

## **Appropriation Account 2021**

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### **Vote 32**

### **Enterprise, Trade and Employment**

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## 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

		2021		2020
		Estimate provision		Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Jobs and enterprise development			
	<i>Original</i>	824,451		
	<i>Deferred surrender</i>	101,261		
	<i>Supplementary</i>	(7,999)		
			917,713	722,576
				1,273,470
B	Innovation			
	<i>Original</i>	219,128		
	<i>Deferred surrender</i>	4,939		
	<i>Supplementary</i>	8,000		
			232,067	218,741
			98,562	85,760
				413,743
C	Regulation			
				77,465
<b>Gross expenditure</b>				
	<i>Original</i>	1,142,141		
	<i>Deferred surrender</i>	106,200		
	<i>Supplementary</i>	1		
			1,248,342	1,027,077
				1,764,678
	<i>Deduct</i>			
D	<b>Appropriations-in-aid</b>		53,982	69,051
				49,781
<b>Net expenditure</b>				
	<i>Original</i>	1,088,159		
	<i>Deferred surrender</i>	106,200		
	<i>Supplementary</i>	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.

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Surplus	236,333,519	182,421,683
Deferred surrender	(79,660,000)	(106,200,000)
<b>Surplus to be surrendered</b>	<b><u>156,673,519</u></b>	<b><u>76,221,683</u></b>

**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
<b>Gross expenditure</b>		<b>1,027,077</b>	<b>1,764,678</b>
<i>Deduct</i>			
<b>Appropriations-in-aid</b>		<b>69,051</b>	<b>49,781</b>
<b>Net expenditure</b>		<b>958,026</b>	<b>1,714,897</b>
<b>Changes in capital assets</b>			
Purchases cash	(142)		
Depreciation	1,723		
Loss on disposals	44	1,625	(153)
<b>Changes in net current assets</b>			
Increase in closing accruals	9,393		
Decrease in stock	31	9,424	(1,671)
<b>Direct expenditure</b>		<b>969,075</b>	<b>1,713,073</b>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure (cash) (note 1.1)		26,022	24,854
Notional rents (non-cash)		2,847	2,847
<b>Net programme cost</b>		<b>997,944</b>	<b>1,740,774</b>

**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.

		<b>2021</b>	<b>2020</b>
		<b>€000</b>	<b>€000</b>
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
		<b>26,022</b>	<b>24,854</b>

**Note 2 Statement of Financial Position as at 31 December 2021**

	<b>Note</b>	<b>2021 €000</b>	<b>2020 €000</b>
<b>Capital assets</b>	2.1	6,030	7,655
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>113,974</b>	<b>121,150</b>
<b>Less current liabilities</b>			
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
<b>Total current liabilities</b>		<b>124,312</b>	<b>122,064</b>
<b>Net current assets/(liabilities)</b>		<b>(10,338)</b>	<b>(914)</b>
<b>Net assets</b>		<b>(4,308)</b>	<b>6,741</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.8	<b>(4,308)</b>	<b>6,741</b>

**2.1 Capital assets**

	Office and IT equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
<b>Gross assets</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Net assets at 31 December 2021</b>	<b>5,691</b>	<b>332</b>	<b>7</b>	<b>6,030</b>
Net assets at 31 December 2020	7,222	408	25	7,655

**2.2 Stocks**

at 31 December	2021 €000	2020 €000
Stationery	128	162
IT supplies	55	69
Cleaning materials	30	13
	<b>213</b>	<b>244</b>

**2.3 Prepayments**

at 31 December	2021 €000	2020 €000
IT services and support	1,483	1,338
Administration	250	218
	<b>1,733</b>	<b>1,556</b>

**2.4 Other debit balances**

at 31 December	2021	2020
	€000	€000
Advances to OPW	25	112
Miscellaneous debit balances	483	818
Recoupable expenditure		
Travel	—	
Shared services	28	
	28	74
	<b>536</b>	<b>1,004</b>

**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
	<b>1,269</b>	<b>939</b>

**2.6 Other credit balances**

at 31 December	2021	2020
	€000	€000
<b>Amounts due to the State</b>		
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
	<b>5,216</b>	<b>5,169</b>

**2.7 Net Exchequer funding**

at 31 December	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	156,674	76,222
Deferred surrender	79,660	106,200
Exchequer grant undrawn	(129,690)	(68,792)
<b>Net Exchequer funding</b>	<b>106,644</b>	<b>113,630</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	111,324	117,795
Other debit balances	536	1,004
	111,860	118,799
<b>Creditors</b>		
Due to the State	(2,175)	(1,889)
Other credit balances	(3,041)	(3,280)
	(5,216)	(5,169)
	<b>106,644</b>	<b>113,630</b>

**2.8 State funding account**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>€000</b>	<b>€000</b>
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)
<b>Balance at 31 December</b>		<b>(4,308)</b>	<b>6,741</b>



**2.9 Commitments**

<b>a) Global commitments <sup>a</sup></b>	<b>2021</b>	<b>2020</b>
at 31 December	<b>€000</b>	<b>€000</b>
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
<b>Total of legally enforceable commitments</b>	<b>1,440,148</b>	<b>2,311,871</b>
<b>b) Non-capital grant programmes</b>	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
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)
<b>Closing balance</b>	<b>3,965</b>	<b>10,854</b>
<b>c) Capital grant programmes</b>	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Opening balance	2,115,494	1,819,969
Adjustment <sup>b</sup>	(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)
<b>Closing balance</b>	<b>1,258,845</b>	<b>2,115,494</b>

Notes <sup>a</sup> Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

<sup>b</sup> 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.

	<b>Cumulative expenditure to 31 December 2020</b>	<b>Expenditure in 2021</b>	<b>Project commitments in subsequent years</b>	<b>Expected total spend lifetime of project 2021</b>	<b>Expected total spend lifetime of project 2020 <sup>a</sup></b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Agency commitments</b>					
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
<b>Department commitments</b>					
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
	<b>500,764</b>	<b>140,755</b>	<b>351,350</b>	<b>992,869</b>	<b>814,181</b>

Note <sup>a</sup> 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	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	<b>46</b>	<b>215</b>

**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.

	<b>2021</b>	<b>2012-2021</b>
	<b>€000</b>	<b>€000</b>
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	<u>(2,172)</u>	<u>(6,331)</u>
Net cost of scheme	<u>(824)</u>	<u>(2,269)</u>

***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
		<b>41,316</b>	<b>39,230</b>	<b>36,945</b>

#### 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**

		<b>Estimate provision</b>		<b>2021</b>	<b>2020</b>
		<b>€000</b>	<b>€000</b>	<b>Outturn</b>	<b>Outturn</b>
				<b>€000</b>	<b>€000</b>
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				
	<i>Estimate provision</i>	217,533			
	<i>Deferred surrender</i>	<u>17,400</u>			
			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				
	<i>Original</i>	415,956			
	<i>Deferred surrender</i>	40,000			
	<i>Supplementary</i>	<u>(8,549)</u>			
			447,407	338,872	844,487
A.8	Local enterprise development				
	<i>Estimate provision</i>	52,781			
	<i>Deferred surrender</i>	<u>15,000</u>			
			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				
	<i>Estimate provision</i>	30,075			
	<i>Deferred surrender</i>	<u>8,260</u>			
			38,335	38,335	48,292
A.15	Humanitarian relief scheme				
	<i>Original</i>	1			
	<i>Supplementary</i>	<u>550</u>			
			551	403	167

		<b>Estimate provision</b>		<b>2021</b>	<b>2020</b>
		<b>€000</b>	<b>€000</b>	<b>Outturn</b>	<b>Outturn</b>
				<b>€000</b>	<b>€000</b>
A.16	Micro Finance Ireland				
	<i>Estimate provision</i>	1			
	<i>Deferred surrender</i>	<u>15,001</u>			
			15,002	5,000	24,790
A.17	National Design Centre				
	<i>Estimate provision</i>	1			
	<i>Deferred surrender</i>	<u>5,600</u>			
			5,601	—	—
			<b>917,713</b>	<b>722,576</b>	<b>1,273,470</b>

### 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**

		<b>2021</b>		<b>2020</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
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			
	<i>Estimate provision</i>	155,254		
	<i>Deferred surrender</i>	4,000		
		159,254	152,056	332,490
B.5	Subscriptions to international organisations, etc.			
	<i>Original</i>	18,780		
	<i>Deferred surrender</i>	939		
	<i>Supplementary</i>	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
—	<i>Programme for Research in Third Level Institutions (PRTLII)</i>	—	—	24,497
		<b>232,067</b>	<b>218,741</b>	<b>413,743</b>

**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**

		<b>2021</b>		<b>2020</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
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
		<b>98,562</b>	<b>85,760</b>	<b>77,465</b>

**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
<b>Employment rights and industrial relations</b>				
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
<b>Insurance and company law</b>				
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
<b>Trade, competition and market rights</b>				
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
<b>Other</b>				
15	ODCE legal	50	—	—
16	Miscellaneous	100	422	581
17	Enterprise policy <sup>a</sup>	7,779	6,684	4,120
18	Competition and Consumer Protection Commission <sup>b</sup>	1,500	1,171	1,555
19	PIAB superannuation	1,168	1,224	1,152
20	HSA superannuation	200	626	98

		<b>2021</b>		<b>2020</b>
		<b>Estimated</b>	<b>Realised</b>	<b>Realised</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
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
<b>Total</b>		<b>53,982</b>	<b>69,051</b>	<b>49,781</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Local Enterprise Offices – current <sup>a</sup>	—	1
Local Enterprise Offices – capital <sup>b</sup>	—	16
Enterprise Ireland- excess own resource income <sup>c</sup>	102,937	10,789
Enterprise Ireland- return of unused Restart grant <sup>d</sup>	9,138	2,795
Miscellaneous	—	6
Transferred to the Exchequer	(112,075)	(13,607)
<b>Balance at 31 December</b>	<b>—</b>	<b>—</b>

- Notes
- <sup>a</sup> Local Enterprise Offices – current: this related to unused funds in subhead A.8 for pay and non-pay.
  - <sup>b</sup> Local Enterprise Offices – capital: this related to unused funds in subhead A.8 for particular capital programmes.
  - <sup>c</sup> 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.
  - <sup>d</sup> 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 <sup>c</sup>
Number of staff at year end		
Department and Offices:		
Department <sup>a</sup>	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
	<b>939</b>	<b>889</b>
Agencies <sup>b</sup>	1,761	1,752
	<b>2,700</b>	<b>2,641</b>

- Notes
- <sup>a</sup> Includes the staff of the Secretariat of the Low Pay Commission.
  - <sup>b</sup> 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.
  - <sup>c</sup> Figures restated for 2020.

### 5.2 Pay – Department, Offices and Agencies

	2021	2020
	€000	€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
<b>Total pay</b>	<b>190,432</b>	<b>189,353</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Pay <sup>a, b</sup>	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
<b>Total pay <sup>c</sup></b>	<b>54,913</b>	<b>51,868</b>

- Notes
- <sup>a</sup> 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).
  - <sup>b</sup> Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.
  - <sup>c</sup> 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 <sup>a</sup>
Overtime	99	2	16,027	8,415
Extra remuneration in more than one category	25	6	38,683	47,379

Note <sup>a</sup> 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	2020
	€000	€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
<b>Total pay</b>	<b>135,519</b>	<b>137,485</b>

### 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 <sup>a</sup>
Overtime	35	2	28,652	23,214
Extra remuneration in more than one category	6	2	101,618	20,774 <sup>a</sup>

Note <sup>a</sup> 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 <sup>a</sup>	—	254
B.4	Enterprise Ireland	2,436	1,014
C.5	Health and Safety Authority	6	31
		<b>6,895</b>	<b>3,797</b>

Note <sup>a</sup> 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
<b>Permanent/open-ended</b>			
Joint Labour Committees	1946	6	6
Joint Economic Commissions <sup>a</sup>	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 <sup>b</sup>	2021	105	—
		<b>213</b>	<b>23</b>

Note <sup>a</sup> The responsibility for Joint Economic Commissions were transferred from the Department of Foreign Affairs in 2020.

<sup>b</sup> 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
<b>2021 total</b>	<b>82</b>	<b>179</b>	<b>261</b>	<b>193</b>
2020 total	100	93	193	

#### Cumulative costs of cases completed in 2021

	Claims by		Total
	employees	members of the public	
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	—	—	—
<b>Total</b>	<b>—</b>	<b>156</b>	<b>156</b>

### 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	<u>9</u>	<u>27</u>

### 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
<b>Description of subhead:</b>	
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
	<u>79,660</u>

## **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.

<b>Body/Departmental fund</b>	<b>Last accounting period</b>	<b>Date of audit report</b>	<b>Date received by Minister/ Department</b>	<b>Date presented to the Oireachtas</b>
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