliant expenditure.

- As the lead Department in the response to the Covid-19 pandemic, there was an unusually high level of non-competitive expenditure in 2021. Thirteen contracts totalling €33,331,403 were awarded/modified as a direct result of urgent Covid-19 requirements.
- €907,573 related to six contracts which were procured from contractors due to urgency.
- €188,262 related to two contracts that were modified as a result of necessary additional works which could not have been included in the initial procurement process.
- €115,942 related to two contracts for proprietary software purchased from the single provider of these products.
- €93,974 was in respect of a contract for ongoing software support where the cost implications and timelines for developing a new package would not have represented value for money for the Exchequer.

Three contracts totalling €130,107 were considered non-compliant with procurement guidelines on the following basis.

- €26,016 related to a media monitoring contract which had previously been tendered for but exceeded the relevant threshold. This service is deemed essential to facilitate the ongoing requirement for media monitoring of the evolving public health situation as reported in the media nationally and internationally. The Department intends to undertake a procurement exercise to address future requirements for this service.
- €63,735 related to graphic design services with the majority of this expenditure undertaken on foot of 'request for quote' procurement processes. A new tender competition was undertaken in Q4 2021 and a framework for the procurement of graphic design services has been finalised.
- €40,356 related to frequent video production services. For the vast majority of the year, an in-house service provides for this requirement. The Department intends tendering for this back-up service in 2022.

The Department is committed to addressing the issues of non-compliant procurement and is currently strengthening its policies and procedures in respect of procurement issues. Regular updates are provided to all staff in this regard. Where appropriate, the Department utilises centrally available frameworks. Improvements to existing contract management processes are a priority and are currently being implemented internally. The Department continues to work closely with the Office of Government Procurement to improve compliance when undertaking its procurement activities.

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. Steps taken in 2021 to strengthen the function to reflect the increasing complex environment in which the Department operates include an increase in full-time equivalents (FTE) and the approval for a co-sourcing model. 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 manages risk through its Corporate Operations Office (COO), supported by a Risk Working Group with representatives from across the Department. The COO will submit regular reports to the newly established Internal Governance Sub-committee of the Management Board, which provides advice and assurance to the Accounting Officer regarding the suitability and robustness of the Department's corporate governance systems, processes, and procedures.

The Department is considering recommendations arising from an external review of risk management in 2020, including developing its corporate risk register, drafting a risk appetite statement, and providing training for staff to ensure that risk registers are completed to a consistent standard. Implementation of some recommendations was paused due to Covid-19 and structural changes within the Department; however, it is expected that most will be addressed in 2022.

Governance in the health sector

The Departments approach to managing governance across the health sector in 2021 is based on the revised Department of Public Expenditure and Reform *Code of Practice for the Governance of State Bodies* (2016). Oversight of aegis bodies is undertaken by the designated units within the Department led at Principal Officer level with input and support from the Department's Governance Unit and other relevant units.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each board, and each chair of the board.

The relationship between the Department and the bodies under its aegis is determined primarily by

- the underpinning legislation establishing the body, and
- the requirements set out in the Department of Public Expenditure and Reform's *Code of Practice*.

Under the revised *Code of Practice*, oversight agreements and performance delivery agreements were in place with aegis bodies as at 31 December 2021, except for the HSE and Pharmaceutical Society of Ireland. This approach focuses on outputs and outcomes and includes performance indicators to ensure that resources are used both in an effective and efficient manner to deliver quality services. The HSE national service plan for 2022 was agreed and approved in February 2022 with only the oversight agreement outstanding at this stage.

A corporate plan covering a three-year period is prepared by the HSE and approved by the Minister for Health. Each year, the HSE continues to prepare a national service plan setting out the type and volume of services it intends to provide for the funding available. This plan is approved by the Minister for Health. Performance reports are submitted monthly by the HSE during the course of the year, and monthly meetings take place at various levels between the two organisations to discuss ongoing or emerging performance issues and determine actions to improve areas of concern.

In relation to other aegis bodies, legislation generally provides for a multi-annual corporate plan and an annual business plan. These plans allow, respectively for overall corporate strategy and annual priorities to be developed and agreed with the Department.

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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The Covid-19 pandemic continued into 2021. Funding requirements were addressed in the estimates process and there was no requirement for additional/supplementary funding in 2021.

Existing oversight structures between the Department of Health, the Department of Public Expenditure and Reform and the HSE, including the health budget oversight group, along with new structures and processes, continued to facilitate timely decision-making during the pandemic while also ensuring high standards of governance were maintained.

The HSE reported to the Department each week on the estimated Covid-related non-capital and capital expenditure that had been incurred to date. These reports detailed the expenditure incurred in each area as well as an estimate of the indirect impact costs in areas such as loss of income.

In compliance with public health advice, departmental staff continued to work from home throughout 2021. To enable the vital work of the Department to continue, staff have worked from home through a secure virtual private network connection. To reflect the changed circumstances the Department operated in during 2020 and 2021, financial controls were amended.

An Internal Audit was completed in 2021 *'Audit of Accounting Unit financial controls introduced in response to the Covid-19 pandemic and working from home'* and a 'substantial' assurance rating was given.

Robert Watt
Accounting Officer
Department of Health

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

Opinion on the appropriation account

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2021 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 38 Health for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Health 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 appendix to this report.

Financial impact of cyber security attack

Chapter 12 of my report on the accounts of the public services for 2021 refers to the financial impact of the cyber security attack in May 2021 on certain ICT systems, including those of the Department of Health and of the Health Service Executive.

Re-allocation of voted funding

Chapter 4 of my report on the accounts of the public services for 2021 examines compliance with the procedures for re-allocation of funding from vote subheads where savings had emerged, to meet expected excess spending on other vote subheads. The re-allocation of certain funds in Vote 38 was reviewed as part of that examination.

Seamus McCarthy
Comptroller and Auditor General

1 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 38 Health

Appropriation Account 2021

Service		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Administration				
A.1	Salaries, wages and allowances	44,800	44,916	36,117
A.2	Travel and subsistence	275	112	194
A.3	Training and development and incidental expenses	3,304	3,127	2,649
A.4	Postal and telecommunications services	180	143	158
A.5	Office equipment and external IT services	2,541	2,706	1,850
A.6	Office premises expenses	972	654	624
A.7	Consultancy services and value for money and policy reviews	2,000	371	456
Grants				
B.1	Grants to research bodies and other research grants	46,450	40,952	40,756
B.2	Healthy Ireland Fund	22,450	10,401	6,609
B.3	Drugs Initiative	16,928	5,395	6,729
B.4	Research Covid-19 action	5,000	4,998	—
Other services				
C	Expenses in connection with the World Health Organisation and other international bodies	2,700	3,192	1,968
D	Statutory and non-statutory inquires and miscellaneous legal fees and settlements	10,465	11,155	9,363
E.1	Developmental consultative, supervisory, regulatory and advisory bodies	98,744	81,505	91,862
E.2	The Food Safety Promotion Board	5,691	5,343	5,341
E.3	The National Treatment Purchase Fund	100,022	100,000	80,000
E.4	Ireland/Northern Ireland INTERREG	5,300	1,686	3,013
E.5	Covid-19 actions	45,000	56,061	—

Service		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Other services (continued)				
F.1	Payments in respect of disablement caused by Thalidomide	495	402	380
F.2	Payments in respect of persons claiming to have been damaged by vaccination	1	—	—
F.3	Payments to a special account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	18,900	10,923	9,245
F.4	Payments to a reparation fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	2,100	2,434	1,229
G	Dissemination of information, conferences and publications in respect of health and health care services	1,150	1,395	2,611
H	Sláintecare	22,600	8,390	21,540
Corporate administrative				
I	Net pension costs	590,610	583,250	517,520
HSE health and social care services				
J.1	HSE (including services developments)	13,217,386	12,477,781	11,697,124
J.2	HSE – Covid-19 actions	1,666,000	2,193,152	2,351,156
Other HSE services				
K.1	Health agencies and similar organisations (part funded by the National Lottery)	4,513	376	1,879
K.2	Payments to Special Account – Health (Repayment) Act 2006	1,700	—	150

Service			2021		2020
			Estimate provision	Outturn	Outturn
			€000	€000	€000
Other HSE services (continued)					
K.3	Payment to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,000	252	1,686
K.4	Payment to State Claims Agency		410,000	465,136	377,452
K.5	Economic and social disadvantage (dormant account funding)		2,700	204	997
Care programme					
L.1	Primary care reimbursement services		3,516,000	3,433,301	3,238,400
L.2	Primary care reimbursement services – Covid-19 actions		10,000	17,672	140,031
L.3	Long term residential care		1,044,230	1,017,600	998,146
Capital services					
M.1	Grants in respect of building, equipping (including ICT)		14,527	13,346	12,466
M.2	Building, equipping and furnishing of health facilities				
	Estimate provision	783,000			
	Deferred surrender	68,174			
			851,174	749,855	607,726
M.3	Information services and related services for health agencies		255,000	245,500	221,996
M.4	Capital Covid-19 actions (including ICT)		155,000	155,000	320,566

Service			2021	2020
		Estimate provision	Outturn	Outturn
	€000	€000	€000	€000
Gross expenditure				
Estimate provision	22,129,734			
Deferred surrender	68,174			
		22,197,908	**21,748,684**	**20,809,989**
Deduct				
N **Appropriations-in-aid**		**432,770**	**481,780**	**487,723**
Net expenditure				
Estimate provision	21,696,964			
Deferred surrender	68,174			
		21,765,138	**21,266,904**	**20,322,266**

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 spending in the following year. €104 million of unspent allocations in respect of the capital elements of subheads M.2 and M.3 was carried forward to 2022.

	2021	2020
	€	€
Surplus	498,233,827	119,933,743
Deferred surrender	(104,000,000)	(68,174,000)
Surplus to be surrendered	**394,233,827**	**51,759,743**

Robert Watt
Accounting Officer
Department of Health

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Expenditure on Department administration		52,028	42,048
Expenditure on services and programmes		21,696,656	20,767,941
Gross expenditure		**21,748,684**	**20,809,989**
Deduct			
Appropriations-in-aid		**481,780**	**487,723**
Net expenditure		**21,266,904**	**20,322,266**
Changes in capital assets			
Purchases cash	(11)		
Depreciation	33	22	(46)
Changes in net current assets			
Increase in closing accruals	154		
Decrease in stock	4	158	(1,022)
Direct expenditure		**21,267,084**	**20,321,198**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		20,439	19,288
Net programme cost		**21,287,523**	**20,340,486**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 38 borne elsewhere. The figures below are estimated based on provisional outturn figures supplied by the Central Services Section of the Department of Public Expenditure and Reform.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	1,214	50
Vote 12	Superannuation and Retired Allowance	11,259	10,800
Vote 13	Office of Public Works	7,508	8,031
Vote 18	National Shared Services Office	72	62
Vote 43	Office of the Government Chief Information Officer	105	83
Central Fund – ministerial pensions		281	262
		20,439	**19,288**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	74	79
Current assets			
Bank and cash	2.2	94,800	51,654
Stocks	2.3	14	18
Prepayments	2.4	858	2,036
Other debit balances	2.5	18,033	14,675
Accrued income		127	102
Total current assets		**113,832**	**68,485**
Less current liabilities			
Accrued expenses	2.6	916	1,915
Other credit balances	2.7	3,477	2,644
Net Exchequer funding	2.8	109,356	63,685
Total current liabilities		**113,749**	**68,244**
Net current assets		83	241
Net assets		**157**	**320**
Represented by:			
State funding account	2.9	**157**	**320**

2.1 Capital assets

	Office equipment	Total
	€000	€000
Gross assets		
Cost or valuation at 1 January 2021	113	113
Additions	11	11
Adjustments [a]	59	59
Cost or valuation at 31 December 2021	183	183
Accumulated depreciation		
Opening balance at 1 January 2021	34	34
Depreciation for the year	33	33
Adjustments [a]	42	42
Cumulative depreciation at 31 December 2021	109	109
Net assets at 31 December 2021	**74**	**74**
Net assets at 31 December 2020	**79**	**79**

Note [a] The adjustment arises as a result of certain IT software being incorrectly removed from the asset register in 2020.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	94,800	51,579
Other bank account balances	—	75
	94,800	**51,654**

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	10	12
IT consumables	4	6
	14	**18**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Healthy Ireland fund	764	1,330
Sláintecare integration fund	—	620
Other prepayments	94	86
	858	**2,036**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable salaries	19	—
Recoupable travel pass scheme expenditure	57	41
Hepatitis C Compensation Tribunal [a]	16,911	13,561
Other debit suspense items	1,046	1,073
	18,033	**14,675**

Note [a] Subject to sanction from the Department of Public Expenditure and Reform, subhead F.3 makes payments to a Special Account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002 and subhead F.4 makes payments to a Reparation Fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002. The Accounting Officer for the Department of Finance is responsible for the Special Account and Reparation Fund.

The Department of Health acts as paying agent to the Hepatitis C Compensation Tribunal, and is responsible for paying tribunal awards and reparation awards and for paying the administration and legal costs of the Tribunal. The expenditure is recouped from the Special Account and the Reparation Fund on foot of returns of expenditure certified by the Accounting Office of the Department of Health.

The balance at year end shown here represents costs discharged by the Department of Health in respect of the Tribunal for which funding has yet to be recouped from the Special Account and Reparation Fund.

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Administration expenses	394	658
Legal fees	286	630
Healthy Ireland fund	163	9
World Health Organisation	—	612
Other accruals	73	6
	916	**1,915**

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	613	560
Pay related social insurance	388	334
Universal social charge/income levy	119	114
Local property tax	2	2
Value added tax	65	54
Professional services withholding tax	70	100
	1,257	1,164
RISF special account	—	50
Payroll deductions held in suspense	45	239
EU funding	1,724	898
Other credit suspense items	451	293
	3,477	**2,644**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	394,234	51,760
Deferred surrender	104,000	68,174
Exchequer grant undrawn	(388,878)	(56,249)
Net Exchequer funding	**109,356**	**63,685**
Represented by:		
Debtors		
Bank and cash	94,800	51,654
Debit balances: suspense	18,033	14,675
	112,833	66,329
Creditors		
Due to the State	(1,257)	(1,164)
Credit balances: suspense	(2,220)	(1,480)
	(3,477)	(2,644)
	109,356	**63,685**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			320	43
Disbursements from the Vote				
Estimate provision	Account	21,765,138		
Deferred surrender	Account	(104,000)		
Surplus to be surrendered	Account	(394,234)		
Net vote			21,266,904	20,322,266
Expenditure (cash) borne elsewhere	1.1		20,439	19,288
Non cash expenditure – capital assets adjustment			17	(791)
Net programme cost	1		(21,287,523)	(20,340,486)
Balance at 31 December			**157**	**320**

2.10 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	2,371	2,007
Non-capital grant programmes	16,782	19,148 [a]
Capital grant programmes	47,641	25,721
Total of legally enforceable commitments	**66,794**	**46,876** [a]

b) Non-capital grant programmes	2021 €000	2020 €000
Opening balance	19,148	30,530
Grants paid in the year	(15,858)	(27,691)
New grant commitments	16,588	19,147[a]
Grants cancelled	(3,096)	(2,838)[a]
Closing balance	**16,782**	**19,148** [a]

Note [a] The 2020 figure has been restated due to an error noted in the calculation of a commitment

c) Capital grant programmes	2021 €000	2020 €000
Opening balance	25,721	32,909
Grants paid in the year	(10,001)	(9,574)
New grant commitments	33,273	2,409
Grants cancelled	(1,352)	(23)
Closing balance	**47,641**	**25,721**

2.11 Contingent liabilities

The Department is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation.

2.12 HSE balance

at 31 December	2021 €000	2020 €000
Opening liability 1 January	—	(53,990)
Determination	(21,627,500)	(19,451,541)
Grants issued	21,334,052	19,451,541
Prior year surplus applied	268,117	53,990
Closing liability 31 December	(25,331)	—
Grant deferred [a]	24,377	—
Net balance with HSE	**(954)**	**—**

Note [a] The grants issued to the HSE include €24.377 million in specific once-off funding provided by the Minister in December 2021 in respect of services in Mental Health €7.9 million, Disability €6.4 million and Palliative Care €10 million. The HSE has treated this as deferred income in its financial statements

Grant funding totalling €21,334 million was transferred to the HSE during 2021 to meet its immediate cash requirements. This was €293.448 million less than the net determination amount for 2021. The 2020 financial statements of the HSE disclose a surplus of €200.7 million on its non-capital income and expenditure account and a surplus of €67.4 million on its capital income and expenditure account. In February 2022, the Minister, pursuant to section 33 of the Health Act 2004 (as amended), directed that these surpluses should be applied towards the Exchequer's liability to the HSE for 2021.

Note 3 Vote Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the original estimate provision by more than €100,000, and by more than 5% (25% in some cases of administration subheads). Excess spending on some subheads was met through virement of savings on other subheads.

Administration expenditure

A.2 Travel and subsistence

Estimate provision €275,000; outturn €112,000

The underspend of €163,000 on expenditure on travel and subsistence was due to lower travel requirements as a result of the Covid-19 pandemic.

A.6 Office premises expenses

Estimate provision €972,000; outturn €654,000

The underspend of €318,000 on expenditure on office premises expenses was due to lower than anticipated accommodation costs as a result of remote working arrangements for most of 2021.

A.7 Consultancy services and value for money and policy reviews

Estimate provision €2 million; outturn €371,000

The underspend of €1.629 million on expenditure on consultancy services was due to the delay in funding approval for projects as a result of the reallocation of resources due to Covid-19.

Grants to agencies

B.1 Grants to research bodies and other research grants

Estimate provision €46.45 million; outturn €40.952 million

The underspend of €5.498 million was mainly a result of the impact of Covid-19 on the services/programmes organised by agencies such as the National Cancer Registry, National Research Ethics Committee, Mother and Baby Homes Research and TILDA.

B.2 Healthy Ireland

Estimate provision €22.45 million; outturn €10.401 million

There is an underspend of €12.049 million due to €7.7 million for healthy communities and lactation funding being mainstreamed in the HSE. As a result, €7.7 million is to be vired to J.1. The remaining variance is due to timing delays caused by Covid-19.

B.3 Drugs initiative

Estimate provision €16.928 million; outturn €5.395 million

The underspend of €11.533 million was due to a number of planned research initiatives being unable to proceed due to Covid-19 restrictions. €9.262 million was included in the estimate for HSE initiatives for addiction, social inclusion and Covid-19 of which €8.3 million will be vired to J.1 and J.2.

C **Expenses in connection with the World Health Organisation and other international bodies**

Estimate provision €2.7 million; outturn €3.192 million

The overspend of €492,000 was mainly due to the 2020 membership not being paid until February 2021.

D **Statutory and non-statutory inquiries and miscellaneous legal fees and settlements**

Estimate provision €10.465 million; outturn €11.155 million

The overspend of €690,000 was mainly due to the timing of court hearings as a result of Covid-19.

E.1 **Developmental, consultative, supervisory, regulatory and advisory bodies**

Estimate provision €98.744 million; outturn €81.505 million

The Department advances funds to health agencies up to an approved level of expenditure or actual expenditure whichever is the lesser amount. The Covid-19 surge at the beginning of 2021 impacted the services/programmes run by many agencies leading to funding requirements being delayed. There was notable underspend across the following, the Pre-Hospital Emergency Care Council, Mental Health Commission, Women's Health Taskforce, Patient Safety Initiatives and National Screening Advisory Committee.

E.4 **Ireland/Northern Ireland INTERREG**

Estimate provision €5.3 million; outturn €1.686 million

Payments under this subhead are requested by the Special EU Programmes Body based on actual payments made to projects under this scheme. The expenditure was €3.614 million lower than estimated due to the timing of project funding requests.

E.5 **Covid-19 actions**

Estimate provision €45 million; outturn €56.061 million

The overspend was due to higher than expected costs of operation for the mandatory hotel quarantine programme. Payments are recorded gross of €35.044 million and the associated receipts of €11.435 million from participants has been recorded under miscellaneous receipts in appropriations-in-aid.

F.3 **Payments to a special account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002**

Estimate provision €18.9 million; outturn €10.923 million

The shortfall in expenditure of €7.977 million relative to the estimate provision was due to the number and value of awards being lower than anticipated.

F.4 **Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002**

Estimate provision €2.1 million; outturn €2.434 million

Section 11 of the Act provides for the payment of amounts in lieu to claimants who had accepted an award from the Tribunal or an offer of settlement. In 2020 there were delays in Tribunal sittings due to Covid-19 and the number and value of awards by the tribunal was lower than budgeted in that year. As a result, payments from the reparation fund were €334,000 higher than budgeted in 2021 as payments caught up.

G **Dissemination of information, conferences and publications in respect of health and health care services**

Estimate provision €1.15 million; outturn €1.395 million

The overspend of €245,000 was due to higher than planned Covid-19 expenditure.

H **Sláintecare**

Estimate provision €22.6 million; outturn €8.390 million

Underspend in Sláintecare was driven by lower than anticipated payments on consultancy and delays in round 1 due to Covid-19 and the timing of round 2 of Sláintecare following changes within the Sláintecare programme office in the latter half of 2021. Round 2 will now commence in 2022.

HSE health and social care services

J.1 **HSE (Including Service Developments)**

Estimate provision €13,217.386 million; outturn €12,477.781 million

The decrease of €739.605 million was driven primarily due to strong HSE cash reserves. Savings in the J.1 subhead are expected to be vired to J.2 to offset overspends in the Covid-19 subheads.

J.2 **HSE Covid-19 actions**

Estimate provision €1,666 million; outturn €2,193.152 million

The increase in expenditure of €527 million relative to the estimate provision was due to higher than planned funding requirements for the Covid-19 vaccination programme (€264 million) and testing and tracing (€171 million). The remaining variance results from higher than anticipated spend in private hospitals, GP costs and the Temporary Assistance Payment Scheme (TAPS).

Other HSE services

K.1 **Health agencies and similar organisations (part funded by the National Lottery)**

Estimate provision €4.513 million; outturn €376,000

The shortfall in expenditure of €4.137 million relative to the estimate provision was due to the grants not being paid until the conditions of the grants are fulfilled. Delays occurred due to outstanding information requirements.

K.2 Payments to Special Account – Health (Repayment) Act 2006

Estimate provision €1.7 million; outturn €nil

The shortfall in expenditure of €1.7 million relative to the estimate provision was due to the nature of payments under this subhead being such that the timing of funding requests may be unpredictable, particularly if there are queries to be resolved in the verification process, and therefore the timing of payments can be subject to change. Because of the statutory nature of the Scheme, the liabilities arising under the Scheme must be met by the State and therefore it is important to ensure that funding for the Scheme remains in the relevant subhead to meet final liabilities.

K.3 Payments to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme

Estimate provision €1 million; outturn €252,000

The decrease in expenditure of €748,000 relative to the estimate provision was because this is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year.

K.4 Payment to State Claims Agency

Estimate provision €410 million; outturn €465.136 million

The overspend of €55.136 million occurred due to the timing of court sittings in 2021.

K.5 Economic and social disadvantage (dormant account funding)

Estimate provision €2.7 million; outturn €204,000

Expenditure was €2.496 million less than initially estimated because projects were deferred due to the impact of Covid-19 on resources.

Care programme

L.2 Primary care reimbursement services – Covid-19 actions

Estimate provision €10 million; outturn €17.672 million

Expenditure was €7.672 million higher than estimated due to increased funding required for GPs to provide a dedicated respiratory clinic in their practice premises for patients who have a confirmed or presumptive diagnosis of Covid-19.

Capital services

M.1 Grants in respect of building, equipping (including ICT)

Estimate provision €14.527 million; outturn €13.346 million

The underspend of €1.181 million arose due to anticipated expenditure not being incurred in 2021 for non HSE agencies.

M.2 Building, equipping and furnishing of health facilities and of higher education facilities

Estimate provision €851.174 million; outturn €749.855 million

The underspend of €101.319 million was due to a variety of factors including the impact of Covid-19 (impacting access to sites in live health settings), supply chain matters, and timing delays in progression of projects.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Recovery of cost of health services provided under regulations of the European Community	245,000	270,000	270,000
2	Receipts from certain excise duties on tobacco products	167,605	167,605	167,605
3	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	2,450	4,609	5,807
4	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	2,450	2,283	3,126
5	Miscellaneous receipts	4,300	32,179	24,615
6	Dormant accounts	2,700	350	11,247
7	Receipts from additional superannuation contributions on public service remuneration	4,015	3,831	3,510
8	Receipts in respect of Special EU Programmes	4,250	923	1,813
9	Receipts in respect of European Social Fund (ESF) and European Regional Development Fund (ERDF)	—	—	—
	Total	**432,770**	**481,780**	**487,723**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €49.01 million greater than the original estimate. Explanations for variances are set out below:

1 Recovery of cost of health services provided under regulations of the European Community

Estimate €245 million; realised €270 million

The amount recovered under the regulations of the European Community was €25 million greater than anticipated. The amount received is negotiated during the year and it is uncertain what the amount to be received will be prior to negotiations being conducted during the year.

3 Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund

Estimate €2.45 million; realised €4.609 million

The increase of €2.159 million was due to claims under the ophthalmic services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

4 Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund

Estimate €2.45 million; realised €2.283 million

The decrease of €167,000 was due to claims under the dental services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

5 Miscellaneous receipts

Estimate €4.3 million; realised €32.179 million

The increase of €27.879 million was mainly due to receipts from mandatory hotel quarantine and a receipt from the Health Emergency Solidarity Fund in December 2021. Miscellaneous receipts also consisted of transfers of unused funds from the EU funding suspense account, receipts for licence fees under the Misuse of Drugs Act and freedom of information fees.

6 Dormant accounts

Estimate €2.7 million; realised €350,000

The receipts from the Dormant Accounts Fund were €2.35 million lower than estimated due to uncertainty over timing of expenditure in respect of projects approved for funding under the dormant accounts action plans 2016, 2017 and 2018.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €4.015 million; realised €3.831 million

The amount received from additional superannuation contributions was €184,000 less than estimated due to a decrease in contributions received from agencies under the aegis of the Department.

8 Receipts in respect of Special EU Programmes

Estimate €4.25 million; realised €923,000

The receipts received in respect of Special EU Programmes were €3.327 million lower than expected due to the nature of the INTERREG programme meaning that the timing of these receipts is unpredictable.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	—
Voluntary surrender of pay	53	48
Transferred to the Exchequer	(53)	(48)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year-end	2021	2020
Department	673	596
Health Service Executive direct employees	85,508	81,192
Voluntary (Section 38) acute and non-acute services employees	46,815	44,982
Other agencies [a]	1,868	1,787
Number of staff at year end	**134,864**	**128,557**

Note [a] 'Other agencies' includes all agencies operating under the Department's aegis including those that do not receive direct Exchequer funding.

5.2 Pay

Remuneration of Department staff

	2021 €000	2020 €000
Pay	41,041	34,346
Higher, special, or additional duties allowances	284	257
Other allowances	5	11
Overtime	182	255
Employer's PRSI	3,404	2,624
Total pay	**44,916**	**37,493**

Health Service Executive remuneration

	2021 €000	2020 €000
Pay	4,330,114	4,074,480
Higher, special or additional duties allowances	526,645	488,601
Arrears	21,052	44,240
Overtime	240,339	210,830
Employer's PRSI	507,363	471,299
Superannuation	811,377	766,704
Total pay Health Service Executive direct employees	6,436,890	6,056,154
Agency staff costs	568,450	390,098
Total pay [a]	**7,005,340**	**6,446,252**

Note [a] The pay costs above do not include cost of employees in the voluntary sector.

Other agencies remuneration [a]

	2021 €000	2020 €000
Pay	65,531	60,047
Higher, special or additional duties allowances	126	150
Other allowances	114	123
Overtime	38	12
Employer's PRSI	6,764	6,173
Total pay	**72,573**	**66,505**

Note [a] Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Department staff				
Higher, special or additional duties allowances	46	13	22,002	22,029
Other allowances	9	—	2,166	1,878
Overtime	52	5	17,611	23,399
Extra remuneration in more than one category	4	4	22,264	20,918
Other agencies staff [a]				
Higher, special or additional duties allowances	43	5	14,648	28,625
Other allowances	20	—	6,394	11,436
Overtime	30	—	8,903	2,906
Extra remuneration in more than one category	2	—	2,960	3,445

Note [a] Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.4 Other remuneration arrangements

No former civil servant, was re-engaged on a salary basis in 2021.

This account includes the expenditure of €62,613 in respect of two officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	21	35,450	54,712
Recovery plans in place	8	17,089	16,025

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's gross salary was €294,920 (as at 31 December 2020, €183,882).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2021	Expenditure in 2021	Expenditure in 2020
		€000	€000	€000
Commission of Investigation (Certain matters relative to a disability service in the South East and related matters)	2017	6,014	964	1,376
CervicalCheck Tribunal	2020	2,342	495	1,847
Scoping Inquiry into the CervicalCheck screening programme	2018	2,181	—	190
		10,537	**1,459**	**3,413**

In March 2017, a commission of investigation was established into certain matters relative to a disability service in the South East and related matters. Expenditure of the Commission is charged to Subhead D – statutory and non-statutory inquires and miscellaneous legal fees and expenses.

The CervicalCheck Tribunal was established by the Minister for Health on 27 October 2020. The Tribunal was established under Section 4 of the CervicalCheck Tribunal Act 2019 which implements the report of the Hon. Mr Justice Charles Meenan on an *Alternative system for dealing with claims arising from CervicalCheck*. The Minister appointed the nominated members to the Tribunal with effect from 1 December 2020 facilitating the Tribunal in starting its work. Expenditure of the Tribunal is also charged to Subhead D.

The final payment in relation to the scoping inquiry into the CervicalCheck screening programme was made in 2020.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2021	Total 2020
Number of cases	60	60	13
	€000	**€000**	**€000**
Department's own legal costs	1,314	1,314	1,816
Payments by/on behalf of Department			
Compensation	7,327	7,327	575
Legal costs	486	486	2,341
Other costs	228	228	—
2021 Total	**9,355**	**9,355**	**4,732**
2020 Total	4,732	4,732	

6.3 Special Obstetrics Investment Fund

In 2008, the Minister for Health established a Special Obstetrics Indemnity Scheme. Under the scheme, the Minister agreed to indemnify Bon Secours Hospital (Cork) and Mount Carmel Hospital in respect of specified obstetric claims. A fund was established with contributions from the two hospitals, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health has authorised the State Claims Agency to draw down moneys from the fund to cover the cost of claims.

At 31 December 2021, the balance on the fund totalled €4.947 million (2020: €4.95 million). The fund is managed by the National Treasury Management Agency and the related income and expenditure is reflected in the annual financial statements of the State Claims Agency.

6.4 National Lottery funding

		2021		2020
		Estimate	Outturn	Outturn
Subhead		**€000**	**€000**	**€000**
K.1	Health agencies and similar organisations (part funded by the National Lottery)	4,513	376	1,879
		4,513	**376**	**1,879**

6.5 EU funding

Expenditure under subhead E.4 is co-financed by the EU.

6.6 Late interest payments and compensation payments

	2021	2020
	€000	€000
Total of interest payments paid	22	6

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €104 million in capital expenditure in the following subheads that were carried over to 2022.

		€000
Description of subhead:		
M.2	Building, equipping and furnishing of health facilities	94,500
M.3	Information services and related services for health agencies	9,500
		104,000

6.8 Mandatory hotel quarantine

Mandatory hotel quarantine (MHQ) was introduced as an exceptional public health measure, to minimise the risk of importation of Covid-19 variants of concern with the potential to overwhelm the health service and undermine the national vaccination programme.

In 2021, payments made in relation to MHQ amounted to €35.044 million and is recorded under subhead E.5 Covid-19 actions. Receipts of €11.435 million in respect of payments made to the Department of Health were recorded under miscellaneous receipts in appropriations-in-aid in the accounts.

A deferral of payment process was established for those in financial hardship, with travellers able to seek an authorisation to defer payment from Irish embassies and consulates abroad before they travelled, or from the State Liaison Officer after arrival at the designated facility. Where a traveller was granted an authorisation to defer payment, they could subsequently apply to the Minister for an exemption from the obligation to pay the charges. 125 people received an exemption.

When MHQ ceased operating, a small team was retained in the Department to quantify the level of outstanding debt, to process payment deferrals and to put in place a system to recover money owed. The team have now contacted over 1,400 persons who availed of deferrals, requesting payment and processing applications for exemption where received. The agreed process has now been completed, with €42,596 cash recovered, and exemptions granted to the value of €89,070.

As of 16 February 2022, approximately 800 persons had not engaged with the payments recovery team and the current value of outstanding debt is €928,797.

While significant work was undertaken, the cost of operating the payment recovery team has far exceeded the return.

The Department has examined various options, including the retention of a dedicated team to pursue the outstanding balance, but it is not felt that these represent value for money for the Department. On this basis, the Department intends to seek approval effectively to write off this amount.

Appendix A Accounts of bodies and funds under the aegis of the Department of Health

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates 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
Beaumont Hospital [a]	2019	14 May 2020	27 May 2020	19 Jun 2020
Children's Health Ireland [a]	2020	21 Dec 2021	21 Jan 2022	—
Dublin Dental Hospital	2020	5 Nov 2021	17 Nov 2021	24 Jan 2022
St. James's Hospital	2020	22 Nov 2021	16 Dec 2021	10 Jan 2022
Leopardstown Park Hospital	2020	2 Dec 2021	13 Dec 2021	14 Jan 2022
National Paediatric Hospital Development Board	2020	30 Nov 2021	6 Dec 2021	20 Dec 2021
National Haemophilia Council	2020	30 Jun 2021	14 Jul 2021	26 Jul 2021
Food Safety Authority of Ireland	2020	29 Jun 2021	21 Jul 2021	23 Aug 2021
Food Safety Promotion Board	2020	20 Oct 2021	24 Nov 2021	15 Dec 2021
Health Information and Quality Authority	2020	28 Apr 2021	10 May 2021	27 May 2021
Health Research Board	2020	3 Dec 2021	10 Dec 2021	31 Jan 2022
Health Service Executive	2020	28 May 2021	10 Jun 2021	1 Jul 2021
Health and Social Care Professionals Council (CORU)	2020	16 Sep 2021	14 Oct 2021	22 Oct 2021
Irish Blood Transfusion Service Board	2020	25 Jun 2021	6 Jul 2021	29 Jul 2021
Health Products Regulatory Authority	2020	29 Jun 2021	30 Jun 2021	4 Aug 2021
Mental Health Commission	2020	29 Jun 2021	2 Jul 2021	26 Jul 2021
National Cancer Registry Board	2020	25 Jun 2021	30 Jun 2021	22 Jul 2021
National Treatment Purchase Fund	2020	30 Jun 2021	27 Jul 2021	20 Aug 2021
Pre-Hospital Emergency Care Council	2020	22 Dec 2021	14 Jan 2022	4 Mar 2022

Body/ departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Health Insurance Authority	2020	30 Jun 2021	5 Aug 2021	25 Aug 2021
Risk Equalisation Fund	2020	30 Jun 2021	5 Aug 2021	25 Aug 2021
Dental Council [b]	2020	15 Dec 2021	20 Dec 2021	24 Jan 2022
Nursing and Midwifery Board of Ireland [a]	2020	20 Dec 2021	18 Jan 2022	—
Medical Council	2020	17 May 2021	5 Aug 2021	16 Aug 2021
Pharmaceutical Society of Ireland [b]	2020	25 Mar 2021	31 Mar 2021	18 Jun 2021
Consolidated Patient Private Property	2020	30 Nov 2021	2 Dec 2021	18 Jan 2022
Health Repayments Scheme (Donations Fund)	2020	29 Nov 2021	2 Dec 2021	18 Jan 2022
Special Account for Health Repayments Scheme	2020	29 Nov 2021	2 Dec 2021	18 Jan 2022
Hep C - Insurance Scheme	2020	29 Nov 2021	6 Dec 2021	20 Dec 2021

Notes

[a] The completion of the annual statutory audit for 2020 is awaited by one body and arrangements for formal presentation of accounts before both Houses of the Oireachtas are currently in progress for the remainder.

[b] The financial statements of these State bodies are not audited by the Comptroller and Auditor General.

Appropriation Account 2021

Vote 39

Office of Government Procurement

Introduction

As Accounting Officer for Vote 39, 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 2021 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.761 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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.

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 Office and the National Shared Services Office for the provision of (e.g. HR) 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 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.

The Statement on Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 39.

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, including the requirements of circular 40/2002.

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 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 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 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 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results are as follows:

- All staff were equipped to work remotely during the pandemic and operations were able to continue smoothly throughout the year. An electronic signature solution was procured which enabled digital signatures on framework agreements, contracts and other documentation.
- Regular communications issued from senior management, providing staff with organisational updates to support wellbeing, a number of tools and supports were introduced for staff. Leadership development training was introduced to help with staff development and there were a number of courses on various topics provided to staff.

David Moloney
Accounting Officer
Office of Government Procurement

23 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 39 Office of Government Procurement

Opinion on the appropriation account

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2021 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 39 Office of Government Procurement for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Public Expenditure and Reform 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
24 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 39 Office of Government Procurement

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of central procurement service			
	Estimate provision	18,900		
	Deferred surrender	59		
		18,959	17,246	16,497
Gross expenditure			**18,959**	**17,246**	**16,497**
	Deduct			
B	**Appropriations-in-aid**		**400**	**483**	**453**
Net expenditure				
	Estimate provision	18,500		
	Deferred surrender	59		
			18,559	**16,763**	**16,044**

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 spending in the following year. €35,000 of unspent allocations in respect of the capital elements of Subhead A.2 was carried forward to 2022.

	2021	2020
	€	€
Surplus	1,795,855	2,367,301
Deferred surrender	(35,000)	(59,000)
Surplus to be surrendered	**1,760,855**	**2,308,301**

David Moloney
Accounting Officer
Office of Government Procurement

23 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,715	1,980
Pay		14,359	13,177
Non pay		1,172	1,340
Gross expenditure		**17,246**	**16,497**
Deduct			
Appropriations-in-aid		**483**	**453**
Net expenditure		**16,763**	**16,044**
Changes in capital assets			
Depreciation	67	67	197
Changes in net current assets			
Increase in closing accruals	40		
Decrease in stock	1	41	111
Direct expenditure		**16,871**	**16,352**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,517	1,841
Notional rents		50	50
Net programme cost		**19,438**	**18,243**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 39 borne elsewhere.

		2021	2020
		€000	€000
Vote 7	Office of the Minister for Finance	84	75
Vote 12	Superannuation and Retired Allowances	290	573
Vote 13	Office of Public Works	1,820	925
Vote 18	National Shared Services Office	24	23
Vote 43	Office of the Government Chief Information Officer	299	245
		2,517	**1,841**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	145	277
Current assets			
Bank and cash		664	555
Stocks		6	7
Prepayments	2.2	472	470
Other debit balances	2.3	22	44
Total current assets		**1,164**	**1,076**
Less current liabilities			
Accrued expenses		168	126
Other credit balances	2.4	515	483
Net Exchequer funding	2.5	171	116
Total current liabilities		**854**	**725**
Net current assets		310	351
Net assets		**455**	**628**
Represented by:			
State funding account	2.6	**455**	**628**

2.1 Capital assets

	ICT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	843	152	6	1,001
Additions	—	—	—	—
Adjustment [a]	(144)	(152)	(6)	(302)
Cost or valuation at 31 December 2021	699	—	—	699
Accumulated depreciation				
Opening balance at 1 January 2021	627	91	6	724
Depreciation for the year	67	—	—	67
Adjustment [a]	(140)	(91)	(6)	(237)
Cumulative depreciation at 31 December 2021	554	—	—	554
Net assets at 31 December 2021	**145**	—	—	**145**
Net assets at 31 December 2020	216	61	—	277

Note [a] The adjustment relates to the removal of individual asset values of under €10,000 from the asset register. The assets are still in use.

2.2 Prepayments

at 31 December	2021	2020
	€000	€000
Software licences	198	217
Subscriptions	102	93
Training and development	89	102
IT support	56	16
Other	27	42
	472	**470**

2.3 Other debit balances

at 31 December	2021	2020
	€000	€000
Recoupable travel pass scheme expenditure	12	27
OPW advances	—	3
Other debit suspense items	10	14
	22	**44**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	195	175
Pay related social insurance	146	130
Professional services withholding tax	18	28
Value added tax	25	33
Pension contributions	50	44
Local property tax	1	1
Universal social charge	38	34
	473	445
Payroll deductions held in suspense	41	37
Other credit suspense items	1	1
	515	**483**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	1,761	2,308
Deferred surrender	35	59
Exchequer grant undrawn	(1,625)	(2,251)
Net Exchequer funding	**171**	**116**
Represented by:		
Debtors		
Bank and cash	664	555
Debit balances: suspense	22	44
	686	599
Creditors		
Due to the State	(473)	(445)
Credit balances: suspense	(42)	(38)
	(515)	(483)
	171	**116**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			628	936
Disbursements from the Vote				
Estimate provision	Account	18,559		
Deferred surrender	Account	(35)		
Surplus to be surrendered	Account	(1,761)		
Net vote			16,763	16,044
Expenditure (cash) borne elsewhere	1.1		2,517	1,841
Non-cash items – capital assets adjustments			(65)	—
Non-cash expenditure – notional rent	1		50	50
Net programme cost	1		(19,438)	(18,243)
Balance at 31 December			**455**	**628**

2.7 Commitments

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	**97**	**157**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 39 Office of Government Procurement is classified as administration expenditure applied towards a single programme: Delivery of central procurement service.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	15,106	14,359	13,177
ii	Travel and subsistence	102	2	60
iii	Training and development and incidental expenses	621	578	654
iv	Postal and telecommunications services	102	97	81
v	Office equipment and external IT services	230	419	408
vi	Office premises expenses	117	75	137
		16,278	**15,530**	**14,517**

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 €230,000; outturn €419,000

The main driver for this subhead was payment to OGCIO for service provision and IT office equipment. The differences are largely due to additional software licences, furniture and IT equipment necessitated by the response to the Covid-19 pandemic.

Programme A Delivery of Central Procurement Service

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		15,106	14,359	13,177
A.2	Administration − non pay		1,172	1,172	1,340
A.3	Procurement consultancy and other costs				
	Estimate provision	2,622			
	Deferred surrender	59			
			2,681	1,715	1,980
			18,959	**17,246**	**16,497**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.3 Procurement consultancy and other costs

Estimate provision €2.681 million; outturn €1.715 million

This underspend is primarily due to delays and longer than expected start up times in a number of key projects. These delays have, for the most part, stemmed from the ongoing pandemic as a result of issues such as availability, connectivity and diversion of resources to address the impact of Covid-19.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	400	353	330
2	Miscellaneous	—	130	123
	Total	**400**	**483**	**453**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €83,000 more than the original estimate. An explanation for the variance is set out below.

2 Miscellaneous

Estimate provision €nil; outturn €130,000

The increase of €130,000 was due to the omission of the miscellaneous figure when preparing the estimate.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Collected	75	121
Transferred to the Exchequer	(75)	(121)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**244**	**231**

5.2 Pay

	2021	2020
	€000	€000
Pay	13,039	11,993
Higher, special or additional duties allowances	32	33
Other allowances	—	3
Overtime	6	4
Employer's PRSI	1,282	1,144
Total pay	**14,359**	**13,177**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties	3	2	16,424	13,945
Other allowances	—	—	—	2,580
Overtime	3	—	5,545	1,821

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	15	25,986	12,928
Recovery plans in place	5	7,532	7,027

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 39 Office of Government Procurement is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Compensation and legal costs

The OGP is presently responding to two sets of legal proceedings in relation to procurement competitions from the same litigant.

- In the first case, a substantive hearing took place in January 2022. Judgement is awaited.
- In the second case, a substantive hearing took place in January 2022. The judgement was in favour of the Minister for Public Expenditure and Reform but is subject to appeal.

Both cases are being defended with the support of the Chief State Solicitor's Office (CSSO) and the Office of the Attorney General.

A separate set of proceedings was disposed of in 2021, by the same litigant before any substantive hearing. An order in relation to the award of some elements of costs was made by the Supreme Court in 2021 in relation to procedural hearings associated with this case. The legal cost is as yet unknown and a bill of costs from the litigant has been forwarded by the CSSO to the State Claims Agency.

Appropriation Account 2021

Vote 40

Children, Equality, Disability, Integration and Youth

Introduction

As Accounting Officer for Vote 40, 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 2021 for the salaries and expenses of the Office of the Minister for Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €95.312 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.

In 2021, there was a change in relation to the composition and responsibilities of the Department. The change related to funding in respect of Tusla Education Support Services (TESS) and Alternative Education Assessment and Registration Service (AEARS). Expenditure and responsibilities in respect of these areas transferred to the Department of Education effective from 1 January 2021.

In addition, responsibility for and funding of the Balance for Better Business initiative transferred to the Department of Enterprise, Trade and Employment with effect from 1 January 2021. Responsibility for this initiative had previously transferred to the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) as part of the transfer of functions from the Department of Justice in 2020.

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 circulars 1 and 9 of 2022 have been applied in the preparation of the account except for the following.

Depreciation

Assets are depreciated annually on a straight-line basis over their estimated useful life, with a full year’s depreciation charged in the year of purchase and none in year of disposal.

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated. Motor vehicles are depreciated over five years at a rate of 20% per annum.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see note 6.1).

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

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements between this Department and the Department of Health for the provision of ICT shared services, and the National Shared Services Office for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice in respect of the Oberstown Children Detention Campus.

I rely on a letter of assurance from the Accounting Officers of the Department of Health and the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department. The Director of Oberstown Children Detention Campus also holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and youth related programmes. In 2021, net funding of €602 million was advanced to Pobal in this regard (note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement (SLA) which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. A review of the SLA took place in 2021, with a revised SLA agreed between Pobal and the Department, in accordance with the specified process agreed between the two parties. The duration of the current agreement is until 31 December 2022. A letter of comfort has been issued to Pobal acknowledging the current review of the operating model within the Early Learning Care and School Age Childcare (ELC/SAC) and the potential impact of the outcome of review and its proposed recommendations. In this regard it is intended to extend the current SLA until 31 December 2024 to ensure that Pobal can continue to engage the requisite staff and external contract services required to support the sector while the implementation of recommendations from the review takes place.

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 senior management of the Department sign off on financial control assurance statements in relation to their individual areas of responsibility. These statements are available to me as Accounting Officer in finalising the appropriation account.

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 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 are in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel and operates in accordance with a written Charter which is approved by the Accounting Officer. Its work is informed by analysis of the risks to which the Department is exposed and its annual audit plans, which are approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. On a periodic basis I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are considered by the Department's Management Board.

The Head of Internal Audit (HIA) is a professional accountant and has a staffing complement of two Higher Executive Officers and two Executive Officers. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to Department of Public Expenditure and Reform and Chartered Institute of Internal Auditors (DPER/CIIA) standards. In addition to its ongoing duties, Internal Audit has been designated by the Minister for Children, Equality, Disability, Integration and Youth as the Audit Authority for the Asylum, Migration and Integration Fund (AMIF). The internal audit function is reviewed periodically by me and by the Audit Committee. The function was subject to an external quality review in February 2020 by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

The internal audit plan for 2021 was approved by the then Accounting Officer on 9 February 2021.

During 2021 internal audit issued nine reports. On no occasion was a 'no assurance' or a 'limited assurance' audit opinion made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately followed up.

Procurement compliance

I confirm that 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 provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform. The Department complied with the guidelines with the exception of:

- 54 contracts with a combined value of €90,716,650 relating to the provision of international protection accommodation
- one contract with a value of €35,355 related to the Commission of Investigation into Mother and Baby Homes
- one contract with a value of €101,905 regarding the software and support for the Department's financial management system.

The Department has taken significant steps to address the issue of non-compliant procurement in relation to International protection accommodation services. However, due to the lengthy discussions with the Chief State Solicitor's Office (CSSO) to develop a bespoke accommodation panel agreement for the provision of accommodation services and related services for persons seeking international protection in accordance with Regulations 74-77 of the European Union (Award of Public Authority Contracts) Regulations 2016 (SI 284/2016), the publication of the Official Journal of the European Union (OJEU) notice did not take place until January 2022.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level. The Minister is briefed on corporate risk on a regular basis.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and unit level risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk. The register is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we will have no tolerance for risks which infringe on our operating procedures or regulatory requirements.

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 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 controls 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

Early Years — compliance with programme rules

Covid-19 continued to impact significantly on the operation of the various Early Learning and Care (ELC) and School Age Childcare (SAC) schemes, with desk-based compliance checks remaining in place throughout 2021, except for a period in quarter one when checks were suspended due to services either being closed or working with reduced capacity. It is acknowledged that desk-based compliance checks are limited as they are conducted off-site.

Where checks could not be conducted due to the limitations of the desk-based approach, self-declarations regarding adherence to scheme rules were sought. Despite the administrative limits associated with desk-based checks, and the additional compliance/verification activity arising from new funding schemes including the DCEDIY-led Temporary Wage Subsidy Childcare Scheme (TWSCS), desk-based compliance checks were ongoing through 2021 on all Covid-19 schemes. To date a total of circa €465,000 has been identified in overclaims under TWSCS, of which the majority has been recouped with the exception of €3,000 which remains outstanding at end August 2022.

In 2020, TWSCS preliminary payments were made to the sector to ensure continued funding which resulted in some excess funding, of which approximately €300,000 remains outstanding at end August 2022. Repayment plans are in place for €100,000 and €200,000 is deemed irrecoverable and will transfer to debtor management.

Compliance with programme rules for earlier funding schemes has been an area of concern, in some cases as a result of features of the original schemes. The National Childcare Scheme (NCS), introduced at the end of 2019, was designed to improve the overall position regarding governance and compliance of providers with scheme rules. Compliance checks on NCS commenced for the first time with desk-based checks in July 2021, and on-site compliance inspections commenced in November 2021.

For the 2021 calendar year, comprising parts of two programme years (2020/2021 and 2021/2022), 20 (24%) of the 82 NCS contracts inspected had non-compliance outcomes that had a financial impact. The overclaim rate as a percentage of the allocation inspected was 1.11%. All identified overclaims are earmarked for recoupment against future funding. The average number of non-compliances is just over two out of 28 checks per service with 80% of services having three or fewer instances of non-compliance. Following a non-compliance outcome under NCS, service providers are required to take rectification actions and to submit self-declarations of future compliance. 94% of services inspected in 2021 took the requisite rectification actions. Any service that did not rectify did not receive a programme support payment for the 2021/2022 programme year, by way of sanction.

The first review and evaluation of the NCS, after its first year, in line with the Childcare Support Act 2018, was completed and its findings published in December 2021.

In relation to desk-based inspections on the Early Childhood Care and Education Programme (ECCE), Community Childcare Subvention Plus (CCSP) Savers and Access and Inclusion Model (AIM) schemes, of the 192 conducted in 2021, 19% were found to be 'major non-compliant'. Compliance activity is focused on areas of risk so this level of major non-compliance may not be representative of the wider population. On-site compliance checks for ECCE, AIM and CCSP Savers recommenced in January 2022.

In terms of overall compliance, the Department is carrying out a review of the compliance framework, which includes an escalating series of sanctions and supports to improve services' compliance. This is a three year framework. While the original compliance framework was suspended due to the inability to conduct on-site revisits, all providers that remained on the framework and in contract following the 2019/2020 programme cycle were subject to a desk-based inspection under either the CCSP or Reopening Support Payment (RSP) schemes in the 2020/2021 cycle and further on-site inspection in 2021/2022. In 2021, an additional five services have been placed on the framework following unrectified non-compliance outcomes for the NCS.

Phase 2 of the review of the compliance framework is currently underway and significant developments over the course of 2021 have strengthened the effectiveness of the operation of the compliance framework including increased ease of tracking services that have been placed on the framework.

At the end of 2021, Pobal's debt management process recorded a debtor balance of approximately €3.9 million against all Departmental programmes. This included programmes other than the ELC and SAC schemes that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal have reviewed the legacy debts and are in the final stages of recommending the next steps of the process, including identifying amounts that are considered to be irrecoverable. This debtor management process will conclude by establishing a set procedure for the future identification and treatment of debts as they emerge.

ICT cyber-attack

After the creation of this Department, the Department of Health (DoH) continued to provide ICT services to us. In December 2019, this Department removed most of its ICT services to the Build to Share (BTS) service provided by the Office of the Government Chief Information Officer (OGCIO). The service remaining on DoH infrastructure was the financial management system (FMS). In 2020, a project commenced to move this Department's FMS from DoH servers onto the servers of the OGCIO. This project had reached testing stage and was scheduled to be completed in the last quarter of 2021.

On Friday 14 May 2021, the Health Service Executive (HSE) was subjected to a serious cyber-attack, through the criminal infiltration of their IT systems (PCs, servers, etc.) using Conti ransomware [1]. The decision was taken in the HSE to shut down all HSE IT systems and disconnect the network from the internet, in order to contain and assess the impact of the cyber-attack.

Separately, DoH had already implemented mitigating measures from 13 May 2021, following notifications of detected activity from a security partner. In response to an attack on 14 May 2021, DoH shut down services as a precautionary and investigative measure.

1 Conti cyber attack- on the HSE full report PWC

This immediately resulted in this Department losing access to the server on which the FMS was held. Therefore, the Finance Unit no longer had access to the system that was used to process and record payments on a daily basis as well as various financial reports.

To ensure appropriate controls operate in respect of payments made outside of the FMS, changed processes were devised and implemented for the period 21 May 2021 to 26 June 2021 after which the Department's FMS was housed on the OGCIO servers and normal processes resumed.

Covid-19 control issues

The assessment of the impact of Covid-19 was an on-going focus of the senior management team and business units across the Department throughout 2021. The Covid-19 Response Management Unit (incorporating Facilities Management), established in 2020, continued to assess and manage the impacts of Covid-19 on the Department throughout 2021. The Department established a Covid Response Management Group in 2020 to oversee the Covid response in DCEDIY, which is chaired at Management Board level.

The Department maintains a listing of corporate risks which is reviewed by the Risk Committee on a quarterly basis. In 2020, a specific Covid-19 corporate risk was included to reflect the impact of Covid-19 on the ability of the Department, and bodies under its aegis, to continue to function as normal and to deliver essential services to children and families.

A programme of work continued throughout 2021 to facilitate and support the work of the Department:

- The Covid-19 Response Unit continued its work throughout 2021. The work of the Unit was guided by the Government's Work Safely Protocol published in 2021. The measures in place to prevent the spread of the Covid-19 virus were updated in line with revisions to the Government's Work Safely Protocol and other national guidance.
- All staff were supported to continue to work remotely. All new staff were equipped (ICT and furniture) to work from home. Arrangements were made to provide staff with remote ergonomic assessments to ensure their health and safety while working in their home workspaces. A small number of staff who did not receive remote ergonomic assessments in 2021 will be assessed in 2022.
- Attendance at the Department's offices was limited to a small number of essential staff, with strict protocols in place for such attendance. Staff who needed to attend the office on an ad hoc basis for essential business were facilitated.
- A bespoke DCEDIY Covid-19 training module was prepared and delivered to all staff in preparation for a return to the office.
- A safe, phased return to the office commenced in September 2021. However, this was curtailed due to the emergence of the Omicron variant.

- The Department was represented at various central committees chaired by the Department of the Taoiseach to oversee all Department responses to Covid-19, including the Senior Officials Group (which reports to the Cabinet Committee), Communications Group and Civil and Public Service Sectoral groups. The Department developed the DCEDIY Action Plan detailing impacts of Covid-19 on service delivery, backlogs/pent-up demand for DCEDIY sectoral areas for the Department of the Taoiseach in line with the governments Covid-19 Resilience and Recovery 2021 – The Path Ahead. Regular updates were also provided to the Department of the Taoiseach in relation to the COVID-19: Reframing the Challenge, Continuing Our Recovery and Reconnecting.
- Close contact was maintained with all bodies under the aegis of the Department, with the impact of Covid-19 on services assessed and response measures put in place or supported where required.
- The Management Board continued its oversight of the impact of Covid-19 on the Department and bodies under its aegis, and the Minister was kept fully informed.

Kevin McCarthy
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

22 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2021 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 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Children, Equality, Disability, Integration and Youth 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2021.

Guardian ad Litem service – follow up report

Chapter 13 of my report on the accounts of the public services for 2021 provides an update on developments in relation to the *Guardian ad Litem* service, which is funded from Vote 40.

Seamus McCarthy
Comptroller and Auditor General

23 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2021

			2021		2020
		Estimate provision		Outturn	Outturn
			€000	€000	€000
Programme expenditure					
A	Children and family support programme				
	Estimate provision	892,014			
	Deferred surrender	1,812			
			893,826	887,622	876,045
B	Sectoral programmes for children and young people				
	Estimate provision	730,256			
	Deferred surrender	2,288			
			732,544	680,612	600,685
C	Policy and legislation programme		36,681	28,896	27,621
D	An equal and inclusive society		30,128	26,634	19,530
E	A fair and efficient support system for international protection seekers		229,503	200,460	189,109
Gross expenditure					
	Estimate provision	1,918,582			
	Deferred surrender	4,100			
			1,922,682	**1,824,224**	**1,712,990**
Deduct					
F	**Appropriations-in-aid**		**39,121**	**39,175**	**35,646**
Net expenditure					
	Estimate provision	1,879,461			
	Deferred surrender	4,100			
			1,883,561	**1,785,049**	**1,677,344**

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 spending in the following year. €3.2 million in unspent allocations in respect of the capital elements of subheads A.3, A.4, B.5 and B.6 was carried forward to 2022.

	2021 €	2020 €
Surplus	98,511,940	122,726,899
Deferred surrender	(3,200,000)	(4,100,000)
Surplus to be surrendered	**95,311,940**	**118,626,899**

Kevin McCarthy
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,794,047	1,687,215
Pay		25,252	21,711
Non pay		4,925	4,064
Gross expenditure		**1,824,224**	**1,712,990**
Deduct			
Appropriations-in-aid		**39,175**	**35,646**
Net expenditure		**1,785,049**	**1,677,344**
Changes in capital assets			
Purchases cash	(524)		
Loss on disposals	—		
Depreciation	4,263	3,739	(246)
Changes in net current assets			
Increase in stock	(1)		
Increase in prepayments	(8,846)		
Increase in closing accruals	536	(8,311)	(7,054)
Direct expenditure		**1,780,477**	**1,670,044**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,997	6,050
Net programme cost		**1,786,474**	**1,676,094**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	38
Vote 12	Superannuation and Retired Allowances	2,126	1,825
Vote 13	Office of Public Works	3,129	3,751
Vote 18	National Shared Services Office	60	49
Vote 43	Office of the Government Chief Information Officer	581	355
Central Fund - ministerial pensions		71	32
		5,997	**6,050**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	63,701	67,440
Current assets			
Bank and cash	2.2	35,669	31,979
Stocks		6	5
Prepayments	2.3	24,363	15,517
Other debit balances	2.4	349	246
Total current assets		**60,387**	**47,747**
Less current liabilities			
Accrued expenses	2.6	2,324	1,788
Other credit balances	2.5	5,051	2,652
Asylum Migration and Integration Fund	2.7	25,117	24,314
Net Exchequer funding	2.8	5,850	5,259
Total current liabilities		**38,342**	**34,013**
Net current assets		22,045	13,734
Net assets		**85,746**	**81,174**
Represented by:			
State funding account	2.9	**85,746**	**81,174**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture, fittings and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	61,194	14,818	922	76,934
Additions	524	—	—	524
Cost or valuation at 31 December 2021	61,718	14,818	922	77,458
Accumulated depreciation				
Opening balance at 1 January 2021	5,911	3,208	375	9,494
Depreciation for the year	1,234	2,944	85	4,263
Cumulative depreciation at 31 December 2021	7,145	6,152	460	13,757
Net assets at 31 December 2021	**54,573**	**8,666**	**462**	**63,701**
Net assets at 31 December 2020	**55,283**	**11,610**	**547**	**67,440**

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	32,900	31,974
Other bank balances	2,769	5
	35,669	**31,979**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
International protection seekers costs	13,174	11,047
Pobal	10,659	4,106
Administration/operational	357	364
Research	173	—
	24,363	**15,517**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Advances to OPW	24	1
Recoupable salaries	76	121
Other debit suspense items	249	124
	349	**246**

2.5 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	617	599
Pay related social insurance	449	412
Professional services withholding tax	54	61
Value added tax	54	36
Local property tax	6	6
Universal social charge	119	114
Payroll deductions held in suspense	—	210
	1,299	1,438
Extra exchequer returns	2,967	538
Other credit suspense items	785	676
	5,051	**2,652**

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
International protection seekers costs	1,565	825
Refugee and migrant integration	197	246
Other programme accruals	244	439
Administration/operational	318	153
Dormant Accounts	—	125
	2,324	**1,788**

2.7 Asylum Migration and Integration Fund

at 31 December	2021	2020
	€000	€000
EU receipts	**25,117**	**24,314**

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	95,312	118,627
Deferred surrender	3,200	4,100
Exchequer grant undrawn	(92,662)	(117,468)
Net Exchequer funding	**5,850**	**5,259**
Represented by:		
Debtors		
Bank and cash	35,669	31,979
Debit balances: suspense	349	246
	36,018	32,225
Creditors		
Due to the State	(1,299)	(1,438)
Credit balances: suspense	(3,752)	(1,214)
Asylum Migration and Integration Fund	(25,117)	(24,314)
	(30,168)	(26,966)
	5,850	**5,259**

2.9 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			81,174	63,917
Adjustment			—	9,912
Disbursements from the Vote				
Estimate provision	Account	1,883,561		
Deferred surrender	Account	(3,200)		
Surplus to be surrendered	Account	(95,312)		
Net vote			1,785,049	1,677,344
Expenditure (cash) borne elsewhere	1.1		5,997	6,050
Adjustment - net transfer of assets	2.1		—	45
Net programme cost	1		(1,786,474)	(1,676,094)
Balance at 31 December			**85,746**	**81,174**

2.10 Commitments

Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	33,362	35,347
Capital	153	—
Non-capital grant programmes	—	10
Total of legally enforceable commitments	**33,515**	**35,357**

2.11 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimates of matured liabilities not discharged at year end	**1,972**	**1,534**

2.12 Contingent liability

The Department settled eight judicial reviews in December 2021. Legal costs for the applicants will be payable by the Department in 2022. The Department is currently unable to quantify the total liability to be settled.

The Department is involved in 48 legal cases that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There are also five potential judicial reviews and 54 personal injury cases that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There is potential for an estimated financial liability of €200,000 due to the late transposition of the Web Accessibility Directive (WAD) by Ireland. The estimated additional expenditure may be required to implement a plan submitted to the EU Commission in order to rectify Ireland's 2021 review shortfall.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	32,025	25,252	21,711
ii	Travel and subsistence	471	126	102
iii	Training and development and incidental expenses	1,889	1,885	1,221
iv	Postal and telecommunications services	186	101	113
v	Office equipment and external IT services	1,648	952	1,025
vi	Office premises expenses	1,496	1,721	1,533
vii	Consultancy services and value for money and policy reviews	732	140	70
		38,447	**30,177**	**25,775**

Significant variations

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

ii Travel and subsistence

Estimate provision €471,000; outturn €126,000

The underspend primarily relates to the disruption of normal business activities as a result of the ongoing Covid pandemic. Travel was curtailed throughout most of the year in line with public health guidance.

v Office equipment and external IT services

Estimate provision €1.648 million; outturn €952,000

A number of planned ICT projects due to take place in 2021 did not occur. This was due to delays in the tender process for business analysis services, required by the ICT Governance Board, in respect of projects for large public-facing digital applications. In addition, there were delays due to the challenges faced with the extraction of reliable data from outdated Lotus Note applications, as well as business units awaiting legislation enactment required for commencement of planned projects. There were also underspends as a result of the ‘work from home’ mandate in place for virtually all of 2021.

vii Consultancy services and value for money and policy reviews

Estimate provision €732,000; outturn €140,000

Expected spend on consultancy did not materialise during the year.

Programme A Children and family support

				2021	2020
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A.1	Administration − pay		4,229	3,283	3,511
A.2	Administration − non pay		1,125	886	496
A.3	Child and Family Agency				
	Estimate provision	857,961			
	Deferred surrender	1,482			
			859,443	857,345	840,080
A.4	Youth justice – including Oberstown Children Detention Campus				
	Estimate provision	27,853			
	Deferred surrender	330			
			28,183	26,108	23,831
A.5	Guardian ad Litem Executive Office		845	—	127
A.6	Child and Family Agency Covid related supports		1	—	8,000
			893,826	**887,622**	**876,045**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €6.204 million lower than originally provided.

A.4 Youth justice – including Oberstown Children Detention Campus

Estimate provision €28.183 million; outturn €26.108 million

The shortfall in expenditure of €2.075 million is mainly due to capital works being delayed with complications arising in part from Covid restrictions and precautions.

A.5 Guardian ad Litem Executive Office

Estimate provision €845,000; outturn €nil

Establishment of the Guardian ad Litem Executive Office was postponed.

Programme B Sectoral programmes for children and young people

			2021		2020
			Estimate provision	Outturn	Outturn
			€000	€000	€000
B.1	Administration − pay		8,003	6,313	6,087
B.2	Administration − non pay		1,513	1,182	849
B.3	ECCE and AIM pre-school programmes		334,500	323,154	243,661
B.4	National Childcare Scheme and other childcare programmes		214,726	185,958	118,772
B.5	Childcare programmes: delivery supports and other initiatives				
	Estimate provision	88,716			
	Deferred surrender	2,288			
			91,004	84,411	62,796
B.6	Youth organisations and services (part funded by the National Lottery)		69,789	68,575	64,701
B.7	Creative Ireland		100	7	14
B.8	Economic and social disadvantage measures (Dormant Accounts funded)		10,008	9,388	9,586
B.9	Programme for Peace and Reconciliation		2,900	1,624	2,244
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) COVID related supports		1	—	82,697
	Prevention and early intervention programmes		—	—	*9,278*
			732,544	**680,612**	**600,685**

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 €51.932 million lower than originally provided.

B.4 National Childcare Scheme and other childcare programmes

Estimate provision €214.726 million; outturn €185.958 million

The shortfall in expenditure of €28.8 million relative to the estimate provision was mainly due to savings arising as a result of Q1 restrictions due to the fourth pandemic wave e.g. closures and the restriction of childcare spaces to vulnerable children and the children of essential workers. In addition, registration levels following reopening were below original anticipated levels as the sector slowly reopened.

B.5 Childcare programmes: delivery supports and other initiatives

Estimate provision €91.004 million; outturn €84.411 million

The expenditure variance of €6.593 million relative to the estimate provision was primarily due to reduced service delivery costs as a result of Q1 restrictions and reduced demand for crisis supports on foot of ongoing government Covid supports developed in 2020 which were extended into 2021. Original savings of €16 million were identified in service delivery costs and a range of other initiatives, €10 million of these savings were repurposed and utilised to provide for a Covid Ventilation Scheme for the childcare sector.

B.8 Economic and social disadvantage measures (Dormant Accounts funded)

Estimate provision €10.008 million; outturn €9.388 million

The shortfall in expenditure of €620,000 was mainly due to the impact that Covid restrictions had on in-person events reducing the number of projects taking place.

B.9 Programme for Peace and Reconciliation

Estimate provision €2.9 million; outturn €1.624 million

The shortfall in expenditure of €1.276 million is because it was expected that projects would have a greater number of in-person contact hours in 2021 than proved possible due to public health restrictions. Services were maintained online and in person where possible within public health guidance. Nonetheless, this resulted in lower expenditure than originally estimated across the twelve youth projects involved.

Programme C Policy and legislation

		2021 Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
C.1	Administration − pay	10,086	7,828	7,271
C.2	Administration − non pay	1,975	1,478	1,015
C.3	Miscellaneous legal fees and settlements	539	—	2
C.4	National Longitudinal Study and other research programmes	4,810	3,833	2,380
C.5	Children and young people's policy framework and other programmes	6,898	6,048	5,458
C.6	Adoption Authority of Ireland	5,626	4,219	5,151
C.7	Office of the Ombudsman for Children	2,955	2,955	2,450
C.8	Commission of Investigation	2,792	1,981	2,354
C.9	Magdalen Fund	1,000	554	1,540
		36,681	**28,896**	**27,621**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €7.785 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €nil

The shortfall in expenditure of €539,000 was due to the variable nature of expenditure in the subhead and the resultant difficulties in general in predicting the outcomes and costs associated with legal cases and matters.

C.4 National Longitudinal Study and other research programmes

Estimate provision €4.81 million; outturn €3.833 million

The shortfall in expenditure of €977,000 is due to the delay commencing the fieldwork for the longitudinal study as a result of Covid restrictions. Fieldwork was mostly conducted remotely rather than in homes.

C.5 Children and young people's policy framework and other programmes

Estimate provision €6.898 million; outturn €6.048 million

The €850,000 variance is due to underspends across a number of individual projects/programmes due mainly to Covid impacts resulting in delays and postponement of scheduled campaigns across all areas of the subhead. The continuation of remote working in 2021 also yielded some savings.

C.6 Adoption Authority of Ireland

Estimate provision €5.626 million; outturn €4.219 million

Below profile variance of €1.407 million was as a result of recruitment delays, lower than anticipated legal costs, and a reduction in travel expenses due to the pandemic.

C.8 Commission of Investigation

Estimate provision €2.792 million; outturn €1.981 million

The shortfall in expenditure of €811,000 is partly due to legal expenses being delayed until 2022 as well as savings on pay and the large degree of uncertainty around the costs of submitting the final report during Covid restrictions.

C.9 Magdalen Fund

Estimate provision €1 million; outturn €554,000

The shortfall in expenditure of €446,000 is due to the demand-led nature of the scheme under which applications and payments are unpredictable. Fewer applications than expected were received in 2021.

Programme D An equal and inclusive society

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
D.1	Administration – pay	1,186	1,010	681
D.2	Administration − non pay	213	148	318
D.3	National Disability Authority	5,178	4,754	4,218
D.4	Refugee and migrant integration	7,700	4,814	4,345
D.5	Grants to national women's organisations	556	556	525
D.6	Traveller and Roma initiatives	4,925	4,914	3,579
D.7	Positive Action for Gender Equality	3,650	3,414	1,825
D.8	Equality and LGBTI initiatives	920	1,670	779
D.9	Decision Support Service	5,800	5,354	3,260
		30,128	**26,634**	**19,530**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €3.494 million lower than originally provided.

D.3 National Disability Authority

Estimate provision €5.178 million; outturn €4.754 million

The shortfall in expenditure of €430,000 is principally on the pay side as a result of constraints in hiring additional staff as well as additional unpaid leave.

D.4 Refugee and migrant integration

Estimate provision €7.7 million; outturn €4.814 million

The shortfall in expenditure of €2.9 million is due to the impact of the Covid pandemic travel restrictions in 2021. Missions were curtailed as was all associated spend. There were also fewer refugees arriving to Ireland, along with reduced resettlements and projects undertaken during this period.

D.7 Positive Actions for Gender Equality

Estimate provision €3.65 million; outturn €3.414 million

The shortfall in expenditure of €250,000 is due to delays in IT and communications that were to form part of the introduction of gender pay gap reporting. These costs have been moved to 2022. There were also savings realised due to planned conferences and events being postponed and/or taking place virtually in 2021.

D.8 Equality and LGBTI initiatives

Estimate provision €920,000; outturn €1.67 million

The increase in expenditure of €750,000 is due to an additional funding call being completed in 2021 for the LGBTI+ community services. Virement was sanctioned by DPER to cover this cost.

D.9 Decision Support Service

Estimate provision €5.8 million; outturn €5.354 million

The shortfall in expenditure of €450,000 is due to delays in implementing an ICT project.

Programme E A fair and efficient support system for international protection seekers

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration − pay	8,521	6,818	4,161
E.2	Administration − non pay	1,596	1,231	1,386
E.3	Asylum Migration and Integration Fund	1,386	1,580	355
E.4	International protection seekers accommodation	218,000	190,831	183,207
		229,503	**200,460**	**189,109**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €29.043 million lower than originally provided.

E.3 Asylum Migration and Integration Fund

Estimate provision €1.386 million; outturn €1.58 million

The increase in expenditure of €190,000 is due to delayed grant payments from 2020 being processed in 2021 due to the restrictions of Covid in 2020. Virement was sanctioned by DPER to cover this cost.

E.4 International protection seekers accommodation

Estimate provision €218 million; outturn €190.831 million

The shortfall in expenditure of €27.169 million is due to a lower than anticipated demand for accommodation over the full year and delays in the roll out of independent living in some centres.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	8,893	8,580	8,933
2	Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	670	656	653
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Miscellaneous	336	469	507
6	Dormant Accounts receipts	10,008	9,389	9,585
7	Programme for Peace and Reconciliation	2,370	1,330	1,839
8	EU receipts	8,200	9,699	5,444
9	Receipts from additional superannuation contributions on public service remuneration	8,641	9,052	8,685
	Total	**39,121**	**39,175**	**35,646**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €54,000 higher than forecast.

5 Miscellaneous

Estimate provision €336,000; realised €469,000

These miscellaneous receipts are unpredictable and are difficult to forecast accurately.

6 Dormant Accounts receipts

Estimate provision €10.008 million; realised €9.389 million

The underspend of €619,000 in 2021 was due to the effect that the Covid restrictions had on a targeted youth employability support initiative. It is intended that the majority of the funding provided for this initiative will be expended over the course of 2022.

7 Programme for Peace and Reconciliation

Estimate provision €2.37 million; realised €1.33 million

The shortfall of €1.04 million in receipts for the Programme for Peace and Reconciliation is owing to variances in the timing for the SEUPB to receive refunds from ERDF funding, which it then passes on to the Department. This funding is only provided to the SEUPB by the EU following a validation process in relation to project expenditure. The timescales in relation to this process can vary and are difficult to predict.

8 EU receipts

Estimate provision €8.2 million; realised €9.699 million

The figure of €8.2 million was an estimate of EU receipts to be received in 2021. The level of appropriations-in-aid released in a particular year is based on claims submitted and payments received from the EU. As a result, it is difficult to accurately predict the timing of receipts and the level of appropriations-in-aid in any given year.

9 Receipts from additional superannuation contributions on public remuneration

Estimate provision: €8.641 million; realised €9.052 million

The increase of €411,000 primarily relates to the Department staff and the staff of the Children's Detention Campus as a result of pay restoration in July for certain grades, and also the pay increase in October of that year affecting pension deductions.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	538	(158)
Adjustment to opening balance	(98)	—
Receipts: Pobal	8,149	4,482
Bons Secours	—	2,500
ETBs	1,959	226
Oberstown Children Detention Campus	81	67
Child and Family Agency	—	25
Other	686	132
Transferred to the Exchequer	(8,347)	(6,736)
Balance at 31 December	**2,968**	**538**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	486	365
Commission of Investigation	8	11
Agencies of the Department (note 5.2)	4,921	4,938
	5,415	**5,314**

5.2 Pay

Remuneration of Department staff

	2021 €000	2020 €000
Pay	24,233	21,421
Higher, special or additional duties allowances	98	100
Overtime	148	100
Employer's PRSI	2,111	1,771
Total pay [a]	**26,590**	**23,392**

Remuneration of agency staff

	2021 €000	2020 €000
Pay [b]	279,525	260,248
Higher, special or additional duties allowances	4,385	12,388
Other allowances	51	46
Overtime	1,509	1,126
Employer's PRSI	28,789	27,520
Total pay	**314,259**	**301,328**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1, E.1 and C.8.

[b] The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned.

The agencies are National Disability Authority (NDA), Adoption Authority of Ireland (AAI), Child and Family Agency (Tusla), Office of the Ombudsman for Children (OCO) and Oberstown Children Detention Campus.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Departmental staff				
Higher, special or additional duties allowances	16	5	22,002	20,614
Other allowances	4	1	13,887	2,730
Overtime	50	3	13,880	10,619
Extra remuneration in more than one category	1	—	2,684	2,564
Staff of agencies of the department				
Higher, special or additional duties allowances	965	120	20,275	23,526
Other allowances	37	1	12,608	7,218
Overtime	602	31	36,029	26,445
Extra remuneration in more than one category	417	60	46,571	33,598

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	40	74,950	17,118
Recovery plans in place	6	16,077	15,161

Note 30 overpayments have been recouped in full since the end of 2021, and the National Shared Services Office (NSSO) is managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €9,000. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €51,572 (inclusive of salary, employee's superannuation and employer's PRSI) in respect of one officer who was serving outside the Department for part of 2021 in the Department of Justice and whose salary was paid by the Department.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net amount transferred to Pobal in the year of (€602 million) was charged to the relevant subheads as set out below.

During 2021, Pobal returned funds totalling €9.434 million to the Department. All of the funds relating to the current year were returned to the relevant subheads. The funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2).

		2021	2020
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	323,154	243,661
B.4	Affordable childcare scheme and other childcare programmes	185,958	118,772
B.5	Childcare programmes: delivery supports and other initiatives	75,668	55,213
B.6	Youth organisations and services (part funded by the National Lottery)	14,209	12,260
B.8	Economic and social disadvantage measures (Dormant Accounts funded)	1,210	3,898
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid Related Supports	—	82,697
C.5	Children's and young people's policy framework and other programmes	1,886	1,755
	Total paid to Pobal	**602,085**	**518,256**

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2021, Pobal had grant commitments totalling €10.6 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	28	16	44	32
	€000	€000	€000	€000
Department's own legal costs	—	—	—	—
Payments by/on behalf of Department				
Compensation	444	100	544	299
Legal costs	410	242	652	44
Other costs	35	25	60	32
2021 Total	**889**	**367**	**1,256**	**375**
2020 Total	291	84	375	

Cumulative costs of cases completed in 2021

	Claims by		
	employees	members of the public	Total
Number of cases	11	8	19
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	316	112	428
Legal costs	175	157	332
Other costs	30	25	55
Total	**521**	**294**	**815**

6.3 Fraud and suspected fraud

Number of cases		2021	2020
		€000	€000
Fraud	1	80	—
Suspected fraud	2	98	65

Note There were no reports of incidents of fraud within the Department. One fraud incident amounting to €80,000 which occurred in a service provider in receipt of voted funds was reported in 2021. There were also two suspected fraud incidents reported in 2021 which occurred in two service providers in receipt of voted funds. The amounts in question are estimated at €75,000 and €22,738.

6.4 Committees, commissions and special inquiries

The Commission of Investigation into Mother and Baby Homes and Certain Related Matters was established on 17 February 2015 pursuant to the provisions of the Commission of Investigation (Mother and Baby Homes and Certain Related Matters) Order 2015 (S.I. No 57 of 2015). The Commission of Investigation was dissolved at the end of February 2021.

Commission expenditure is accounted for in subhead C.8 and includes €1.092 million relating to pay costs.

	Year of appointment	Cumulative expenditure to the end of 2021	2021	2020
		€000	€000	€000
C.8 − Commission of Investigation – Mother and Baby Homes	2015	16,273	1,484	2,354

6.5 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

	2021 Estimate	2021 Outturn	2020 Outturn
	€000	€000	€000
Subhead			
B.6 Youth organisations and services	69,709	68,501	63,847

6.6 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the European Social Fund and the Asylum Migration and Integration Fund. Estimates of expenditure and actual outturns were as follows.

	2021 Estimate €000	2021 Outturn €000	2020 Outturn €000
Subhead			
B.9 – Programme for Peace and Reconciliation	2,900	1,624	2,244
D.4 – Refugee and migrant integration	7,700	4,814	4,345
E.3 – Asylum Migration and Integration Fund [a]	1,386	1,580	355

Note [a] Asylum Migration and Integration Fund expenditure for the year was €1.58 million. EU receipts in respect of Asylum Migration and Integration Fund funding are released in the accounts through appropriations-in-aid when they are deemed to be certain. The balance of funds received but not released into the accounts are contained in Note 2.7 and these relate to funding for expenditure previously reported under this subhead.

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €3.2 million in capital expenditures in the following subheads that were carried over to 2022.

	Unspent €000
Description of subhead:	
A.3 Child and Family Agency (Tusla)	2,097
A.4 Youth justice – including Oberstown Children Detention Campus	2,309
B.5 Childcare programmes: delivery supports and other initiatives	1,806
B.6 Youth organisations and services	76
	6,288 [a]

	Carried Forward €000
Description of subhead:	
A.3 Child and Family Agency (Tusla)	1,000
A.4 Youth justice – including Oberstown Children Detention Campus	250
B.5 Childcare programmes: delivery supports and other initiatives	750
B.6 Youth organisations and services	1,200
	3,200

Note [a] Under DPER circular reference DPE 029/11/12 in relation to capital carryover, Departments cannot carry over more than 10% of their total Voted capital allocation. As a result the Department of Children, Equality, Disability, Integration and Youth could only carry over €3.2 million of the unspent capital of €6.3 million in 2021 to 2022.

Appendix A Accounts of bodies and funds under the aegis of the Department of Children, Equality, Disability, Integration and Youth

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

Body	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Oberstown Children Detention Campus	2020	2 Dec 2021	6 Dec 2021	6 Dec 2021
Adoption Authority of Ireland	2020	29 Jun 2021	15 Jul 2021	29 Jul 2021
Office of the Ombudsman for Children	2020	30 Sep 2021	22 Oct 2021	3 Nov 2021
Child and Family Agency	2020	30 Jun 2021	7 Jul 2021	22 Jul 2021
National Disability Authority	2020	23 Jul 2021	22 Nov 2021	2 Dec 2021

Appropriation Account 2021

Vote 41

Policing Authority

Introduction

As Chief Executive of the Policing Authority, I am the Accounting Officer for Vote 41. 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 2021 for the salaries and expenses of the Policing Authority and for the payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €840,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Authority

The Policing Authority was established on 1 January 2016 by the enactment of the Garda Síochána (Policing Authority and Miscellaneous Provisions) Act 2015. It comprises the Chairperson and eight members.

The primary role of the Authority is to oversee the performance by An Garda Síochána of its functions relating to policing services.

The Authority is additionally responsible for

- leading and directing the Authority's activities
- compliance and all applicable statutory obligations
- holding the CEO and senior management to account for the effective performance of their responsibilities
- matters relating to audit, governance and risk management
- ensuring that there are effective systems of internal control in place and implemented
- the preparation and adoption of a strategic plan, and
- the preparation of the annual report of the Authority.

The Authority has adopted the *Code of Practice for the Governance of State Bodies*, and in accordance with provision 2.6 of the code, the Chairperson of the Authority will submit a comprehensive report to the Minister for Justice by 31 March 2022. The annual report of the Authority for 2021 will also be submitted to the Minister for Justice by 31 March 2022.

It was disclosed in the 2020 Appropriation Account that on foot of the report of the Commission on the Future of Policing, the establishment of a new statutory body is proposed, merging the Garda Inspectorate and the Policing Authority. While the drafting of the new legislation was significantly progressed in 2021, its passage through the Oireachtas remains pending and, therefore, the Authority's existing statutory functions and oversight role remains.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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 Authority.

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

Financial services are provided to the Authority under a service level agreement by Financial Shared Services in the Department of Justice. Payroll and HR services are provided to the Authority by the National Shared Services Office under a memorandum of understanding. I have fulfilled my responsibilities in relation to the requirements of these agreements.

The Accounting Officers of the Department of Justice and of the National Shared Services Office are responsible for the operation of the internal control systems in relation to financial shared services, and payroll and HR services, respectively. I rely on letters of assurance from both of the Accounting Officers that appropriate systems of governance and internal control are exercised over the services that they provide to the Authority.

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 monthly 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.

Internal audit and Audit Committee

I confirm that the Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Due to the size of the Authority, this function is outsourced to a professional service firm, whose services are subject to normal re-tendering in accordance with procurement procedures. Its work is informed by analysis of the financial risks to which the Authority 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 Authority's Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that the Authority ensures that there is an appropriate focus on good practice in procurement, that procedures are in place to ensure compliance with all relevant guidelines, and that the Authority has complied with those guidelines.

Risk and control framework

The Authority 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 Authority and these have been identified, evaluated and graded according to their significance. The register is a living document and is reviewed and updated by Authority and the Senior Management Team on a monthly 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 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 the Senior 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 Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority'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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

During 2021, the work and oversight of the Authority continued unabated, with the majority of work being carried out remotely. The Authority held a total of 18 meetings in 2021, all of which were held online. In accordance with the Authority's statutory obligations, five of these meetings were accessible to the public. The subcommittees of the Authority held a total of 20 meetings 2021, all of which were held online.

Close attention continued to be paid to the impact of Covid-19 on the Authority's operations in general, and on the control environment in which the Authority operates. by the Senior Management Team, the Audit and Risk Committee, internal auditors and the Authority.

In late 2021 the Authority's internal auditors conducted a review of the impact of Covid-19 on business operations. The auditors concluded that significant assurance could be placed on the adequacy and operating effectiveness of mitigation controls and risk management in respect of the impact of Covid-19.

Close attention continues to be paid to control issues as the emergency phase of the Covid-19 pandemic gives way to a more normalised environment.

Helen Hall
Accounting Officer
Policing Authority

9 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 41 Policing Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 41 Policing Authority for the year ended 31 December 2021 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure Vote 41 Policing Authority for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Policing Authority 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

28 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 41 Policing Authority

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of independent oversight of the policing functions of An Garda Síochána	3,797	2,975	2,817
	Gross expenditure	**3,797**	**2,975**	**2,817**
	Deduct			
B	**Appropriations-in-aid**	47	65	66
	Net expenditure	**3,750**	**2,910**	**2,751**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**840,341**	**615,165**

Helen Hall
Accounting Officer
Policing Authority

9 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Administration pay		2,236	2,087
Administration non-pay		739	730
Gross expenditure		**2,975**	**2,817**
Deduct			
Appropriations-in-aid		**65**	**66**
Net expenditure		**2,910**	**2,751**
Changes in capital assets			
Purchases cash	—		
Depreciation	10	10	(19)
Changes in net current assets			
Decrease in closing accruals	(24)		
Decrease in stock	4	(20)	(15)
Direct expenditure		**2,900**	**2,717**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		332	315
Net programme cost		**3,232**	**3,032**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 41 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 13	Office of Public Works	263	253
Vote 18	National Shared Services Office	5	5
Vote 24	Justice	56	49
		332	**315**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	25	35
Current assets			
Bank and cash		69	130
Stocks	2.2	9	13
Prepayments		22	14
Other debit balances		29	42
Total current assets		**129**	**199**
Less current liabilities			
Accrued expenses		5	21
Other credit balances	2.3	98	129
Net Exchequer funding	2.4	—	43
Total current liabilities		**103**	**193**
Net current assets		26	6
Net assets		**51**	**41**
Represented by:			
State funding account	2.5	**51**	**41**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	47	36	83
Additions	—	—	—
Cost or valuation at 31 December 2021	47	36	83
Accumulated depreciation			
Opening balance at 1 January 2021	17	31	48
Depreciation for the year	9	1	10
Cumulative depreciation at 31 December 2021	26	32	58
Net assets at 31 December 2021	**21**	**4**	**25**
Net assets at 31 December 2020	30	5	35

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	7	11
Catering	1	—
Cleaning	1	2
	9	**13**

2.3 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	50	63
Pay related social insurance	25	24
Professional services withholding tax	10	19
Value added tax on foreign invoices	8	6
	93	112
Other credit suspense items	5	17
	98	**129**

2.4 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus	840	615
Exchequer grant undrawn	(840)	(572)
Net Exchequer funding	—	**43**
Represented by:		
Debtors		
Bank and cash	69	130
Debit balances: suspense	29	42
	98	172
Creditors		
Due to the State	(93)	(112)
Credit balances: suspense	(5)	(17)
	(98)	(129)
	—	**43**

2.5 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			41	7
Disbursements from the Vote				
Estimate provision	Account	3,750		
Surplus to be surrendered	Account	(840)		
Net vote			2,910	2,751
Expenditure (cash) borne elsewhere	1.1		332	315
Net programme cost	1		(3,232)	(3,032)
Balance at 31 December			**51**	**41**

2.6 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Grants	10	—
Procurement of goods and services	109	37
	119	**37**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 41 Policing Authority is classified as administration expenditure applied towards a single programme: Provision of independent oversight of the policing functions of An Garda Síochána.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,247	2,236	2,087
ii	Travel and subsistence	50	2	7
iii	Training and development and incidental expenses	1,095	549	525
iv	Postal and telecommunications services	50	13	12
v	Office equipment and external IT services	125	130	139
vi	Office premises expenses	130	44	45
vii	Consultancy services and value for money and policy reviews	100	1	2
		3,797	**2,975**	**2,817**

Significant variations

The following note presents an analysis of the expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision €1.095 million; outturn €549,000

The estimate provision for 2021 was increased by €350,000 for the purpose of additional work on updating Garda recruitment processes. Unanticipated procurement delays resulted in a 2021 outturn of €44,000 in respect of this work. This factor, together with ongoing disruption to certain areas of work caused by the Covid-19 emergency has resulted in an underspend of €546,000 (2020: €220,000).

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	47	63	57
2	Miscellaneous	—	2	9
	Total	**47**	**65**	**66**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**38**	**36**

5.2 Pay

	2021 €000	2020 €000
Pay	2,029	1,903
Higher, special or additional duties allowances	—	—
Employer's PRSI	207	184
Total pay	**2,236**	**2,087**

5.3 Authority members' fees and expenses

In 2021, there were nine members of the Authority, including the Chairperson (2020: eight). The Authority met in plenary a total of 18 times (five in public) (2020: 21 (five in public)) and a total of 20 subcommittee meetings were held (2020: 27).

Fees totalling €140,799 were paid to the Authority members during 2021 (2020: €150,907). Expenses paid to members in 2021 were €247 (2020: €3,269). The fees and expenses were charged to subhead A (iii) Training and development and incidental expenses.

5.4 Other remuneration arrangements

Nine retired civil servants in receipt of civil service pensions were re-engaged on various duties in 2021 (2020: five) at a total cost of €45,472 (2020: €27,903). Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary was on the Assistant Secretary (PPC) scale i.e. total annual gross salary of €164,549 (€162,920 at 31 December 2020).

Appropriation Account 2021

Vote 42

Rural and Community Development

Introduction

As Accounting Officer for Vote 42, 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 2021 for the salaries and expenses of the Office of the Minister for Rural and Community Development, including certain services administered by that Office and for the payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021 including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €41.45 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account, except for the following:

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.3).

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 of Rural and Community Development.

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

Payroll and human resource functions are being provided on a shared services basis by the National Shared Services Office (Vote 18).

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 services.

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

Financial shared services are provided by the Financial Shared Service Centre of the Department of Justice (Vote 24). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department and the Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer of the Justice Vote that the appropriate controls are exercised in the provision of financial shared services to my 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.
- There are systems in place to safeguard the assets of the Department.

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 Department

- the Office of the Government Chief Information Officer (OGCIO) has a delegated responsibility for ensuring the security of ICT under a memorandum of understanding
- there are appropriate capital investment control guidelines in place.

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. 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. As part of the continued development of the internal audit function, it will be periodically reviewed 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.

Non-compliance with procurement rules

I confirm that 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 complied with these guidelines in 2021 with the exception of a contract extension with a value of €910,000 (ex. VAT) for the provision of air services to the Aran Islands, as reported in the Department's annual return in respect of circular 40 of 2002. The extension was necessary to allow for continued provision of lifeline transport services while a new long-term public service obligation contract is put in place. Tender documentation for these services was advertised on e-tenders in February 2022. Following a competitive process, the contract was awarded on 7 June 2022.

It is the policy of this Department to avail of all centrally available frameworks as soon as they come on stream and to engage with the Office of Government Procurement in relation to more specific requirements. Controls remain in place to ensure compliance in this area.

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

A Risk Committee is also in place to oversee the system of risk management and its implementation. The Committee includes all members of the Management Board and meets on a quarterly basis. The risk register is reviewed and updated at each quarterly meeting.

The outcome of these assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 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 2021 that resulted in, or may result in, a material loss.

Recoupment of project funding under the Outdoor Recreation Infrastructure Scheme

The Outdoor Recreation Infrastructure Scheme (ORIS) provides funding for the development of new outdoor recreational infrastructure and for the maintenance and promotion of existing outdoor recreational infrastructure in rural Ireland. The Department funds up to 90% of approved project costs, and up to €500,000 for any individual project. Committed grant funding is payable after works have been carried out. Failure to complete the approved works by relevant scheme target dates may result in all or part of the funding not being released or any funds already released becoming repayable to the Department.

In May 2020, the Department's Internal Audit Unit commenced an audit of scheme compliance for a sample of six ORIS projects. The audit consisted of onsite expenditure verification visits to relevant local authorities, and physical inspection of the works completed. The audit identified high-level concerns in respect of a Mayo County Council managed project, aimed at provision of a 45 metre span suspended bridge as part of the Achill Island Greenway cycle route. The Department had committed to paying €200,000 in ORIS funding, in the context of an estimated project cost of €250,000. The audit found that expenditure of just €59,000 had been charged up to the project code on Mayo County Council's accounting system, but that €27,000 of this related to the payment of invoices for other projects. The remaining €32,000 had been incurred in respect of professional fees and underground ducting for the bridge project. Despite this low level of expenditure, Mayo County Council had claimed the full grant amount of €200,000 on 31 October 2019 which, for grant-funding purposes, was the cut-off date for completion of the project.

In light of the findings in relation to the Achill Island bridge project, the Internal Audit Unit examined four other ORIS projects managed by Mayo County Council. In each case, the audit identified that no work, or only part of the project work, had been done when Mayo County Council claimed the related project funding, which amounted to €850,000 for the four projects. On two of the projects, some miscoding of expenses was also identified.

In December 2020, the Department sought explanations from Mayo County Council in relation to the audit report findings, and the controls in place in the Council over funded projects. Subsequently, there was significant engagement between the Council and the Department. This engagement resulted in ten ORIS projects being identified where the Council had claimed funds prior to completion. In November 2021, the Department informed the Council that it was terminating the funding agreements for four of these ten projects, and also terminating funding for part of one project. The Department requested the repayment of €1.09 million in this regard. In addition, the Department imposed a recoupment sanction of €161,000 in respect of the remaining projects that Mayo County Council agreed to complete within a specified timeframe.

Also in November 2021, the Department referred the internal audit findings and the outcome of its subsequent engagement with Mayo County Council to the Local Government Audit Service and to the National Oversight and Audit Commission. It has also continued to engage with Mayo County Council to ensure that its internal procedures provide the required assurance.

More generally, the Department has kept its systems of control over ORIS and other grant schemes under ongoing review. It had strengthened controls prior to the ORIS audit findings and has continued to review and strengthen the internal controls for grant schemes. The improvements made include

- a requirement for grantees to submit additional evidence of incurring expenditure prior to recoupment, including a case study report with ‘before and after’ photos; invoice listing; and Director of Service-level sign off of claims
- submission of at least two project progress reports
- increased inspection rate, including pre-payment inspections
- increased capacity building for local authority staff
- additional training for the Department’s own staff in grant claim verification
- development of a departmental Scheme Management Handbook to support staff involved in scheme management.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results are as follows. The Department put in place robust processes at the outset of the pandemic so as to ensure continued processing of payments and the continued effectiveness of controls in a remote working environment. These processes and controls were developed in co-operation with the Financial Shared Services Centre of the Department of Justice. These processes are now well embedded within the organisation. They have become standard operating procedure and will remain in place in the context of remote working being part of a future blended working approach.

With regard to funding schemes, the Department had €10 million available in 2021 for the Covid-19 Stability Fund. This followed on from similar funding schemes in 2020, but with much reduced funding for 2021. Scheme delivery and oversight was well established for this funding in 2021. In total, the Department incurred expenditure of €16.899 million on Covid related supports (€64.908 million in 2020).

Mary Hurley
Accounting Officer
Department of Rural and Community Development

14 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 42 Rural and Community Development

Opinion on the appropriation account

I have audited the appropriation account for Vote 42 Rural and Community Development for the year ended 31 December 2021 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 42 Rural and Community Development for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Rural and Community Development 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 appendix to this report.

Recovery of grant funding from Mayo County Council

In the statement on internal financial control, the Accounting Officer has explained how the Department's Internal Audit Unit identified irregularities in relation to a number of projects the Department funded in the past under the Outdoor Recreation Infrastructure Scheme (ORIS). The audit identified that no work, or only part of the agreed work, had been done when Mayo County Council claimed the full committed grant funding amount, contrary to the conditions set for the scheme. The audit also identified miscoded expenses incurred for other projects that had been charged to some of the ORIS projects.

The Department terminated the funding agreements for four projects and reduced its funding commitment for another project, and asked Mayo County Council to return €1.09 million in this regard. In addition, it imposed a recoupment sanction of €161,000 in respect of other projects.

The statement on internal controls also outlines the changes the Department has made to strengthen the controls it operates in relation to grant schemes.

Non-compliance with procurement rules

The Accounting Officer has also disclosed in the statement on internal financial control that a material instance of non-compliance with national procurement rules occurred in respect of a contract that operated in 2021.

Seamus McCarthy
Comptroller and Auditor General

23 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 42 Rural and Community Development

Appropriation Account 2021

			2021		2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Rural Development and Regional Affairs				
	Estimate provision	177,648			
	Deferred surrender	13,180			
			190,828	169,159	152,735
B	Community Development		168,773	171,164	202,511
C	Charities Regulatory Authority		4,606	4,127	4,172
Gross expenditure					
	Estimate provision	351,027			
	Deferred surrender	13,180			
			364,207	**344,450**	**359,418**
	Deduct				
D	**Appropriations-in-aid**		**43,027**	**81,580**	**84,677**
Net expenditure					
	Estimate provision	308,000			
	Deferred surrender	13,180			
			321,180	**262,870**	**274,741**

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 spending in the following year. €16.86 million of unspent allocations in respect of the capital elements of subhead A.7 Rural regeneration and development and A.8 Islands was carried forward to 2022 (see Note 6.4).

	2021	2020
	€	€
Surplus	58,310,228	18,701,021
Deferred surrender	(16,860,000)	(13,180,000)
Surplus to be surrendered	**41,450,228**	**5,521,021**

Mary Hurley
Accounting Officer
Department of Rural and Community Development

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		333,120	349,096
Pay		10,394	9,318
Non pay		936	1,004
Gross expenditure		**344,450**	**359,418**
Deduct			
Appropriations-in-aid		**81,580**	**84,677**
Net expenditure		**262,870**	**274,741**
Changes in capital assets			
Depreciation		342	—
Changes in net current assets			
Increase in closing accruals		12,276	(17,900)
Increase in stock		(5)	(5)
Direct expenditure		**275,483**	**256,836**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,881	1,984
Net programme cost		**277,364**	**258,820**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 42 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	1	12
Vote 12	Superannuation and Retired Allowances	185	328
Vote 13	Office of Public Works	1,123	1,111
Vote 18	National Shared Services Office	21	21
Vote 24	Justice	341	337
Vote 43	Office of the Government Chief Information Officer	210	175
		1,881	**1,984**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	10,355	10,697
Current assets			
Bank and cash	2.2	17,864	15,825
Stocks	2.3	10	5
Prepayments	2.4	21,363	48,850
Other debit balances	2.5	71	207
Accrued income	2.6	24,368	9,117
Total current assets		**63,676**	**74,004**
Less current liabilities			
Accrued expenses	2.7	62	22
Other credit balances	2.8	1,066	618
Net Exchequer funding	2.9	16,869	15,414
Total current liabilities		**17,997**	**16,054**
Net current assets		45,679	57,950
Net assets		**56,034**	**68,647**
Represented by:			
State funding account	2.10	**56,034**	**68,647**

2.1 Capital assets

	Buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	11,602	1,006	210	12,818
Additions	—	—	—	—
Cost or valuation at 31 December 2021	11,602	1,006	210	12,818
Accumulated depreciation				
Opening balance at 1 January 2021	1,328	749	44	2,121
Depreciation for the year	232	89	21	342
Cumulative depreciation at 31 December 2021	1,560	838	65	2,463
Net assets at 31 December 2021	**10,042**	**168**	**145**	**10,355**
Net assets at 31 December 2020	10,274	257	166	10,697

2.2 Banks and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	5	1
IT consumables	5	4
	10	**5**

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Rural regeneration and development	7,705	27,945
Town and village renewal	1,723	8,760
Library development and archive service	2,944	3,907
Regional economic development	2,946	2,449
Community Services Programme	1,035	2,420
Rural supports	2,450	1,494
Leader – rural economy sub programme	2,368	1,242
Dormant accounts measures	125	472
Local community development committees	—	85
Administration	67	76
	21,363	**48,850**

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Travel pass schemes	17	5
Salary suspense	52	202
Other debit suspense items	2	—
	71	**207**

2.6 Accrued income

at 31 December		2021	2020
		€000	€000
Subhead	**Description**		
A.5	Leader – rural economy sub programme	8,189	6,816
A.7	Rural regeneration and development - outdoor recreation infrastructure scheme [a]	1,253	—
B.8	Programme for Peace and Reconciliation	14,926	2,301
		24,368	**9,117**

Note [a] This accrued income relates to the repayment noted in the section of the statement on internal financial control dealing with weaknesses in controls.

2.7 Accrued expenses

at 31 December	2021	2020
	€000	€000
IT services and support	7	5
Specific programme accruals	39	-
Administration expenses	11	7
Other accruals	5	10
	62	22

2.8 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	190	199
Pay related social insurance	106	94
Professional services withholding tax	52	26
Value added tax	39	16
	387	335
Tidy towns	612	230
Other	67	53
	1,066	**618**

2.9 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	41,450	5,521
Deferred surrender	16,860	13,180
Exchequer grant undrawn	(41,441)	(3,287)
Net Exchequer funding	**16,869**	**15,414**
Represented by:		
Debtors		
Bank and cash	17,864	15,825
Debit balances: suspense	71	207
	17,935	16,032
Creditors		
Credit balances: suspense	(1,066)	(618)
	(1,066)	(618)
	16,869	**15,414**

2.10 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			68,647	40,433
Disbursements from the Vote				
Estimate provision	Account	321,180		
Deferred surrender		(16,860)		
Surplus to be surrendered	Account	(41,450)		
Net vote			262,870	274,741
Expenditure (cash) borne elsewhere	1.1		1,881	1,984
Non-cash items – capital assets transferred	2.1		—	10,309
Net programme cost	1		(277,364)	(258,820)
Balance at 31 December			**56,034**	**68,647**

2.11 Commitments

a) Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Procurement of goods and services	292	61
Non-capital grant programmes	109,106	106,703
Capital grant programmes	244,996	191,459
Total of legally enforceable commitments	**354,394**	**298,223**

b) Non-capital grant programmes	**2021**	**2020**
	€000	**€000**
Opening balance	106,703	110,497
Grants paid in the year	(163,432)	(188,823)
New grant commitments	165,835	185,029
Closing balance	**109,106**	**106,703**

c) Capital grant programmes	**2021**	**2020**
	€000	**€000**
Opening balance	191,548	232,283
Grants paid in the year	(163,815)	(154,232)
New grant commitments	217,263	113,408
Closing balance	**244,996**	**191,459**

2.12 Contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	10,579	10,394	9,318
ii	Travel and subsistence	372	95	129
iii	Training and development and incidental expenses	663	373	325
iv	Postal and telecommunications services	72	53	146
v	Office equipment and external IT services	402	205	320
vi	Office premises expenses	313	43	64
vii	Consultancy and value for money and policy reviews	330	167	20
viii	Research	100	—	—
		12,831	**11,330**	**10,322**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €372,000; outturn €95,000

The shortfall in expenditure of €277,000 on travel and subsistence was due to the continued impact of the pandemic and increased use of online meeting facilities.

iii Training and development and incidental expenses

Estimate provision €663,000; outturn €373,000

The shortfall in expenditure of €290,000 relative to the estimate was due to the continued impact of the pandemic on training and development opportunities and also on incidental expenses. The latter are variable in nature and were less than anticipated.

v Office equipment and external IT services

Estimate provision €402,000; outturn €205,000

The shortfall in expenditure of €197,000 relative to the estimate provision was due to procurement of office equipment and external IT services being difficult due to Covid 19.

vi Office premises expenses

Estimate provision €313,000; outturn €43,000

The shortfall in expenditure of €270,000 relative to the estimate provision was due to expenditure on office premises and facilities in both Ballina and Trinity Point sites being less than anticipated. Completing office works and upgrades was challenging during the pandemic.

vii Consultancy and value for money and policy reviews

Estimate provision €330,000; outturn €167,000

The shortfall in expenditure of €163,000 relative to the estimate provision was due to less use of consultants than had been originally envisaged and the pandemic continuing to impact such work.

viii Research

Estimate provision €100,000; outturn €nil

The shortfall in expenditure of €100,000 relative to the estimate provision relates to longer than envisaged timelines for delivery of a multi-annual research project.

Programme A Rural Development and Regional Affairs

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		6,040	6,427	5,218
A.2	Administration − non pay		1,146	500	572
A.3	Western Development Commission		2,166	2,150	1,969
A.4	Rural supports [a]		23,243	31,928	18,702
A.5	Leader – rural economy sub programme		44,000	55,954	45,439
A.6	Regional economic development		3,070	3,836	3,374
A.7	Rural regeneration and development [b]				
	Estimate provision	87,000			
	Deferred surrender	11,780			
			98,780	58,011	67,996
A.8	Islands				
	Estimate provision	10,983			
	Deferred surrender	1,400			
			12,383	10,353	9,465
			190,828	**169,159**	**152,735**

Notes [a] A4 – Rural supports includes the CLÁR programme, the Local Improvement Scheme (LIS) and the Walks Scheme.

[b] A7 – Rural regeneration and development consists of the Rural Regeneration and Development Fund (RRDF), the Town and Village Renewal Scheme (TVRS), and the Outdoor Recreation Infrastructure Scheme (ORIS).

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €21.669 million lower than (originally) provided. €259,000 of this related to administration expenditure and has already been explained and the balance of the variance of €21.41 million was mainly due to the following:

A.4 Rural supports

Estimate provision €23.243 million; outturn €31.928 million

This subhead provides funding for a number of schemes including the walks scheme and CLÁR, as well as some other initiatives supporting rural development. The increase in expenditure of €8.685 million relative to the estimate provision was largely due to additional demand under the Local Improvement Scheme which was funded from savings elsewhere.

A.5 Leader – rural economy sub programme

Estimate provision €44 million; outturn €55.954

The increase in expenditure of €11.954 million relative to the estimate provision was due to Leader being a multi annual programme and delivery in 2021 exceeded anticipated levels as the programme moves towards completion, with the additional demand funded from savings elsewhere.

A.6 Regional economic development

Estimate provision €3.07 million; outturn €3.836 million

The increase in expenditure of €766,000 relative to the estimate provision was primarily due to additional funding under the Digital Innovation Programme which was funded from savings elsewhere.

A.7 Rural regeneration and development

Estimate provision €98.78 million; outturn €58.011 million

The shortfall in expenditure of €40.769 million relative to the estimate provision was largely due to savings under the Rural Regeneration and Development Fund (RRDF) element of this sub-head. Construction of these large scale capital projects in rural areas was delayed due to the public health restrictions in place, which resulted in the closure of construction sites until May 2021. This delayed both projects under construction and new projects moving into the construction phase. The savings were utilised elsewhere to fund additional delivery under the Leader programme, the Local Improvement Scheme, the Community Enhancement Programme and Digital Innovation Projects. €15 million of the saving was carried forward for use in 2022 through the deferred surrender arrangement.

A.8 Islands

Estimate provision €12.383 million; outturn €10.353 million

The shortfall in expenditure of €2.03 million relative to the estimate provision was largely due to delays in the delivery of capital projects on offshore islands. The closure of construction sites until May 2021 delayed delivery of capital projects and the level of demand within the construction sector has continued to present challenges in contracting islands works given the additional burden on contractors in bringing machinery to and from the islands. €1.86 million of the saving was carried forward for use in 2022 through the deferred surrender arrangement.

Programme B Community Development

		Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
B.1	Administration – pay	4,392	3,931	4,007
B.2	Administration − non pay	1,027	430	424
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	17,545	17,542	16,571[a]
B.4	SICAP, local/regional development supports (part funded by the National Lottery)	45,066	45,066	44,065
B.5	Local community development committees (support)	2,405	2,399	2,193
B.6	Supports for disadvantaged communities	6,500	6,500	6,500
B.7	Dormant account measures	12,570	12,481	12,570
B.X	Dormant accounts (Covid-19 supports)	—	—	37,000
B.8	Programme for Peace and Reconciliation	6,967	6,967	9,862
B.9	Water Safety Ireland	1,179	1,179	1,154
B.10	Library development and archive service	7,731	7,731	7,731
B.11	Community Enhancement Programme	4,501	8,048	11,237
B.12	Community Services Programme	48,890	48,890	46,890
B.13	Covid-19 Stability Fund	10,000	10,000	—
B.14	Public participation networks	—	—	2,307
		168,773	**171,164**	**202,511**

Note [a] The 2020 outturn for B.3 of €16.571 million includes €325,000 in expenditure which was incurred under the B.13 Social Inclusion Units sub-head. This sub-head was retired in 2021 and merged into the B.3 subhead given its alignment with that area. For 2021 the B.13 subhead was used for expenditure under the Covid-19 Stability Fund.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The original estimate was €168.773 million. Overall, the expenditure in relation to Programme B was €2.391 million higher than originally provided. This was made up of a shortfall in expenditure of €1.058 million in relation to administration spend, which has previously been explained, and an increase in expenditure of €3.499 million in other programme spend. This additional spend was mainly due to the following.

B.11 Community Enhancement Programme

Estimate provision €4.501 million; outturn €8.048 million

The increase in expenditure of €3.547 million relative to the estimate provision was as a result of additional demand arising under the Community Enhancement Programme, with the additional funding specifically aimed at providing necessary capital funding supports for community and voluntary groups in the context of Covid-19, complementing the current funding available under the Covid-19 Stability Fund.

Programme C Charities Regulatory Authority

		Estimate provision	2021 Outturn	2020 Outturn
		€000	€000	€000
C.1	Administration – pay	147	36	93
C.2	Administration − non pay	79	7	8
C.3	Charities Regularity Authority	4,370	4,084	4,071
C.4	Charities Appeal Tribunal	10	—	—
		4,606	**4,127**	**4,172**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €479,000 lower than provided. €183,000 of this relates to administration expenditure and has already been explained. The balance of the variance of €296,000 was mainly due to the following.

C.3 Charities Regulatory Authority

Estimate provision €4.37 million; outturn €4.084 million

The shortfall in expenditure of €286,000 relative to the estimate provision arose due to pay related programme costs in the Charities Regulatory Authority being less than anticipated due to ongoing recruitment challenges.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	100	36,734	180
2	Leader – rural economy sub programme	26,987	31,278	27,821
3	Programme for Peace and Reconciliation	3,000	690	6,724
4	Dormant accounts – programme expenditure	12,570	12,481	49,570
5	Receipts from additional superannuation contributions on public service remuneration	370	397	377
	SICAP – Social Inclusion and Community Activation Programme	—	—	*5*
	Total	**43,027**	**81,580**	**84,677**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €38.553 million more than the original estimate. Explanations for variances are set out below:

1 Miscellaneous

Estimate €100,000; realised €36.734 million

The excess receipts of €36.634 million arose mainly because €36 million in funding under the Social Inclusion and Community Activation Programme was received from the EU in September 2021.This receipt could not form part of the Department's Revised Estimate for 2021 as the EU approval process was not complete at that time, and the recoupment of the funds was not certain. The remaining excess receipts of €634,000 for 2021 was mainly due to a number of refunds received in respect of grants issued in prior years, and which had not been anticipated.

2 Leader - rural economy sub programme

Estimate €26.987 million; realised €31.278 million

The excess receipts of €4.291 million was due to increased levels of payments under the EU Leader programme during 2021 which resulted in a corresponding increase in the level of EU receipts received by the Department.

3 Programme for Peace and Reconciliation

Estimate €3 million; realised €690,000

The decrease of €2.31 million is due to receipts anticipated in 2021 not being issued until 2022.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	7	15
Voluntary surrender of Ministerial salaries	16	7
Transferred to the Exchequer	(7)	(15) [a]
Balance at 31 December	**16**	**7** [a]

Note [a] The 2020 figures were amended to reflect the yearly transfer of balances that were omitted from the 2020 published accounts.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2021	2020
Department	166	166
Agencies	76	73
Total	**242**	**239**

5.2 Pay

Remuneration of Department staff

	2021 €000	2020 €000
Pay	9,557	8,557
Higher, special or additional duties allowances	110	106
Overtime	20	15
Employer's PRSI	707	640
Total pay	**10,394**	**9,318**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	12	4	22,002	20,613
Overtime	1	1	16,828	15,139
Extra remuneration in more than one category	1	1	22,444	20,246

Note The pay, allowance and other remuneration details above in 5.2 and 5.3 relate to the Department's staff paid directly from the Vote. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned.

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	7	9,967	4,607

Recovery plans were put in place for all overpayments that occurred in 2021.

5.5 Salary of Accounting Officer

As at 31 December 2021 the Accounting Officers current salary is at the grade of Secretary General Level III, with an annual gross salary of €192,474 (as at 31 December 2020, €190,568).

Note 6 Miscellaneous

6.1 National Lottery funding

Subhead	Description	2021 Estimate €000	2021 Outturn €000	2020 Outturn €000
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	10,848	10,848	10,528
B.4	SICAP local/regional development supports (part funded by the National Lottery)	2,733	2,733	2,855
		13,581	**13,581**	**13,383**

Note The schemes part-funded by National Lottery funding within the B.3 subhead are the Scheme to Support National Organisations and the Senior Alert Scheme. The total outturn for these in 2021 was €5.988 million and €4.86 million respectively. The Senior Alerts Scheme is also part funded by the Dormant Accounts Fund, given the level of demand for the scheme, and the outturn for both 2020 and 2021 includes €3 million which is funded through the Dormant Accounts Fund, with the remainder part-funded by the National Lottery. The grants part-funded by National Lottery Funding within the B.4 sub-head are for work or projects that are outside of the Department's Social Inclusion and Community Activation Programme but within its ethos, with a focus on organisations that provide supports to those who are disadvantaged.

6.2 EU funding

Expenditure under subheads A.5 Leader – rural economy sub programme, B.4 SICAP local/regional development supports (part funded by the National Lottery) and B.8 Programme for Peace and Reconciliation are co-financed by the EU.

6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2021, the Department transferred amounts totalling €72.143 million to support these programmes as outlined below.

Subhead	Description	2021 Outturn €000	2020 Outturn €000
A.4	Rural supports	1,450	983
A.5	Leader – rural economy sub programme	1,698	916
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	9,059	8,208
B.4	SICAP, local regional development supports (part funded by the National Lottery)	1,500	1,336
B.5	Local community development committees (support)	107	85
B.6	Supports for disadvantaged communities	1,000	1,000
B.7	Dormant account measures	3,939	3,680
B.X	Dormant accounts (Covid-19 supports)	—	31,750
B.12	Community Services Programme	48,890	46,852
B.13	Covid 19 Stability Fund	4,500	—
	Total [a]	**72,143**	**94,810**

Note: [a] Pobal has identified amounts totalling €6.86 million which remain unspent in relation to 2021 payments (€17.14 million in 2020). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal.

6.4 Deferred surrender

Deferred surrender comprises savings in 2021 of €16.86 million in capital expenditures in the following subheads that were carried over to 2022.

		€000
Description of subhead:		
A.7	Rural regeneration and development	15,000
A.8	Islands	1,860
		16,860

Appendix A Accounts of bodies under the aegis of the Department of Rural and Community Development

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

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Pobal	2020	19 Sep 2021	13 Oct 2021	15 Oct 2021
Charities Regulatory Authority	2020	28 May 2021	28 May 2021	25 Nov 2021
Western Development Commission	2020	9 Dec 2021	10 Jan 2022	18 Feb 2022
Water Safety Ireland	2020	12 Nov 2021	18 Nov 2021	6 Jan 2022

Appropriation Account 2021

Vote 43

Office of the

Government Chief Information Officer

Introduction

As Secretary General of the Department of Public Expenditure and Reform (DPER), I am the Accounting Officer for Vote 43. Accordingly, 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 2021 for the salaries and expenses of the Office of the Government Chief Information Officer.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €316,000 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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.

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, that transactions are 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 for the provision of HR and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office 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.
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 43.
- 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 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
- 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.

Data security

The Office of the Government Chief Information Officer (OGCIO) in its role as a service provider to a number of public sector bodies implements a multi-layered defence-in-depth approach to cybersecurity and to protecting ICT systems, infrastructures, and services and have achieved ISO 27001 certification through the internationally accredited certification body ‘Certification Europe’. This information security management system provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. OGCIO’s defence-in-depth security strategy is achieved by utilisation of people, processes and technology to support the implementation of ICT security services.

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 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

I confirm that 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 one contract (in excess of €25,000) with a value of €316,580 (ex VAT), details are set out below.

In February 2021, OGCIO extended the duration of a contract with DQ Networks by 18 months in line with the provisions set out in Regulation 32(2)(c) of SI No. 284/2016 – European Union (Award of Public Authority Contracts) Regulations 2016. OGCIO was working in close partnership with DQ Networks at the time to manage a marked increase in demand for all of our services including bandwidth, telephony and security. The extension of the contract to the end of August 2022 will allow time for a procurement competition and the parallel operating of the new and existing support teams for a number of months to facilitate a smooth transition in the event a new partner is successful in the tender competition.

The Office has provided details of five non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 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 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 2021 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results are as follows:

Business continuity measures were put into effect to deal with the impact of Covid-19 and this facilitated the Office in remaining fully operational during 2021. Due to the devolved nature of budgeting within the Office itself, the outsourcing of operational accounting to the Department of Finance and of payroll to the National Shared Services Office, and IT systems that allowed the Office work fully remotely from late March 2020, the pandemic-related measures had little effect on the Office's financial control environment.

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

23 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 43 Office of the Government Chief Information Officer

Opinion on the appropriation account

I have audited the appropriation account for Vote 43 Office of the Government Chief Information Officer for the year ended 31 December 2021 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 43 Office of the Government Chief Information Officer for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Office of the Government Chief Information Officer 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

8 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 43 Office of the Government Chief Information Officer

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Government ICT services	22,941	22,664	21,436
Gross expenditure		**22,941**	**22,664**	**21,436**
	Deduct			
B	**Appropriations-in-aid**	**142**	**181**	**143**
Net expenditure		**22,799**	**22,483**	**21,293**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**316,307**	**410,596**

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

23 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		15,576	14,599
Pay		5,068	4,334
Non pay		2,020	2,503
Gross expenditure		**22,664**	**21,436**
Deduct			
Appropriations-in-aid		**181**	**143**
Net expenditure		**22,483**	**21,293**
Changes in capital assets			
Purchases cash	(1,246)		
Depreciation	2,760	1,514	(44)
Changes in net current assets			
Increase in closing accruals	743	743	(3,562)
Direct expenditure		**24,740**	**17,687**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(5,132)	(2,627)
Net programme cost		**19,608**	**15,060**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 43 borne elsewhere, net of costs of shared services provided to other Votes.

		2021	2020
		€000	€000
Vote 7	Office of the Minister for Finance	100	70
Vote 9	Office of the Revenue Commissioners	300	300
Vote 13	Office of Public Works	1,262	961
Vote 18	National Shared Services Office	7	6
		1,669	1,337
Cost of shared services provided to other Votes		(6,801)	(3,964)
		(5,132)	**(2,627)**

Note In addition to the value of services rendered without charge to other Votes shown here (€6.8 million), services to the value of approximately €777,100 were also provided without charge to other non-voted public bodies.

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	5,179	7,588
Current assets			
Bank and cash		457	445
Prepayments	2.2	3,132	3,612
Other debit balances	2.3	347	40
Net Exchequer funding	2.5	—	71
Total current assets		**3,936**	**4,168**
Less current liabilities			
Accrued expenses		313	50
Other credit balances	2.4	608	556
Net Exchequer funding	2.5	196	—
Total current liabilities		**1,117**	**606**
Net current assets		2,819	3,562
Net assets		**7,998**	**11,150**
Represented by:			
State funding account	2.6	**7,998**	**11,150**

2.1 Capital assets

	IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2021	20,730	126	20,856
Additions	1,246	—	1,246
Adjustment [a]	(2,803)	(109)	(2,912)
Cost or valuation at 31 December 2021	19,173	17	19,190
Accumulated depreciation			
Opening balance at 1 January 2021	13,209	59	13,268
Adjustment	(1,968)	(49)	(2,017)
Depreciation for the year	2,758	2	2,760
Cumulative depreciation at 31 December 2021	13,999	12	14,011
Net assets at 31 December 2021	**5,174**	**5**	**5,179**
Net assets at 31 December 2020	7,521	67	7,588

Note [a] This adjustment relates to the removal of individual items with values of less than €10,000 from the fixed asset register, in line with the adjustment of the capitalisation threshold. These items are still in use.

2.2 Prepayments

at 31 December	2021	2020
	€000	€000
IT services	1,100	1,099
Licences	1,484	1,721
Software maintenance	81	181
Telecom services	430	602
Warranty	37	9
	3,132	**3,612**

2.3 Other debit balances

at 31 December	2021	2020
	€000	€000
Government networks	343	38
Other debit suspense accounts	4	2
	347	**40**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	92	81
Pay related social insurance	46	41
Professional services withholding tax	144	206
Value added tax	285	157
Pension contributions	14	12
	581	497
Payroll deductions held in suspense	13	12
Other credit suspense items	14	47
	608	**556**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	316	411
Exchequer grant undrawn	(120)	(482)
Net Exchequer funding	**196**	**(71)**
Represented by:		
Debtors		
Bank and cash	457	445
Debit balances: suspense	347	40
	804	485
Creditors		
Due to the State	(581)	(497)
Credit balances: suspense	(27)	(59)
	(608)	(556)
	196	**(71)**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January		—	11,150	—
Disbursements from the Vote				
Estimate provision	Account	22,799		
Surplus to be surrendered	Account	(316)		
Net vote			22,483	21,293
Expenditure (cash) borne elsewhere	1.1		(5,132)	(2,627)
Non-cash items – capital assets transfer			—	7,544
Non-cash items – capital assets adjustment	2.1		(895)	—
Net programme cost	1		(19,608)	(15,060)
Balance at 31 December			**7,998**	**11,150**

2.7 Commitments

at 31 December	2021	2020
	€000	€000
Procurement of goods and services	1,937	393
Total of legally enforceable commitments	**1,937**	**393**

2.8 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	**—**	**10**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	5,735	5,068	4,334
ii	Travel and subsistence	50	11	51
iii	Training and development and incidental expenses	142	86	53
iv	Postal and telecommunications services	297	268	232
v	Office equipment and external IT services	1,200	1,629	2,142
vi	Office premises expenses	40	26	25
		7,464	**7,088**	**6,837**

Significant variations

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

v Office equipment and external IT services

Estimate provision €1.2 million; outturn €1.629 million

The overspend of €429,000 relative to the estimate provision was due to external assistance required for the OGCIO to deliver its services. This overspend was financed from savings in the administration pay subhead.

Programme A Government ICT Services

		2021 Estimate provision €000	2021 Outturn €000	2020 Outturn €000
A.1	Administration − pay	5,735	5,068	4,334
A.2	Administration − non pay	1,729	2,020	2,503
A.3	Government ICT services	15,477	15,576	14,599
		22,941	**22,664**	**21,436**

Note 4 Receipts

4.1 Appropriations-in-aid

		2021 Estimated €000	2021 Realised €000	2020 Realised €000
1	Miscellaneous	12	16	16
2	Receipts from additional superannuation contributions on public service remuneration	130	165	127
	Total	**142**	**181**	**143**

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	25	—
Enterprise Ireland reimbursement	—	25
Transferred to the Exchequer	(25)	—
Balance at 31 December	—	**25**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**73**	**68**

5.2 Pay

	2021 €000	2020 €000
Pay	4,538	3,902
Other allowances	64	50
Overtime	58	55
Employer's PRSI	408	327
Total pay	**5,068**	**4,334**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Other allowances	7	3	12,543	11,459
Overtime	14	2	15,859	15,788
Extra remuneration in more than one category	5	3	23,815	25,854

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	4	6,023	10,671
Recovery plans in place	3	4,114	8,576

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 43 Office of the Government Chief Information Officer is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2021 €000	2020 €000
Data Governance Board [a]	2021	3	—

Note [a] The Data Sharing and Governance Act 2019 established the Data Governance Board. The Board plays a key role in implementing the provisions of the Act.

Under the legislation, the Board has a clearly defined set of legal powers and obligations and will advise the Minister for Public Expenditure and Reform on the following:

- the designation and operation of base registries (to store citizens data)
- advise the Minister on the introduction of data management standards and guidelines
- promote and report on public sector bodies' compliance with the above standards and guidelines
- advise the Minister on the prohibition of collection of certain data by public sector bodies
- advise the Minister on directing public sector bodies to share data under the Act
- advise the Minister on the designation and operation of base registries, and
- review all data sharing agreements under the Act.

Appropriation Account 2021

Vote 44

Data Protection Commission

Introduction

As Accounting Officer for Vote 44, 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 2021 for the salaries and expenses of the Data Protection Commission.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.33 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.

Transfer of corporate functions

The Data Protection Commission (DPC) continued to progress the transfer of certain corporate functions from the Department of Justice in 2021. A Ministerial Order designating the Commissioner for Data Protection as the Appropriate Authority, under Section 20(2) of the Data Protection Act 2018, was signed in November 2021. Staff previously employed by the Department of Justice are now employees of the DPC.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

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 Data Protection Commission.

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

Financial services are provided to the Data Protection Commission under a service level agreement by Financial Shared Services in the Department of Justice.

The National Shared Services Office provides human resource and payroll shared services to the Data Protection Commission. The National Shared Services Office provides an annual assurance in respect of the services provided to the Department of Justice and is audited under the ISAE 3402 certification processes in respect of that assurance.

I rely on a letter of assurance from the Accounting Officers of the National Shared Services Office and the Department of Justice in respect of the appropriate controls exercised in the provision of shared services to the Data Protection Commission.

I have fulfilled my responsibilities in relation to the requirements of these agreements.

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 and Risk Committee to advise me in discharging my responsibilities for the internal control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The Commission uses the Performance Management and Development System, inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.

Administrative controls and management reporting

In respect of the Data Protection Commission, I confirm that a control environment containing the following elements is in place.

- There is an appropriate budgeting system in place, with an annual budget which is kept under review by senior management.
- There are regular reviews by the senior management of periodic and annual financial reports which indicates financial performance against forecast
- A risk management system is in operation.
- There are systems aimed at ensuring the security of the information and communication technology. During 2021, the ICT division of the Department of Justice provided the Data Protection Commission with certain ICT services. The Department of Justice's ICT division under a service level agreement provided an assurance statement outlining the control processes in place in 2021.

Internal audit and Audit and Risk Committee

I confirm that the Data Protection Commission has an internal audit function, which is outsourced, 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 Data Protection Commission 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.

The Audit and Risk Committee for the Data Protection Commission held eight meetings for the period 1 January to 31 December 2021.

Procurement compliance

The Commission 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. There were no non-competitive and non-compliant contracts in excess of €25,000 ex VAT in 2021.

Risk and control framework

The Data Protection Commission implemented a risk management system which identifies and reports key risks and the management actions 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 Data Protection Commission and these are identified, evaluated, and graded according to their significance. The register is reviewed and updated by the Senior Management Committee 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 responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

During the period covered by account, formal procedures were implemented for monitoring control processes. Control deficiencies were communicated to those responsible for taking corrective action and to management and the Senior Management Committee, 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 Data Protection Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Data Protection Commission'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 team within the Data Protection Commission responsible for the development and maintenance of the internal control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out taking into consideration the Office of the Comptroller and Auditor General Audit Insights document. The impact of Covid-19 on the control environment was assessed and the results are that the internal controls were not negatively impacted as a result of the pandemic. I confirm that on-going monitoring of internal controls was maintained in 2020 and 2021 by myself and the senior management team.

Helen Dixon
Accounting Officer
Data Protection Commission

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 44 Data Protection Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 44 Data Protection Commission for the year ended 31 December 2021 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 44 Data Protection Commission for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Data Protection Commission 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 44 Data Protection Commission

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of Data Protection Regulation	19,128	14,757	12,218
Gross expenditure		**19,128**	**14,757**	**12,218**
	Deduct			
B	**Appropriations-in-aid**	**230**	**189**	**155**
		18,898	**14,568**	**12,063**

Surplus

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

	2021	2020
	€	€
Surplus to be surrendered	**4,329,514**	**4,622,680**

Helen Dixon
Accounting Officer
Data Protection Commission

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		9,326	7,844
Non pay		5,431	4,374
Gross expenditure		**14,757**	**12,218**
Deduct			
Appropriations-in-aid		**(189)**	**(155)**
Net expenditure		**14,568**	**12,063**
Changes in capital assets			
Purchases cash	(151)		
Depreciation	35	(116)	(115)
Changes in net current assets			
Increase in closing accruals	111		
Increase in closing prepayments	(3)		
Increase in closing stocks	(2)	106	(121)
Direct expenditure		**14,558**	**11,827**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		151	125
Net programme cost		**14,709**	**11,952**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 44 borne elsewhere.

		2021	2020
		€000	€000
Vote 13	Office of Public Works	78	76
Vote 18	National Shared Services Office	17	—
Vote 24	Justice	56	49
		151	**125**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	889	773
Current assets			
Bank and cash	2.2	173	222
Stocks		9	7
Prepayments	2.3	190	187
Other debit balances		142	—
Net Exchequer funding	2.5	162	33
Total current assets		**676**	**449**
Less current liabilities			
Accrued expenses		184	73
Other credit balances	2.4	477	255
Total current liabilities		**661**	**328**
Net current assets		15	121
Net assets		**904**	**894**
Represented by:			
State funding account	2.6	**904**	**894**

2.1 Capital assets

	Furniture and fittings	IT and office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	2	187	668	857
Additions	—	—	151	151
Disposals	—	(2)	—	(2)
Cost or valuation at 31 December 2021	2	185	819	1,006
Accumulated depreciation				
Opening balance at 1 January 2021	2	82	—	84
Depreciation for the year	—	35	—	35
Depreciation on disposals	—	(2)	—	(2)
Cumulative depreciation at 31 December 2021	2	115	—	117
Net assets at 31 December 2021	—	**70**	**819**	**889**
Net assets at 31 December 2020	—	105	668	773

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	173	222
Commercial bank account balance	—	—
	173	**222**

In addition to the PMG account, the Commission holds five other commercial bank accounts, all of which had a nil balance at 31 December 2021.

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Office premises expenses	178	176
Communications	8	4
Other	4	7
	190	**187**

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	250	—
Value added tax on foreign invoices	6	2
Professional services withholding tax	114	162
	370	164
Other credit suspense items	107	91
	477	**255**

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	4,330	4,623
Exchequer grant undrawn	(4,492)	(4,656)
Net Exchequer funding	**(162)**	**(33)**
Represented by:		
Bank and cash	173	222
Debit balances: suspense	142	—
	315	222
Creditors		
Due to the State	(120)	(164)
Credit balances: suspense	(357)	(91)
	(477)	(255)
	(162)	**(33)**

2.6 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			894	—
Disbursements from the Vote				
Estimate provision		18,898		
Surplus to be surrendered		(4,330)		
Net vote			14,568	12,063
Expenditure (cash) borne elsewhere	1.1		151	125
Transfer in of assets			—	658
Net programme cost	1		(14,709)	(11,952)
			904	**894**

2.7 Commitments

Global commitments	**2021**	**2020**
at 31 December	**€000**	**€000**
Procurement of goods and services	514	593
Capital project	216	199
Total of legally enforceable commitments	**730**	**792**

2.8 Contingent liabilities

The Data Protection Commission is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 44 Data Protection Commission is classified as administrative expenditure applied towards a single programme: provision of data protection regulation.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,764	9,326	7,844
ii	Travel and subsistence	110	2	19
iii	Training and development and incidental expenses and legal expenses	2,447	3,399	2,582
iv	Postal and telecommunications services	45	35	29
v	Office equipment and external IT services	1,612	830	858
vi	Office premises expenses	1,700	826	844
vii	Consultancy services and value for money and policy reviews	440	339	42
viii	Research	10	—	—
		19,128	**14,757**	**12,218**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €12.764 million; outturn €9.326 million

The shortfall in expenditure of €3.438 million relative to the estimate provision was driven by slower than anticipated recruitment with several recruitment campaigns pushed into 2022. It is also due to the requirement for estimates purposes to profile staff salaries on an annualised and mid-point of the scale basis, and staff attrition.

ii Travel and subsistence

Estimate provision €110,000; outturn €2,000

The shortfall in expenditure of €108,000 is driven by lower than anticipated staff travel in 2021 as a result of the Covid-19 pandemic.

iii Training and development and incidental expenses and legal expenses

Estimate provision €2.447 million; outturn €3.399 million

The excess in expenditure of €952,000 was driven primarily by higher than anticipated legal costs offset by a lower expenditure on staff training and development and other incidental expenses. Overall the DPC's legal costs of approximately €3.2 million exceeded the allocated budget for legal costs by €1.2 million. Significant factors which contributed to this overspend involved an increase in litigation from the previous year, significant costs incurred in several complex and critical sets of legal proceedings and an increased requirement for external legal services particularly in relation to contentious issues arising in cross-border inquiries.

v Office equipment and external IT services

Estimate provision €1.612 million; outturn €830,000

The shortfall in expenditure of €782,000 relative to the estimate provision was primarily driven by a decision not to proceed with a large data migration project. The shortfall in expenditure is also driven by less than anticipated ICT charges due to lower than forecast staff headcount and a number of business applications due to be implemented in 2021 carrying over to 2022.

vi Office premises expenses

Estimate provision €1.7 million; outturn €826,000

The shortfall in expenditure of €874,000 relative to the estimate provision was primarily driven by lower than anticipated operational costs due to remote working and delay in procuring new additional office space and commencement of its fit-out works once procured.

vii Consultancy services and value for money and policy reviews

Estimate provision €440,000; outturn €339,000

The shortfall in expenditure of €101,000 relative to the estimate provision was primarily driven by less than anticipated requirement for consultancy services.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	10	—	—
2	Receipts from additional superannuation contributions on public service remuneration	220	189	155
	Total	**230**	**189**	**155**

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Administrative fines receipts	800	75
Transferred to the Exchequer	(800)	(75)
Balance at 31 December	**—**	**—**

4.3 Fines

The DPC's statutory remit allows for the imposition of administrative fines. No fine imposed by the DPC is collectible until confirmed by Court order (whether on appeal or by confirmation application).

	2021	2020
	€000	€000
Opening balance	710	—
Fines imposed in the year	225,261	785
Fines collected (see note 4.2)	(800)	(75)
Fines adjusted/written off	—	—
Closing balance	**225,171**	**710**

There were five fines imposed by the DPC in 2021 with a total value of €225,261,500. One of these fines, with a value of €225,000,000, is currently subject to appeal and confirmation by the Court. Of the above five fines, one was collected in full in 2021 with a value of €90,000. In addition to this fine, six other fines were collected in 2021 with a total value of €710,000, as a result of fines imposed by the DPC in 2020.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	**190**	**145**

5.2 Pay

	2021 €000	2020 €000
Pay	8,459	7,120
Higher, special or additional duties allowances	16	15
Other allowances	—	—
Overtime	—	—
Employer's PRSI	851	709
Total pay	**9,326**	**7,844**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2021 €	Highest individual payment 2020 €
Higher, special or additional duties allowances	2	—	7,564	6,186
Overtime	1	—	217	217
Other allowances	—	—	—	—
Extra remuneration in more than one category	—	—	—	—

5.4 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments with recovery plans in place	4	24,959	32,733
Overpayments with no recovery plans in place	6	15,090	3,738
	10	**40,049**	**36,471**

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Assistant Secretary, with an annual gross salary of €164,549 (as at 31 December 2020, €162,920).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by members of the public	Total 2021	Total 2020
Number of cases	44	44	34
	€000	**€000**	**€000**
Office's own legal costs	1,218	1,218	626
Payments by/on behalf of the Office			
Compensation	—	—	—
Legal costs	—	—	85
Other costs	—	—	—
2021 Total	**1,218**	**1,218**	**711**
2020 Total	711	711	

Notes
[a] As at 31 December 2021, there were no claims outstanding.
[b] As at 31 December 2021, there are no amounts due to the State Claims Agency.

6.2 Legal fees

Total legal costs of €1.218 million includes costs of €1.139 million which were incurred in respect of 44 sets of proceedings against the DPC (to include judicial reviews, plenary proceedings and statutory appeals which were taken against the DPC).

In addition, the total figure of €1.218 million also includes the DPC's legal costs in respect of a further 14 sets of proceedings which were commenced by the DPC itself. These consisted of seven marketing prosecutions taken by the DPC before the District Court under SI 336/2011* and seven confirmation applications made by the DPC before the Circuit Court under Section 143 of the Data Protection Act 2018 to confirm administrative fines which were imposed on organisations by the DPC during 2020 and 2021. The legal costs in respect of all 14 sets of proceedings totalled €81,902. However, three of these marketing prosecutions resulted in the prosecution costs being awarded to the DPC, which totalled €3,095 This reduced the overall legal costs associated with the proceedings taken by the DPC in 2021 to €78,807.

In the case of DPC v. Facebook Ireland and Maximillian Schrems, the DPC was directed by the High Court to pay Mr Schrems' costs, with those costs to be adjudicated (by the Office of the Legal Costs Adjudicators of the High Court) in default of agreement. Proceedings to determine the amount of the costs payable by the DPC remain pending before the Office of the Legal Costs Adjudicators. In parallel, negotiations remain ongoing between the parties' respective legal costs accountants. Those negotiations are being conducted on a 'without prejudice' basis. The DPC made an interim payment of €450,000 to Mr Schrems' legal representative in 2020, with the reminder of the costs payable by the DPC expected to be paid in 2022.

**SI 336/2011 — European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 [known as the E-Privacy Regulations]*

6.3 EU funding

The Data Protection Commission partnered with the Croatian Data Protection Authority and Vrije University (Brussels) on a project co-funded by the European Union under the Rights, Equality and Citizenship Programme. EU funding of €91,000 was received in 2020 in relation to this project. The DPC continued to contribute to the deliverables set out by the EU as part of its role within the ARC Awareness Raising Campaign aimed at SMEs.

Appropriation Account 2021

Vote 45

Further and Higher Education, Research, Innovation and Science

Introduction

As Accounting Officer for Vote 45, 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 2021 for the salaries and expenses of the Office of the Minister for Further and Higher Education, Research, Innovation and Science for certain services administered by that Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2021 out of unspent 2020 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €12.138 million is liable for surrender to the Exchequer.

Transfer of Functions

The Department of Further and Higher Education, Research, Innovation and Science was established following the transfer of further and higher education functions from the Department of Education with an effective date of 21 October 2020. Additional functions, in relation to research, innovation and science, transferred from the Department of Enterprise, Trade and Employment with effect from 1 January 2021.

The responsibility for functions is subject to continued examination in conjunction with both the Department of Education and the Department of Enterprise, Trade and Employment. This may result in further transfer recommendations to Government if this is found to be appropriate. No further transfer recommendations were proposed in 2021 or to date in 2022.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account.

Allocation of Costs

The Department of Education provides a shared service to this Department for a number of corporate-type functions for which a charge has been applied to the accounts on the basis of headcount. Accordingly, to reflect pay-related staff costs, a notional charge has been applied under net allied services (Note 1.1) and for relevant non-pay administrative costs, a separate charge has been applied to the accounts.

This Department does not hold any fixed assets. Assets comprising office equipment and furniture and fittings used by this Department are owned and controlled by the Department of Education and recorded under Vote 26. A notional depreciation charge has been applied under Note 1.1 net allied services to reflect the use of these assets by the Department.

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

As a newly established Department without pre-existing core corporate functions, this Department avails of a shared services arrangement with the Department of Education in respect of a number of business and corporate areas including HR, finance, accommodation and services, ICT and capital planning. The detailed arrangements governing these shared services are subject to a process of joint development and documentation and agreements are in place in relation to a number of areas including, ICT provision and shared services delivery to the tertiary sector; capital planning; and finance. Agreements covering outstanding shared service functions are being progressed.

Shared services are also being provided to this Department for payroll and human resource functions by the National Shared Services Office (NSSO).

In the receipt of shared services, I relied on the appropriate controls being exercised by both the Department of Education and the NSSO. I take assurance from the system of controls as reported to me by each of the Accounting Officers as outlined in letters of assurance provided by both organisations.

Aegis bodies

State bodies under the aegis of this Department are overseen by relevant policy divisions within the Department who are supported by other relevant divisions across the Department and on a shared services basis by the Department of Education's Sectoral Governance Unit.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with their boards and with the chairperson of the respective boards.

The relationship between this Department and the bodies under its aegis is typically informed by

- the legislative underpinning of the body
- the Department of Public Expenditure and Reform's *Code of Practice for the Governance of State Bodies* (2016) and associated annexes to that code.

The Department works with its aegis bodies to ensure that the oversight conditions laid out in the *Code of Practice for the Governance of State Bodies* are satisfied and that robust performance delivery agreements or equivalent are in place with each body. As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the code of practice have been agreed and documented in order to satisfy the code's 'comply or explain' requirements.

In line with the code requirements, corporate plans are required to be adopted by the respective bodies to cover the delivery of strategy on a multi-annual basis. These plans allow for the development of corporate strategy and annual priorities to be developed and agreed with the Department.

During 2021, a formal review process involving the completion of a compliance assurance return' (CAR) was undertaken to aid assurance as to the extent to which the Department's non-commercial aegis bodies adhere to the core components of the code of practice. The governance material gathered from this CAR process is also utilised to enable the Department to consider approaches to future governance work programmes.

Within the wider higher education sector, sectoral codes of practice aligned to the specific legislative and regulatory frameworks of universities and institutes of technology are in place. The reform of institutional governance arrangements within the higher education sector is set out in the Higher Education Authority Bill 2022.

This Department avails of membership of a Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance and aids the Department with the supply of timely advice and information supports to enhance good governance.

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.
- The Department of Education's Audit Committee provision of ongoing systematic review of the control environment and governance procedures also covered the Department of Further and Higher Education, Research, Innovation and Science during the period 2021.
- 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 Department and during 2021 this was based on risk being owned by individual business units that had transferred from the Department of Education.
- 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 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.

Internal audit, European Social Fund (ESF) audit and Audit Committee

During 2021, this Department engaged an external auditing firm, procured through the Office of Government Procurement (OGP) auditing framework, to work alongside our newly appointed Head of Internal Audit. An Audit Committee was also established and an internal audit plan 2022 – 2024 was put in place. In addition, the Department of Education Internal Audit Unit completed an audit of the Higher Education Funding Section which had been agreed prior to the establishment of this Department.

The work of the Internal Audit Unit is informed by analysis of the financial risks to which the Department is exposed and its internal audit plan, approved by me, is based on this analysis. The internal audit plan aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

This Department is responsible for the policy and management of the European Social Fund (ESF) in Ireland. Payment claims are processed through this Department and allocated to various intermediate bodies, some of which are external to this Department (e.g. Department of Justice; Department of Social Protection).

The ESF Audit Authority (ESFAA), a section within the Department of Education's Internal and EU Audit Unit, is responsible for auditing this fund and is functionally independent of this Department's ESF and EGF Policy and Operations Unit, and the ESF Managing and Certifying Authorities.

The ESFAA operates with the direct authority of the Minister for Public Expenditure and Reform in line with the terms of SI No. 188/2017 and in accordance with its own written charter. The ESFAA reports to this Department's Audit Committee and to the European Commission on the conduct of its audit programme in respect of compliance with the regulatory requirements of the European Union in relation to the management, control and audit of ESF funds in Ireland. This Department's Audit Committee has responsibility for considering significant findings, recommendations and issues arising from the audit of the ESF, given the particular emphasis on the responsibilities within this Department of the National Certifying and Managing Authorities.

Non-compliance with procurement rules

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant procurement guidelines. The Department complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €47,800 (ex. VAT). The contract was awarded due to the specific skillset required and to mitigate the risk of delay to project implementation timelines.

The Department ensures procedures are in place in respect of compliance with procurement circulars and guidelines. Measures are being taken to manage procurement risk including implementation of a contracts register, updates to the procurement plan and the utilisation of centralised contracts and frameworks where appropriate.

The Department has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 evaluated and graded according to their significance. The risk register is formally reviewed and updated bi-annually but can be updated as required. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed at an acceptable level.

In 2021, the Department implemented a risk management policy. The policy provides for the identification and scoring of risks to determine likelihood of occurrence and impact. It also provides for several levels of oversight, including that risks identified by business units are signed off by heads of business units and by each head of division in addition to being reviewed by the Management Board.

A Risk Committee was established in 2021 and provides support to the Management Board to oversee the risk management system for the Department to ensure its effectiveness. It considers the risks identified on the Department's risk register and assesses the mitigation measures in place.

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 manner. 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.

ICT security

ICT is part of the shared service arrangement in place with the Department of Education and in 2021 an agreement setting out the framework for the delivery of ICT services was signed by both Departments.

The Department of Education confirms its strong commitment to the security of ICT systems and implements multiple cybersecurity protocols and measures. Cyber security protocols are supported by the work of the National Cyber Security Centre and the National Computer Security Incident Response Team, which provides early warnings, alerts, announcements and dissemination of information in respect of risk and incidents. In addition, the Department of Education is supported by security expertise from multiple third party security organisations and relevant ICT staff members have security qualifications.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2021 that resulted in losses that require disclosure in the appropriation account.

Covid-19 control issues

In 2021, the Department of Education's Internal Audit Unit reported an assessment of the impact of Covid-19 on internal financial controls and mobile security and has provided me with adequate assurance that the financial controls and mobile security are being adequately managed. Furthermore, the move to remote working has accelerated the use of electronic documentation for audit trail and work efficiency purposes.

Jim Breslin
Accounting Officer
Department of Further and Higher Education, Research, Innovation and Science

22 September 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 45 Further and Higher Education, Research, Innovation and Science

Opinion on the appropriation account

I have audited the appropriation account for Vote 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2021 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 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Further and Higher Education, Research, Innovation and Science 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

27 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 45 Further and Higher Education, Research, Innovation and Science

Appropriation Account 2021

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Skills development				
	Original	625,809			
	Supplementary	25,000			
			650,809	605,226	599,538
B	Higher education				
	Original	1,920,051			
	Deferred surrender	16,700			
	Supplementary	227,000			
			2,163,751	2,139,954	1,927,002
C	Research, innovation and science		240,008	262,656	—
Gross expenditure					
	Original	2,785,868			
	Deferred surrender	16,700			
	Supplementary	252,000			
			3,054,568	**3,007,836**	**2,526,540**
	Deduct				
D	**Appropriations-in-aid**				
	Original	104,368			
	Supplementary	22,000			
			126,368	**128,974**	**105,710**
Net expenditure					
	Original	2,681,500			
	Deferred surrender	16,700			
	Supplementary	230,000			
			2,928,200	**2,878,862**	**2,420,830**

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 spending in the following year. €37.2 million of unspent allocations in respect of capital elements was carried forward to 2022.

	2021 €	2020 €
Surplus	49,337,501	24,883,838
Deferred surrender	(37,200,000)	(16,700,000)
Surplus to be surrendered	**12,137,501**	**8,183,838**

Jim Breslin
Accounting Officer
Department of Further and Higher Education, Research, Innovation and Science

22 September 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		2,996,082	2,518,205
Pay		10,509	6,943
Non pay		1,245	1,392
Gross expenditure		**3,007,836**	**2,526,540**
Deduct			
Appropriations-in-aid		**128,974**	**105,710**
Net expenditure		**2,878,862**	**2,420,830**
Changes in net current assets			
Decrease in closing accruals	2,415		
Increase in stock	—	2,415	(8,348)
Direct expenditure		**2,881,277**	**2,412,482**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,606	5,426
Notional rents		470	446
Net programme cost		**2,886,353**	**2,418,354**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 45 borne elsewhere.

		2021 €000	2020 €000
Vote 9	Office of the Revenue Commissioners	17	19
Vote 12	Superannuation and Retired Allowances	2,979	3,397
Vote 13	Office of Public Works	118	70
Vote 18	National Shared Services Office	19	20
Vote 26	Education	1,410	1,883
Vote 43	Office of the Government Chief Information Officer	31	—
Central Fund – ministerial pensions		32	37
		4,606	**5,426**

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets		—	—
Current assets			
Bank and cash	2.1	49,726	17,779
Stocks	2.2	6	6
Prepayments	2.3	7,191	8,128
Amounts due from the EU		—	2
Other debit balances	2.4	502	3,736
Accrued income		759	938
Total current assets		**58,184**	**30,589**
Less current liabilities			
Accrued expenses	2.5	2,023	703
Salary recoupment to other departments and agencies		—	21
EU moneys for distribution		11,290	520
Other credit balances	2.6	999	254
Net Exchequer funding	2.7	37,939	20,743
Total current liabilities		**52,251**	**22,241**
Net current assets		5,933	8,348
Net assets		**5,933**	**8,348**
Represented by:			
State funding account	2.8	**5,933**	**8,348**

2.1 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	49,726	17,779
	49,726	**17,779**

The Department holds no commercial bank accounts.

2.2 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	4	5
IT consumables	2	1
	6	**6**

2.3 Prepayments

at 31 December	2021	2020
	€000	€000
Advance to Waterford Institute of Technology	6,923	7,826
University scholarships	186	—
ESF eCohesion	35	57
Other	47	245
	7,191	**8,128**

2.4 Other debit balances

at 31 December	2021	2020
	€000	€000
Transfer of functions	195	3,684
Payroll suspense	254	33
Cycle to work scheme	2	6
Travel pass scheme	6	8
Salary recoupment to other departments and agencies	45	—
Shared offices' costs recoupment	—	5
	502	**3,736**

2.5 Accrued expenses

at 31 December	2021	2020
	€000	€000
Capital programmes	1,765	505
Shared services	249	134
Other	9	64
	2,023	**703**

2.6 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	172	120
Pay related social insurance	106	69
Universal social charge	34	24
Local property tax	1	1
Professional services withholding tax	84	25
Value added tax	537	4
Pension contributions	65	11
	999	**254**

2.7 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	12,138	8,184
Deferred surrender	37,200	16,700
Exchequer grant undrawn	(11,399)	(4,141)
Net Exchequer funding	**37,939**	**20,743**
Represented by:		
Debtors		
Bank and cash	49,726	17,779
Other debit balances	502	3,736
Amounts due from the EU	—	2
	50,228	21,517
Creditors		
EU moneys for distribution	(11,290)	(520)
Other credit balances	(999)	(254)
	(12,289)	(774)
	37,939	**20,743**

2.8 State funding account

	Note		2021	2020
		€000	€000	€000
Balance at 1 January			8,348	—
Disbursements from the Vote				
Estimate provision	Account	2,928,200		
Surplus to be surrendered	Account	(12,138)		
Deferred surrender		(37,200)		
Net vote			2,878,862	2,420,830
Expenditure (cash) borne elsewhere	1		4,606	5,426
Non cash expenditure – notional rent	1		470	446
Net programme cost	1		(2,886,353)	(2,418,354)
Balance at 31 December			**5,933**	**8,348**

2.9 Commitments

a) Global commitments at 31 December	2021 €000	2020 €000
Procurement of goods and services	167	832
Non-capital grant programmes	2,443,963	2,303,076
Capital grant programmes	889,635	430,329
Capital projects	—	—
Public private partnership projects	672,976	733,966
Total of legally enforceable commitments	**4,006,741**	**3,468,203**

b) Non-capital grant programmes [a]	2021 €000	2020 €000
Opening balance	2,303,076	2,341,224
Grants paid in the year	(2,513,932)	(2,343,413)
New grant commitments	2,443,963	2,303,076
Net grant (under)/overspend	210,856	2,189
Closing balance	**2,443,963**	**2,303,076**

c) Capital grant programmes [b]	2021 €000	2020 €000
Opening balance	416,954	142,931
Grants paid in the year	(478,785)	(141,135)
New grant commitments	889,635	416,954
Net grant (under)/overspend	61,831	(1,796)
Closing balance	**889,635**	**416,954**

Note [a] Non-capital grant programmes include grants that will be made to aegis bodies and other organisations including universities, technological universities, institutes of technology and education and training boards to fund current expenditure including pay.

[b] Capital grant programmes relate to grants that will be made to aegis bodies for capital projects overseen by those bodies.

d) Major capital grant programmes

Capital grant programmes involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Other Department: capital - buildings					
B.16 – Department of Health, National Children's Hospital	10,000	3,500	3,500	17,000	17,000
Agency commitments: capital - buildings					
B.16 HEA Dublin City University, Future Tech Building	1,958	882	21,160	24,000	24,000
B.16 – HEA Maynooth University, Technology Society and Innovation Building	18,625	6,375	—	25,000	25,000
B.16 - HEA Trinity College Dublin, E3 Building	3,910	5,000	6,090	15,000	15,000
Agency commitments: capital - research					
C.5.7 - ESO European Southern Observatory	3,234	5,800	6,356	15,390	15,227
C.3.1 - SFI Science Foundation Ireland	317,272	80,854	358,016	756,142	813,874
C.4.2 - SFI Science Foundation Ireland, PhD Programme	19,586	10,924	73,074	103,584	103,584
Total	**374,585**	**113,335**	**468,196**	**956,116**	**1,013,685**

Significant variations

An explanation is provided below in relation to any major project where the expected total spend has changed by more than €500,000 compared to 2020.

Science Foundation Ireland

Decrease in expected total spend: €57.7 million

The overall decrease primarily relates to the completion of one of the projects funded under this programme in 2020.

Unitary payments of public private partnership projects

The Department has obligations under three separate contracts to design, build, finance, maintain and operate educational accommodation under the public private partnership (PPP) model.

PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed.

The Department makes monthly unitary charge payments to the relevant PPP investor on all operational PPP projects. The unitary charge payment is made up of two elements, a fixed cost element and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI).

An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

Name of PPP project [a]	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Project total 2021	Project total 2020
	€000	€000	€000	€000	€000
Cork School of Music	118,520	8,312	92,308	219,140	219,195
Grangegorman quads [b]	—	45,037	540,499	585,536	586,509
National Maritime College of Ireland	140,633	6,892	40,169	187,694	187,415
Total [c]	**259,153**	**60,241**	**672,976**	**992,370**	**993,119**

Note [a] The expenditure reflected at the end of 2021 relates specifically to capital payments i.e. unitary charges. The 2021 expenditure in the table above is included in the overall outturn of subhead B.17 (Public Private Partnership costs) of €69 million.

[b] The Grangegorman PPP project, which comprises the central and east quads, is delivering significant academic infrastructure for Technological University Dublin at Grangegorman. The contract for the design, build, financing and maintenance of the buildings was signed in March 2018.

[c] The project totals reflect an overall decrease of €750,000 due to the finalisation of a settlement agreement with respect to the Grangegorman quads in 2021.

While the Department is cognisant significant inflationary pressures have arisen during 2022 which may impact future unitary charge commitments, the Department is not in a position to quantify the impact on future commitments at present.

2.10 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	1	197

2.11 Contingent liabilities

The Department has contingent liabilities estimated at less than €50,000 (2020: €Nil).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,383	10,509	6,943
ii	Travel and subsistence	256	83	65
iii	Training and development and incidental expenses	231	276	220
iv	Postal and telecommunications services	294	67	59
v	Office equipment and external IT services	1,245	532	840
vi	Office premises expenses	214	165	208
vii	Consultancy and other services	17	122	—
		14,640	**11,754**	**8,335**

Significant variations

The following presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

ii Travel and subsistence

Estimate provision €256,000; outturn €83,000

The decrease of €173,000 relative to the estimate provision was mainly due to Covid-19 travel restrictions during the period.

iv Postal and telecommunications services

Estimate provision €294,000; outturn €67,000

The decrease of €227,000 relative to the estimate provision was due to Covid-19 restrictions which reduced the demand for services.

v Office equipment and external IT services

Estimate provision €1.245 million; outturn €532,000

The decrease of €713,000 relative to the estimate provision is mainly due to IT capital advanced planning in 2020 which reduced expenditure in 2021 along with revised shared service apportionment costs between the Department of Education and this Department.

vii Consultancy and other services

Estimate provision €17,000; outturn €122,000

The increase spend of €105,000 relative to the estimate provision is due to a requirement which arose for a consultancy engagement in relation to the Department's organisation design review.

Programme A Skills Development

		Estimate provision		2021 Outturn	2020 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		5,805	4,917	3,535
A.2	Administration − non pay		1,058	582	709
A.3	Grants to SOLAS in respect of administration and general expenses		24,816	24,533	21,029
A.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports		525	189	294
A.5	Grants to SOLAS in respect of further education and training activities				
	Original	556,067			
	Supplementary	25,000			
			581,067	538,625	537,687
A.6	Grant to Quality and Qualifications Ireland (QQI)		5,538	5,038	4,919
A.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (ANCO)		32,000	31,342	31,365
			650,809	**605,226**	**599,538**

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €20.6 million lower than originally provided.

A.4 European Social Fund (ESF) and European Globalisation Fund (EGF) supports

Estimate provision €525,000; outturn €189,000

The decrease of €336,000 relative to the estimate provision was primarily due to no requirements for funding from the EGF programme in 2021. Savings on the implementation of the eCohesion system arose due to the deferral by the European Union of the eCohesion 2021-2027 system.

A.6 Grant to Quality and Qualifications Ireland (QQI)

Estimate provision €5.538 million; outturn €5.038 million

The decrease of €500,000 relative to the estimate provision was as a result of delays in recruiting staff.

Programme B Higher Education

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		5,603	4,732	3,408
B.2	Administration − non pay		1,021	560	683
B.3	Grant for general expenses of Higher Education Authority		9,014	9,031	8,896
B.4	General current grants to universities, institutes of technology and other designated institutions of higher education				
	Original	1,034,482			
	Supplementary	66,000			
			1,100,482	1,132,163	1,137,064
B.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		—	—	—
B.6	Dublin Dental Hospital (grant)				
	Original	12,230			
	Supplementary	850			
			13,080	13,109	12,831
B.7	Dublin Institute for Advanced Studies (grant)				
	Original	7,185			
	Supplementary	400			
			7,585	7,605	7,552
B.8	Royal Irish Academy of Music (grant)				
	Original	3,341			
	Supplementary	300			
			3,641	3,746	3,394
B.9	Grants to certain third level institutions				
	Original	8,444			
	Supplementary	450			
			8,894	8,939	9,055
B.10	Superannuation etc. payable to former staff of universities and institutes of technology				
	Original	166,809			
	Supplementary	147,000			
			313,809	318,633	162,753

				2021	2020
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.11	Student support and related expenses				
	Original	401,306			
	Supplementary	10,000			
			411,306	400,165	401,178
B.12	Research activities		50,322	50,322	42,021
B.13	EU, international and north south activities				
	Original	6,849			
	Supplementary	2,000			
			8,849	6,327	4,358
B.14	Grangegorman Development Agency		3,212	3,212	3,137
B.15	Miscellaneous grants and services		600	164	138
B.16	Third level infrastructure				
	Estimate provision	98,400			
	Deferred surrender	8,000			
			106,400	81,851	86,500
B.17	Public private partnership costs				
	Estimate provision	76,300			
	Deferred surrender	8,700			
			85,000	69,023	18,257
B.18	Shared services		34,933	30,372	25,777
			2,163,751	**2,139,954**	**1,927,002**

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €203.2 million higher than originally provided.

B.4 General current grants to universities, institutes of technology and other designated institutions of higher education

Estimate provision: €1,034 million, outturn: €1,132 million

The increase of €97.7 million relative to the estimate provision was primarily due to additional free fees funding, public sector pay agreement and increased costs for reopening the tertiary sector following Covid-19.

A supplementary estimate of €66 million was approved for this subhead to provide for the increase in expenditure arising from Covid-19 when reopening the tertiary sector.

B.6 Dublin Dental Hospital (grant)

Estimate provision: €12.23 million, outturn: €13.109 million

The increase of €879,000 relative to the estimate provision was primarily due to the increased costs of reopening the hospital arising from Covid-19.

A supplementary estimate of €850,000 was approved for this subhead to provide for the increase in expenditure arising from Covid-19 reopening.

B.7 Dublin Institute for Advanced Studies (grant)

Estimate provision: €7.185 million, outturn: €7.605 million

The increase of €420,000 relative to the estimate provision was primarily due to the increased costs of reopening the institute due to Covid-19.

A supplementary estimate of €400,000 was approved for this subhead to provide for the increase in expenditure arising from Covid-19 reopening.

B.8 Royal Irish Academy of Music (grant)

Estimate provision: €3.341 million, outturn: €3.746 million

The increase of €405,000 relative to the estimate provision was primarily due to:

- additional costs of 2021 Building Momentum pay agreement, and
- increased costs of reopening the tertiary level sector following Covid-19.

A supplementary estimate of €300,000 was approved for this subhead to provide for the increase in expenditure arising from Covid-19 reopening.

B.9 Grants to certain third level institutions

Estimate provision: €8.444 million, outturn: €8.939 million

The increase of €495,000 relative to the estimate provision was primarily due to:

- increased costs of reopening the tertiary level sector following Covid-19, and
- antigen testing kits for students.

A supplementary estimate of €450,000 was approved for this subhead to provide for the increase in expenditure arising from Covid-19 reopening.

B.10 Superannuation etc. payable to former staff of universities and institutes of technology

Estimate provision: €166.809 million, outturn: €318.633 million

The increase of €151.8 million in the 2021 outturn versus the estimated provision can be primarily attributed to a shortfall in the pension control accounts of universities identified by the HEA.

A supplementary estimate of €147 million was approved for this subhead to provide for the shortfall identified as at 30 September 2020.

B.13 EU, international and north-south activities

Estimate provision: €6.849 million, outturn: €6.327 million

The decrease of €522,000 relative to the estimate provision was due to the limitations caused by Covid-19 resulting in a number of schemes being postponed, including Academic Mobility Scheme and Beijing Foreign Studies University (BFSU) scholarships.

In addition €2 million of the estimate provision was reallocated to another subhead (C.3 – science and technology development programme), where the equivalent over spend is evident.

A supplementary estimate of €2 million was approved for this subhead to provide for the increase in expenditure arising from Covid-19 after reopening the tertiary sector.

B.15 Miscellaneous grants and services

Estimate provision: €600,000, outturn: €164,000

The decrease of €436,000 relative to the estimate provision was primarily due to Dormant Account Funding for Travellers in Higher Education (€300,000) being spent from subhead B.11 Student support and related services.

B.16 Third level infrastructure

Estimate provision: €106.4 million, outturn: €81.851 million

The decrease in capital expenditure of €16.5 million relative to the estimate provision was due to level 5 Covid-19 restrictions closing the construction industry from January 2021 to May 2021 impacting on third level sector capital projects.

B.17 Public private partnerships costs

Estimate provision: €85 million, outturn: €69.023 million

The decrease of €7.3 million relative to the estimate provision was primarily due to

- unitary charges relating to the Grangegorman PPP Project not arising as early as expected (due to Covid-19 and other delays in 2021)
- invoices expected to fall due on the higher education PPP programme not flowing as planned, and
- contingency in respect of a dispute resolution process on the Grangegorman PPP not being required.

B.18 Shared services

Estimate provision €34.933 million, outturn €30.372 million

The decrease of €4.561 million relative to the estimate provision was primarily due to significantly reduced capital expenditure as the Educampus programme, to merge the new technological universities, did not progress at the pace originally forecast.

Programme C Research, Innovation and Science

		2021		2020 [a]
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	975	860	—
C.2	Administration − non pay	178	102	—
C.3	Science and technology development programme	209,964	229,435	205,196
C.4	Programme for research in third Level institutions	24,626	24,606	24,497
C.5	Subscriptions to international organisations	4,215	7,648	4,095
C.6	Legal costs and other services (including Global Science Forum)	50	5	4
		240,008	**262,656**	**233,792**

Note [a] The 2020 figures reflect outturn incurred by Vote 32, Enterprise, Trade and Employment, relating to functions transferred to this Department effective 1 January 2021 and are included for comparative purposes only.

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €22.7 million higher than provided.

C.3 Science and technology development programme

Estimate provision €209.964 million, outturn €229.435 million

The increase of €19.471 million relative to the estimate provision was primarily due to increased research infrastructure awards in 2021 to a number of institutions.

C.5 Subscriptions to international organisations

Estimate provision: €4.215 million, Outturn: €7.648 million

The increase of €3.433 million relative to the estimate provision arose due to accelerated accession contribution payments to the European Space Observatory (ESO) to mitigate interest costs and reduce the ten-year timeframe for those payments.

Note 4 Receipts

4.1 Appropriations-in-aid

				2021	2020
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Superannuation contributions [a]		889	838	726
2	Receipts from EU funding [b]				
	Original	34,700			
	Supplementary	8,700			
			43,400	43,432	34,895
3	Receipts from additional superannuation contributions on public service remuneration				
	Original	66,479			
	Supplementary	4,000			
			70,479	72,512	69,210
4	Secondments/overpayments		—	—	—
5	Miscellaneous				
	Original	2,300			
	Supplementary	9,300			
			11,600	12,192	879
	Total		**126,368**	**128,974**	**105,710**

Note [a] Excluded from the 2020 superannuation contribution outturn figure is €151,000 paid by the Department of Enterprise, Trade and Employment in 2020 on behalf of business units which transferred to this Department with effect from 1 January 2021.

[b] A breakdown of these EU receipts is provided in the table under Note 6.4 EU funding.

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.6 million higher than the estimate forecast.

2 Receipts from EU funding

Estimate €34.7 million; realised €43.4 million

The increase of €8.7 million relative to the estimate arose due to accelerated drawdown of ESF funds which was permitted in response to the Covid-19 pandemic.

A supplementary of €8.7 million was approved for this subhead to provide for the increase in appropriations received in response to the Covid-19 pandemic.

3 Additional superannuation contributions

Estimate €66.479 million; realised: €72.512 million

The increase of €6.033 million relative to the estimate arose because the overall additional superannuation contributions (ASCs) received from universities, institutes of technologies and other colleges were higher than originally anticipated. This increase arose due to increased staff numbers and the additional costs of 2021 Building Momentum pay agreement.

A supplementary of €4 million was approved for this subhead to provide for the increase in appropriations received.

5 Miscellaneous

Estimate provision: €2.3 million, realised: €12.192 million

The increase of €9.892 million relative to the estimate primarily arose from the receipt of additional monies from TU Dublin in respect of their contribution towards the Grangegorman PPP.

A supplementary of €9.3 million was approved for this subhead to provide for the increase in appropriations outlined above.

4.2 Extra receipts payable to the Exchequer

	2021 €000	2020 €000
Balance at 1 January	—	155
Recoupment of unspent funding [a]	2,002	527
Transferred to the Exchequer	(2,002)	(682)
Balance at 31 December	**—**	**—**

Note [a] Received from Science Foundation Ireland (SFI) in respect of grants refunded by the Irish Research Council (IRC).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Department [a]	191	134
Tertiary level [b, c]	25,016	22,186
Other agencies [a]	575	455
Number of staff at year end	**25,782**	**22,775**

Note [a] The 2021 figures reflects the transfer of staff and agencies from the Department of Enterprise Trade and Employment to this Department effective 1 January 2021.

[b] The 2021 figures reflects the transfer of additional further education functions to the Department.

[c] Reflects core-funded posts only. Other posts e.g. contract research staff are not included in the overall count of public sector numbers.

5.2 Pay

Remuneration of Department staff	2021	2020
	€000	€000
Pay	9,749	6,388
Higher, special or additional duties allowances	68	48
Other allowances	9	1
Overtime	30	4
Employer's PRSI	653	502
Total pay [a, b]	**10,509**	**6,943**

Note [a] The financial details in this table relate solely to salaries and allowances paid to employees of the Department.

[b] The total pay figure is reflected under A.1.

Tertiary level	**2021**	**2020** [a]
	€000	**€000**
Pay	1,881,038	1,784,485
Higher, special or additional duties allowances	4,558	4,625
Other allowances	3,457	3,744
Overtime	5,521	4,521
Employer's PRSI	172,989	162,062
Total pay [b]	**2,067,563**	**1,959,437**

Note [a] The 2020 figures have been restated to reflect updated guidance from the Department of Public Expenditure and Reform with respect to the period for which this information should be provided.

[b] The financial details in this table reflect the full salary costs of universities, colleges and institutes of technology in receipt of pay grant funding and include the costs of tertiary level posts under Note 5.1.

Other agencies [a]	**2021**	**2020** [b]
	€000	**€000**
Pay	47,300	44,566
Higher, special or additional duties allowances	230	249
Other allowances	—	—
Overtime	7	5
Employer's PRSI	4,411	4,087
Total pay	**51,948**	**48,907**

Note [a] The financial details in this table reflect the full salary costs of agencies including non-core funded salaries.

[b] The 2020 figures include agencies transferred to the Department in 2021.

5.3 Allowances and overtime payments

Department staff	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	8	2	23,602	25,074
Other allowances	1	—	1,154	952
Overtime	3	1	28,132	1,185
Extra remuneration in more than one category	—	—	—	—

The details of allowances and overtime payments in this table relate solely to Departmental staff.

Tertiary level	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	1,356	111	37,610	38,390
Other allowances	1,162	79	28,415	27,377
Overtime	1,804	104	62,344	42,345
Extra remuneration in more than one category	868	115	83,699	84,896

The details of allowances and overtime payments in this table relate to tertiary level staff in universities, colleges and institutes of technology in receipt of pay grant funding and includes staff whose salary is not funded by the Department.

Other agencies	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	45	8	19,628	23,224
Other allowances	—	—	—	—
Overtime	4	—	5,372	2,268
Extra remuneration in more than one category	—	—	—	—

The details of allowances and overtime payments in this table relate to staff employed in agencies funded by the Department and includes staff whose salary is not funded by the Department.

5.4 Other remuneration arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €13,727 which included travel and subsistence costs of €132. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

This account includes expenditure of €44,869 in respect of one officer who was serving outside the Department for all or part of 2021 and whose salary was paid and recoupable by the Department.

This account does not include expenditure in respect of one officer who was serving outside the Department for all or part of 2021 and whose salary was paid by the relevant body.

5.5 Payroll overpayments

at 31 December	**Number of recipients**	**2021 €**	**2020 €**
Administration staff salary overpayments			
Overpayments	4	2,271	—
Recovery plans in place	—	—	—

No staff with whom overpayment recovery plans were in place transferred to or from this Department during 2021.

5.6 Severance/redundancy

During 2021, one individual was paid redundancy via the Department's administrative payrolls. The total amount paid was €115,139 and included payment for redundancy and severance sums as appropriate.

There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any individuals in 2021.

5.7 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Department

Total legal costs incurred by the Department in 2021 was €479,954.

Compensation and legal costs paid during 2021 in respect of cases in which the Department is or was involved did not exceed €50,000 and is included in the total figure above.

Cumulative costs completed cases – costs paid by the Department.

Cumulative costs of completed legal cases paid by the Department in 2021 did not exceed €50,000.

Payments made by the Chief State Solicitor's Office

During the period, the Chief State Solicitor's Office (CSSO) paid no legal costs/fees with respect to legal cases involving the Department.

6.2 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	—	—	10
Suspected fraud/irregularities	1	117	—
		117	**10**

The Department was made aware of one new case of suspected fraud where grant funding allocated, from 2010 to 2018, by an Education and Training Board to a local development company was not utilised as intended.

6.3 Arbitration and conciliation costs

Expenditure in 2021 includes one case where a payment of €10.5 million inclusive of VAT was made to contractors to settle claims arising from additional costs incurred due to Covid-19 and additional variations to the contract.

No arbitration or conciliation costs arose in 2020.

6.4 EU funding

Receipts in relation to EU funding received during 2021 and lodged to appropriations-in-aid is detailed in the table below.

EU funding category	2021 €000	2020 €000
D2.1 ESF pay	35,013	23,379
D2.1 ESF non pay	8,387	11,320
PIAAC International	32	196
	43,432	**34,895**

2021 European Structural Fund (ESF) receipts

The amount of €43.4 million (€35 million pay and €8.4 million non-pay) received in 2021 (2020: €34.7 million) and shown as appropriations-in-aid was related to expenditure from the B.5 and C.11 subheads of the Office of the Minister for Education (Vote 26) for the years 2014-2019.

Receipts came from the Programme for Employability, Inclusion and Learning (PEIL) 2014-2021, which is a European Social Fund (ESF) co-funded programme.

ESF Programme for Employability, Inclusion and Learning 2014-2021: position at year end 2021

	European Social Fund (ESF) €000	Youth Employment Initiative (YEI) €000	React EU €000	Total €000
Allocation 2014-2021 [a]	**484,516**	**68,145**	**88,335**	**640,996**
Receipts up to end 2020	293,537	52,652	—	346,189
2021 receipts				
annual pre-financing receipts	2,281	99	9,717	12,097
interim payment applications [b]	162,830	11,113	—	173,943
balance in respect of 2018-2020	18,412	3,065	—	21,477
Total receipts in 2021	**183,523**	**14,277**	**9,717**	**207,517**
Receipts up to end 2021	**477,060**	**66,929**	**9,717**	**553,706**
As % of 2014-2020 allocation	98%	98%	11%	86%

Distribution of ESF programme receipts	2021	2020
	€000	€000
Department of Further and Higher Education, Research, Innovation and Science	44,029	35,389
Department of Education	171	144
Department of Justice	21,000	6,417
Department of Defence	40	79
National Training Fund	82,000	1,500
Department of Social Protection	5,000	—
Department of Rural and Community Development	36,000	—
	188,240	**43,529**

Note [a] The React-EU amendment to the 2014-2020 allocation was approved in December 2021.

[b] The receipts from interim payment applications account for 90% of the EU allocations due as the Commission retains 10% which is payable after acceptance of the annual accounts and is reflected in the subsequent year's balancing amount.

6.5 Direct EU funding to bodies under the Department's aegis

In addition to the funding of grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2021 was as shown below.

	2021	2020
	€000	€000
Aegis body		
Higher Education Authority	354	309
Irish Research Council	245	327
Léargas [a]	19,282	19,240
Quality and Qualifications Ireland	131	273
Science Foundation Ireland [b]	81	—
SOLAS	47	—
	20,140	**20,149**

Note [a] Funding for Léargas relates to education-only related programmes.

[b] Science Foundation Ireland was not an aegis body of this Department in 2020.

Aegis body	Purpose of funding
Higher Education Authority	Promotion and administration of the Erasmus+ programme
Irish Research Council	Humanities in the European Research Area (HERA), CHIST-ERA programme (European coordinated research on future and emerging information and communication technologies) and Marie Sklodowska-Curie Actions COFUND Collaborate Research Fellowships Programme.
Léargas	Erasmus+, Eurodesk, ECVET, E twinning Epale and Euroguidance
Quality and Qualifications Ireland	Secretariat to EQUAVET (the European Quality Assurance in Vocational Education and Training) in addition to being the national centre for both EUROPASS and NARIC
Science Foundation Ireland	ESA activated promotion by SFI, Era Net - Bluebio, Era Net - M.ERANET, EraNet – QuantERA, and Horizon 2020 project ACT
SOLAS	CEDEFOP EU Agency

6.6 Late payment interest

	2021 €000	2020 €000
Total net interest paid	**1**	**1**

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €37.2 million in capital expenditures in the following subheads that were carried over to 2022.

	€000
Description of subhead:	
B.12 Research activities	6,000
B.16 Third level infrastructure	22,200
B.17 Public private partnership costs	3,000
B.18 Shared services	6,000
	37,200

Appendix A Accounts of bodies and funds under the aegis of the Department of Further and Higher Education, Research, Innovation and Science

The following table lists the bodies and departmental funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Universities/colleges [a]				
Dublin City University	2019/2020	16 Dec 2021	21 Dec 2021	21 Feb 2022
Mary Immaculate College, Limerick	2020/2021	30 Jun 2022	6 Jul 2022	24 Aug 2022
National College of Art and Design	2020/2021	31 May 2022	15 Jun 2022	11 Aug 2022
National University of Ireland	2020/2021	8 Jun 2022	9 Jun 2022	14 Jul 2022
National University of Ireland Galway	2019/2020	30 Jun 2021	6 Jul 2021	6 Sep 2021
National University of Ireland Maynooth	2020/2021	25 Mar 2022	28 Mar 2022	25 May 2022
St Angela's College of Education, Sligo	2019/2020	18 Oct 2021	4 Nov 2021	4 Jan 2022
Technological University Dublin	2019/2020	27 Aug 2021	31 Aug 2021	22 Oct 2021
Trinity College Dublin	2020/2021	28 Mar 2022	31 Mar 2022	30 May 2022
University College Cork	2019/2020	30 Sep 2021	6 Oct 2021	3 Dec 2021
University College Dublin	2019/2020	30 Sep 2021	4 Oct 2021	3 Dec 2021
University of Limerick	2020/2021	30 Jun 2022	22 Jul 2022	24 Aug 2022
Institutes of technology [b]				
Athlone	2020/2021	29 Jun 2022	30 Jun 2022	24 Aug 2022
Carlow	2020/2021	30 Jun 2022	14 Jul 2022	24 Aug 2022
Cork	2019/2020	22 Mar 2022	5 Apr 2022	7 Jun 2022
Dundalk	2020/2021	10 May 2022	5 Jul 2022	4 Aug 2022
Dun Laoghaire Institute of Art, Design and Technology	2020/2021	8 Apr 2022	11 Apr 2022	7 Jun 2022
Galway-Mayo	2020/2021	31 Mar 2022	25 Apr 2022	24 Jun 2022
Letterkenny	2019/2020	10 Dec 2021	20 Dec 2021	17 Feb 2022
Limerick	2020/2021	23 Jun 2022	30 Jun 2022	24 Aug 2022
Sligo	2019/2020	29 Jun 2021	9 Jul 2021	8 Sep 2021
Tralee	2019/2020	16 Feb 2022	18 Feb 2022	24 Mar 2022
Waterford	2019/2020	12 May 2022	26 May 2022	13 Jul 2022

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Other Higher Education Institutions (included in HEIs)				
Dublin Institute for Advanced Studies	2021	29 Jun 2022	30 Jun 2022	15 Aug 2022
Royal Irish Academy	2020	22 Dec 2021	9 Mar 2022	21 Mar 2022
Royal Irish Academy of Music	2021	7 Jul 2022	14 Jul 2022	24 Aug 2022
St. Patrick's College, Drumcondra	2019/2020	9 Aug 2021	20 Jul 2022	19 Sep 2022
Aegis bodies				
Grangegorman Development Agency	2020	22 Nov 2021	3 Feb 2022	22 Feb 2022
Higher Education Authority [c]	2021	29 Jun 2022	5 Jul 2022	24 Aug 2022
Léargas [d]	2020	15 Jun 2021	28 Jul 2021	n/a
Quality and Qualifications Ireland	2020	30 Sep 2021	8 Oct 2021	7 Dec 2021
Science Foundation Ireland	2020	7 Sep 2021	15 Oct 2021	9 Nov 2021
Skillnet Ireland [d]	2020	27 May 2021	30 Jun 2021	n/a
SOLAS	2020	21 May 2021	27 May 2021	14 Jul 2021
Funds				
National Training Fund	2020	30 Nov 2021	2 Dec 2021	22 Dec 2021

Note
[a] Period of account 1 October to 30 September with the exception of TU Dublin (1 September to 31 August).
[b] Period of account 1 September to 31 August.
[c] The Higher Education Authority incorporates the accounts of the Irish Research Council which is an aegis body of the Department.
[d] Company limited by guarantee with accounts publicly available via the Companies Registration Office and not laid before the Oireachtas.