

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 administered 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

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
<i>Deduct</i>				
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
<i>Deduct</i>			
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
	<u>(1,728)</u>	<u>(3,796)</u>

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
	<u>11,140</u>	<u>11,299</u>

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
	<u>7,917</u>	<u>15,088</u>

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
	<u>2,673</u>	<u>1,895</u>

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
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		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€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		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€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	2020
		Estimate provision	Outturn
		€000	€000
D.1	Administration – pay	23,070	22,005
D.2	Administration – non pay	8,638	7,236
D.3	Promoting Ireland	9,116	6,404
D.4	Contributions to national and international organisations	3,229	3,454
		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	<u>2,059</u>	<u>1,816</u>

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	<u>109,160</u>	<u>104,510</u>

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.