

## **Appropriation Account 2021**

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### **Vote 9**

### **Office of the Revenue Commissioners**

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## **Introduction**

As Accounting Officer for Vote 9, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2021 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

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

A surplus of €9.272 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

## **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exceptions listed here.

### ***Valuation and depreciation of capital assets***

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

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

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

## **Statement on Internal Financial Control**

### ***Responsibility for system of internal financial control***

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

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

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

***Financial control environment***

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

***Administrative controls and management reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability, and in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines.

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

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

### ***Internal audit and Audit Committee***

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

### ***Non-compliance with procurement rules***

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Office complied with the guidelines with the exception of ten contracts (in excess of €25,000), totalling €3,484,628 in 2021 as set out below:

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

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

### ***Risk and control framework***

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

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

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

### ***Ongoing monitoring and review***

Formal procedures have been established for monitoring control processes and for how control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

### ***Review of effectiveness***

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within this Office are responsible for the development and maintenance of the internal financial control framework.

### ***Internal financial control issues***

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

### ***Covid-19 control issues***

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

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

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

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

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

**Niall Cody**

Accounting Officer

Office of the Revenue Commissioners

31 March 2022

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 9 Office of the Revenue Commissioners**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2021 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2021, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### ***Basis of opinion***

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Office of the Revenue Commissioners and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Report on the statement on internal financial control, and on other matters**

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

##### ***Re-allocation of voted funds***

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

##### ***Non-compliance with procurement rules***

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2021.

**Seamus McCarthy**  
Comptroller and Auditor General

25 September 2022

## Appendix to the report

### Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

### Responsibilities of the Comptroller and Auditor General

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

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

### Reporting on the statement on internal financial control

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

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

### Reporting on other matters

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

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



## Vote 9 Office of the Revenue Commissioners

### Appropriation Account 2021

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

#### Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €493,000 of unspent allocations in respect of the capital elements of subheads A (vi) and A (viii) were carried forward to 2022.

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

#### Niall Cody

Accounting Officer  
Office of the Revenue Commissioners

31 March 2022

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2021

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

### 1.1 Net allied services expenditure

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

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

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

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

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

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

**2.1 Capital assets**

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

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

**2.2 Bank and cash**

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

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

**2.3 Stocks**

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

**2.4 Prepayments**

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

**2.5 Other debit balances**

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

**2.6 Accrued expenses**

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

**2.7 Other credit balances**

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

**Note:** <sup>a</sup> In 2021, payments (net of refunds and unpaid claims) administered under EWSS amounted to €4.6 billion.  
In 2021, payments and recoveries administered under TWSS were as follows;

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

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



**2.8 Net Exchequer funding**

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

**2.9 State funding account**

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

**2.10 Commitments**

at 31 December	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Procurement of goods and services	<u><b>24,803</b></u>	<u><b>20,772</b></u>

**2.11 Contingent liabilities**

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

### Note 3 Vote Expenditure

#### Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

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

#### Significant variations

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

##### ii Travel and subsistence

*Estimate provision €3.4 million; outturn €772,000*

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

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

*Estimate provision €24.23 million; outturn €30.65 million*

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

##### x Compensation and losses

*Estimate provision €750,000; outturn €1.253 million*

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

## Note 4 Receipts

### 4.1 Appropriations-in-aid

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

### Significant variations

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

#### 3 Cherished numbers

*Estimate €150,000; realised €293,000*

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

#### 4 Receipts in respect of Environmental Levy collection

*Estimate €400,000; realised €809,000*

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

**5 Share of SASP (Single Authorisation for Simplified Procedures) collection cost***Estimate €8.8 million; realised €6.098 million*

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

**6 Miscellaneous***Estimate €2.4 million; realised €1.988 million*

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

**4.2 Extra receipts payable to the Exchequer**

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

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	<u>6,535</u>	<u>6,680</u>

### 5.2 Pay

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

### 5.3 Allowances and overtime payments

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

### 5.4 Performance awards

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

### 5.5 Other remuneration arrangements

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

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

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

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

### 5.6 Payroll overpayments

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

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

### 5.7 Salary of Accounting Officer

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

### 5.8 Severance/redundancy

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

## Note 6 Miscellaneous

### 6.1 Write-offs

The following sums were written off in the year:

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Obsolete stock	—	1
Payroll overpayments	7	5
	<b>7</b>	<b>6</b>

### 6.2 Law charges (subhead A (ix))

Legal costs paid during the year are categorised as follows.	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
External solicitors	1,970	3,400
Counsel fees	4,519	4,892
Bankruptcy/liquidation costs	2,086	3,098
Court fees	12	13
Miscellaneous costs and rewards	779	707
	<b>9,366</b>	<b>12,110</b>



**6.3 Compensation and losses (subhead A (x))****Payments/costs paid by Revenue Commissioners in the year**

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

At 31 December 2021, the following claims are outstanding:

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

**Cumulative costs of cases completed in 2021**

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

## 6.4 EU funding

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

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

## 6.5 Deferred surrender

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

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

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

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

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