

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
<i>Deduct</i>			
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
<i>Deduct</i>			
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 €000	Office equipment €000	Total €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 €000	2020 €000
Stationery	16	19
IT consumables	22	23
	38	42

2.3 Prepayments

	2021 €000	2020 €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
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