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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
Pro	ogramme expenditure			
Α	Manage the Land Registry and the Registry of Deeds	33,061	31,108	31,100
Gr	oss expenditure	33,061	31,108	31,100
	Deduct			
В	Appropriations-in-aid	580	660	607
Ne	t 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  Deduct		31,108	31,100	
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

1.1 Net a	anieu services experiulture				
	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 €000	2020 €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 €000	2020 €000
Stationery	96	84
Miscellaneous supplies	40	29
IT consumables	3	14
	139	127

# 2.4 Prepayments

at 31 December	2021 €000	2020 €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 €000	2020 €000
Building charges recoupable	29	46
Payroll deductions held in suspense	50	26
	79	72

# 2.6 Other credit balances

2021	2020
€000	€000
374	358
217	211
47	29
4	3
637	1,037
1,279	1,638
183	183
1,462	1,821
	€000 374 217 47 4 637 1,279

## 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
	2000	COOO
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 Salaı	ries, wages and allowances	26,977	26,747	26,692
ii Trave	el and subsistence	110	6	22
	ing and development and ental expenses	1,570	1,227	1,082
iv Posta servi	al and telecommunications ces	900	825	656
v Offic	e equipment and external IT ces	2,867	1,956	2,315
vi Offic	e premises expenses	612	339	324
	sultancy services and value for ey 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 €000	Realised €000	Realised €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 €000	2020 €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 €000	2020 €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 Recipients of of €10,000	Highest individual payment			
	recipients	or more	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 t	he 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.