



Ard-Reachtair Cuntas agus Ciste
Comptroller and Auditor General

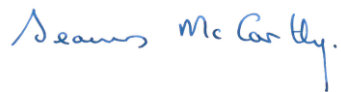
Appropriation Accounts 2022

29 September 2023

Appropriation Accounts 2022

Section 3 (11) of the Comptroller and Auditor General (Amendment) Act 1993 requires me, upon the completion of my audit of the appropriation accounts, to present to Dáil Éireann a copy of each such account together with my certificate thereon.

I hereby present, pursuant to the foregoing provision, the said accounts and certificates for the year ended 31 December 2022.



Seamus McCarthy
Comptroller and Auditor General

29 September 2023

Table of contents

	Page
Preface	5
Statement of accounting policies and principles	6
Vote 1 President's Establishment	15
Vote 2 Department of the Taoiseach	33
Vote 3 Office of the Attorney General	59
Vote 4 Central Statistics Office	81
Vote 5 Office of the Director of Public Prosecutions	101
Vote 6 Office of the Chief State Solicitor	123
Vote 7 Office of the Minister for Finance	145
Vote 8 Office of the Comptroller and Auditor General	173
Vote 9 Office of the Revenue Commissioners	197
Vote 10 Tax Appeals Commission	225
Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform	243
Vote 12 Superannuation and Retired Allowances	271
Vote 13 Office of Public Works	289
Vote 14 State Laboratory	329
Vote 15 Secret Service	345
Vote 16 Valuation Office	353
Vote 17 Public Appointments Service	373
Vote 18 National Shared Services Office	393
Vote 19 Office of the Ombudsman	419
Vote 20 Garda Síochána	439
Vote 21 Prisons	477
Vote 22 Courts Service	505
Vote 23 Property Registration Authority	533
Vote 24 Justice	553
Vote 25 Irish Human Rights and Equality Commission	599
Vote 26 Education	617
Vote 27 International Co-operation	677
Vote 28 Foreign Affairs	701
Vote 29 Environment, Climate and Communications	735

Vote 30	Agriculture, Food and the Marine	785
Vote 31	Transport	839
Vote 32	Enterprise, Trade and Employment	883
Vote 33	Tourism, Culture, Arts, Gaeltacht, Sport and Media	927
Vote 34	Housing, Local Government and Heritage	965
Vote 35	Army Pensions	1033
Vote 36	Defence	1051
Vote 37	Social Protection	1091
Vote 38	Health	1155
Vote 39	Office of Government Procurement	1197
Vote 40	Children, Equality, Disability, Integration and Youth	1217
Vote 41	Policing Authority	1265
Vote 42	Rural and Community Development	1285
Vote 43	Office of the Government Chief Information Officer	1319
Vote 44	Data Protection Commission	1337
Vote 45	Further and Higher Education, Research, Innovation and Science	1361

Preface

Dáil Éireann provides money for the ordinary services of Government departments and offices, both capital and non-capital, by

- approving estimates of expenditure for those services in the course of each year
- giving statutory effect to the estimates in an annual Appropriation Act.

Expenditure is provided for under a series of votes, with one or more covering the functions of each department or office.

The first part of the estimate for each vote is referred to as the **ambit**. This provides an outline of the services to be financed. The ambit of each vote is incorporated in the annual Appropriation Act, and so represents the purposes for which funds have been authorised by Dáil Éireann.

At the end of every financial year, each department or office is required to prepare an account, known as the **appropriation account**, for each voted service administered by it. The statutory requirement is for the appropriation account to provide details of the outturn for the year against the amount provided by Dáil Éireann, based on the cash amounts of payments and receipts. The prior-year outturn is also shown for comparison purposes.

In addition to providing the statutory financial information on a cash-accounting basis, each appropriation account sets out some accrual-based information in notes to the account.

- Note 1 presents an **operating cost statement** that gives information on the cost of the service for the year.
- Note 2 presents a **statement of financial position**, with related explanatory notes, giving information on the financial position in respect of the service at year-end. This includes information on expenditure commitments and on the actual position of the voted service *vis-à-vis* the Exchequer at year-end i.e. the net liability to the Exchequer, or amount due from the Exchequer.
- Other notes to the account provide standard information on: expenditure by programme and subhead (Note 3); receipts (Note 4); and staff numbers and pay (Note 5). Information on any other relevant matters is presented in Note 6 (miscellaneous and fund accounts).
- Many departmental votes include an appendix that lists the State bodies and funds that operate under the aegis of the relevant department, and that provides information on the timeliness of financial reporting by those bodies.

Statement of Accounting Policies and Principles¹

Basis of accounts

Appropriation accounts showing the financial transactions of Government departments,² are prepared in accordance with the Exchequer and Audit Departments Act 1866 (as amended by the Comptroller and Auditor General (Amendment) Act 1993) and with accounting rules and procedures laid down by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

The accounts are a cash-based record of the receipts and payments in the year compared with the amounts provided under the Appropriation Act. The accounts also show prior year figures for comparison purposes. Some information of an accruals nature is included in the notes to the accounts.

Departments should obtain prior approval from the Department of Public Expenditure, National Development Plan Delivery and Reform for any departures, changes or additions to the standard accounting policies. Information regarding divergence from the standard accounting policies should be included in the Accounting Officer's introduction to the appropriation account.

Reporting period

The reporting period is the year ended 31 December 2022.

Receipts

As a general rule, all revenues of the State are paid into the Exchequer.

Subject to the express approval of the Department of Public Expenditure, National Development Plan Delivery and Reform, certain Departmental receipts may be appropriated in aid of expenditure borne on a vote. Without such sanction, receipts must be surrendered directly to the Central Fund as Exchequer 'extra' receipts.

Appropriations-in-aid are receipts that, under section 2 of the Public Accounts and Charges Act 1891, may be used to meet expenditure to the extent authorised by the annual Appropriation Act. In general, these are receipts arising in the normal course of a department's business under the vote and can include such items as:

- charges for services³
- pension contributions
- rent and proceeds from certain sales
- with the prior agreement of the Minister for Public Expenditure, National Development Plan Delivery and Reform, the proceeds from the sale of assets for the funding of high-priority capital programmes or projects
- fines, forfeitures or costs recovered.

In general, receipts of departments to be credited directly to the Exchequer as 'extra' receipts are those that have no direct connection with the vote expenditure or are 'windfall' receipts. Such extra receipts may not be used to meet expenditure from the vote. Where they arise, they are reported in a note to the appropriation account. They include items such as:

- receipts on foot of surplus income or profits of State companies
- interest, dividends or capital repayments
- compensation.

¹ The Department of Public Expenditure, National Development Plan Delivery and Reform sets the standard accounting policies and principles applied in the preparation of appropriation accounts. These are stated in the Department's circular 22 of 2022.

² In this statement, the term 'department' includes central Government departments, offices and agencies responsible for Vote management and accounting, unless otherwise indicated.

³ Some offices, such as the Office of Public Works and the Office of the Attorney General, receive expenses in the course of carrying out their functions. These expenses should also be taken in as appropriations-in-aid.

Where Exchequer extra receipts arise, they are reported in a note to the appropriation account (Note 4). Departments are required to provide a breakdown of such receipts and an explanation where the amounts are material in nature. In addition, departments are required to disclose both the amounts lodged to the Exchequer (via the Sundry Moneys Deposit Account) and the amounts payable (amounts not yet transferred over), where the amounts are not the same.

Departments are also required to present the breakdown of the Exchequer extra receipts on an opening balance/closing balance basis.

Payments

Payments consist of those sums which have come in course of payment during the year. Sums are deemed to have come in course of payment where the liability has been incurred, payment is due and the instruction for the payment has been executed.

Where a liability has been incurred and payment is due (i.e. the liability has matured), payment should be completed before the year end to ensure the integrity of the appropriation account. In cases where payment has not been effected and matured liabilities are outstanding at year end, the amount of such liabilities should be given in a note to the account (Note 2).

An exception to this general principal is where a department is acting as an agent for another Government department (the principal) resulting in financial transactions between the principal and agent, the general rule is that the agent should put the transactions through suspense, the service being a final charge in the principal's appropriation account.

In situations where the agent requires the principal to provide advance funding to enable payment to be made, only amounts certified by the agent as having been disbursed by it in the year of account should be charged to the principal's appropriation account.

As a general principle, Government accounting is on a gross basis, i.e. receipts are not netted off against payments. Government departments, offices and vote holders should obtain prior approval from the Department of Public Expenditure, National Development Plan Delivery and Reform for any proposed netting off.

Net allied services

Allied services are services provided centrally to, or on behalf of, department votes on the basis that, as specialists, the supplying department (whose primary function is the provision of these central services) is able to perform the services more efficiently than the vote holder. This includes shared services.

The net allied services note (in Note 1) details the expenditure amount in relation to the department which is borne elsewhere. There are various measurement bases for the calculation of the allied services expenditure figures.

Accruals

Each appropriation account incorporates information of an accruals nature in the notes to the account, including

- an operating cost statement (Note 1), showing the total amount of resources consumed by a vote in the year
- a statement of financial position showing the vote's assets and liabilities at year end (Note 2), and

- explanatory notes providing details regarding capital assets, the net funding due to the Exchequer, and any commitments.

The statement of financial position includes the position at year-end in relation to the following.

- **Accrued expenses** — these represent all liabilities at the year end, with the exception of liabilities in regard to remuneration and pensions. In the case of goods and services, an accrued liability is recognised when the payee has met the contractual requirement to provide the goods or services ordered. Amounts due for goods delivered but not yet paid for, even if un-inspected and not taken to inventory, are treated as a liability. In the case of grants, a liability is recognised when the grantee has met all the requirements of the grant scheme but has yet to receive payment. Travel and subsistence liabilities are recognised when travel has been completed.
- **Prepayments** — these are payments made before the end of the year of account where the related goods or service will not be received until a future period.
- **Accrued income** — this is income due to the vote at the end of the year of account which has yet to be received.
- **Deferred income** — this represents income received by the vote during the year of account for goods/services which it has yet to provide.

Capital assets

The opening and closing values of capital assets on a department's asset register and details of depreciation are shown by way of note to the statement of financial position (Note 2).

Capital assets under development should be included within capital assets in the statement of financial position, showing expenditure on assets being developed within the department e.g. software development or construction projects.

The following are not included in the statement of capital assets

- assets that are not yet available for use
- individual assets purchased since 1 January 2021 (or 1 January 2020 if threshold was applied earlier) where the cost was less than €10,000 and/or
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in the statement.)

Please note that individual assets with a purchase cost of less than €10,000 which were acquired prior to 1 January 2021 may be included in the fixed asset register and historic cost balances carried forward.¹ Where a government department or organisation has chosen to adjust historic cost balances carried forward to exclude items acquired below the threshold, this adjustment must be done in respect of all assets in the register which were acquired below the threshold of €10,000.

Valuation of assets

Land and buildings

All lands and buildings owned by the State and controlled or managed by a department are included in the statement of financial position (and capital assets note). Where relevant, the basis of valuation of land and buildings is explained in the Accounting Officer's introduction to the appropriation account.

¹ Some government departments and offices implemented the new threshold with effect from 1 January 2020. Any historic assets not adjusted for were purchased prior to 1 January 2021.

Where ownership of land and buildings is (a) vested in the Office of Public Works or (b) vested in a Minister but in fact controlled/managed by the Office of Public Works, they are included in the account for the Office of Public Works.

Where lands or buildings are vested in a Minister but are, in fact, controlled/managed by an outside body, they are not included as assets of the department's vote, but the ownership of the asset is noted in the department's account. Otherwise, land and buildings vested in a Minister are included on the account for the relevant vote.

Government departments/offices that for technical reasons cannot provide valuations for State-owned lands and buildings controlled or managed by them should append to the appropriation account a schedule of these assets.

Equipment, furniture and fittings

Equipment, furniture and fittings are valued at cost.

Other assets

Where required, accounting policies in respect of valuation of other assets (e.g. specialised vehicles) are set out in the Accounting Officer's introduction to the appropriation account.

Depreciation policy

Depreciation is calculated and charged on a monthly basis from the month of acquisition/commissioning until the month of disposal.¹

Departmental assets fall into different categories for depreciation purposes. Depreciation is on a straight line basis. The principal categories which will apply are set out in the following table.

	Depreciation rate
Category A – Items depreciated to a nil value over 10 years	
Furniture and fittings	10%
Plant and machinery	10%
Major IT operational software systems	10%
Category B – Items depreciated to a nil value over 5 years	
IT equipment, hardware and software	20%
Office equipment	20%
Other specialist equipment	20%
Motor vehicles	20%
Category C – Other items	
Land	0%
Buildings	0% to 5%
Military assets	3% to 20%

¹ Departments/offices may continue to charge depreciation on an annual basis as an interim arrangement where appropriate systems are not in place to calculate depreciation on a monthly basis. All appropriation accounts must state the depreciation method used.

From 1 January 2024, all departments/offices should calculate and charge depreciation on a monthly basis from the month of acquisition/commissioning until the months of disposal.

There is some discretion for Accounting Officers to depart from the standard accounting policies set out below.

Bank and cash

'Bank and cash' should include all commercial bank account balances (payroll and other vote related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or that contain receipts liable to be paid to the Exchequer. The note should separately identify Paymaster General (PMG) bank accounts from other commercial bank accounts.

Details of any other commercial bank accounts not funded by or liable to be paid to the Exchequer are disclosed by way of a note to the account. This includes non-vote balances that are not recorded/accounted for in another set of accounts that are audited.

Inventories

Inventories are held for distribution or for use in the provision of goods and services. Inventories are stated at the lower of cost or departmental valuations. Consumables are generally expensed unless items have significant individual value or are subject to certain security considerations.

Net Exchequer funding

The net Exchequer funding note shows the funding position of the vote at the year end, taking account of the surplus and issues from the Exchequer on a cumulative/rolling basis. The breakdown of that figure in terms of bank/cash balances, debtors' receipts due and current liabilities is also shown.

Commitments

A commitment is a contractual obligation to pay on delivery for goods or services (including capital projects) which have yet to be supplied at year-end. In the case of grant schemes, a commitment is recognised when the grant is approved but the grantee has yet to fulfil the requirements of the scheme.

Contractual commitments in excess of €10,000 likely to materialise in subsequent years, are disclosed by way of note, under the headings: procurement of goods and services, non-capital grant programmes, capital grant programmes, capital projects and public private partnership projects, to the account.

Details of all major capital projects and public private partnership projects, where the project value exceeds €10,000,000, are separately disclosed.

Where the reported commitment level or projected project cost has varied by more than €500,000 compared with the previous year, the reason for the movement should be explained.

Contingent liabilities

A contingent liability arises in any situation where past or current actions or events create a risk of a call on Exchequer funds in the future. Contingent liabilities are disclosed by way of a note, unless the possibility of an outflow of resources is remote.

Liabilities may arise from ongoing legal cases which can give rise to a contingent liability. Except in cases involving potential litigation or where disclosure would prejudice the Exchequer position and/or future negotiations with third parties contingent liabilities relating to court cases should be disclosed in the appropriation account.

Other arrangements with the potential to give rise to contingent liabilities should only be entered into where necessary and, then, only after the potential expenditure implications have been evaluated and assessed in the light of the possible scenarios that could arise on foot of the contingent liability. The potential benefits should always be compared with the most likely cost and with the range of possible costs to ensure that the contingent liability is properly assessed.

Under no circumstances should a contingent liability be accepted where the risk being assumed has not been assessed and defined as clearly as possible. Where a Minister agrees to accept a contingent liability, it is essential that the decision-making process is properly documented, setting out: (i) the rationale for accepting the liability and (ii) the potential benefit and (iii) the potential costs. The sanction of the Minister for Public Expenditure, National Development Plan Delivery and Reform should be sought for the creation of any contingent liabilities that could give rise to significant Exchequer expenditure

Judgement is required in determining whether and at what point in time, legally and/or non-legally binding obligations give rise to a liability. Information is material if its omission or misstatement could influence the discharge of accountability by the Department for that financial reporting period.

Materiality depends on both the nature and amount of the item judged in the particular circumstance relative to the Department and involves consideration of both qualitative and quantitative characteristics.

Assessments of materiality will be made in the context of the legislative, institutional and operating environment within which the Department operates and, in respect of prospective financial and non-financial information, the preparer's knowledge and expectations about the future.

Superannuation

Superannuation payments to retired civil servants are provided for in Vote 12 Superannuation and Retired Allowances. An estimate of the amount attributable to each vote is provided by the Department of Public Expenditure, National Development Plan Delivery and Reform and shown under the net allied services note for the relevant votes.

Superannuation payments for gardaí, teachers, army personnel and Health Service Executive personnel are met on a pay-as-you-go basis from the relevant votes.

Foreign currency transactions

Transactions arising in foreign currencies are converted to euro values at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted at the year-end rates of exchange.

Other notes to the accounts

General principles

In general, the other notes to the appropriation accounts aim to draw the attention of Dáil Éireann and of the Committee of Public Accounts to matters bearing on parliamentary control, or to provide fuller information about material transactions of an unusual nature recorded in the account e.g. losses, special or *ex gratia* payments (a payment not legally due under a contract or otherwise – e.g. compensation paid on grounds of hardship) and extra remuneration.

Except in the cases outlined below, notes are provided where an individual transaction, or a category of transactions taken together, involves a sum of €50,000 or more.

Where amounts lower than the threshold values are involved, notes are also provided where a serious issue of principle arises or where the Comptroller and Auditor General or the Department of Public Expenditure, National Development Plan Delivery and Reform considers that a note should be given.

Variations from estimate provision

Note 3 provides explanations of variations on outturn versus original estimate provision.

A note is provided where the variation (\pm) relative to the original estimate provision (including any deferred capital funding) is:

- €100,000 or more, and
- represents 5% or more of the subhead (25% in the case of administration subheads), or
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Notes in relation to variations in appropriations-in-aid are included on a similar basis.

Allowance and overtime payments

In the case of allowance and overtime payments, the details given in Note 5 include the total number of recipients of allowance and overtime payments in more than one category, the number of individuals that received €10,000 or more, and the highest payment to an individual, if over €10,000.

The aggregate amount paid to an individual under the various headings is set out in 'highest individual payment'.

Severance and redundancy payments

Severance and redundancy payments (in excess of €10,000) are required to be disclosed by way of a note.

Compensation and legal costs

The components of the legal costs and compensation awards made to those who have taken legal actions against the department/office should be disclosed. This does not include the cost of legal advice provided outside of legal proceedings e.g. in context of development of policy or legislation. If the Department is represented in legal proceedings, any costs incurred in relation to these cases are included in the tables A and B. The note is broken-down into two distinct parts.

- a) details of legal costs paid out by the vote/department directly or to reimburse the State Claims Agency
- b) details of the cumulative total costs of legal cases finalised in the year of account.

Legal costs paid by the Chief State Solicitor's Office (CSSO) for cases where the CSSO is representing the Department are reported in the appropriation account of the CSSO.

Late payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations 2012, information is supplied in Note 6 where

- the total of interest and compensation payments due was €10,000 or more, or
- an individual payment was €10,000 or more.

Fraud or suspected fraud

In the case of losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where

- the total of losses during the accounting period were €10,000 or more, or
- an individual loss was €10,000 or more, or
- for losses under €10,000, a serious issue of principle arises, or
- where the Comptroller and Auditor General or the Department of Public Expenditure, National Development Plan Delivery and Reform considers that a disclosure should be made.

Commissions and special inquiries

Where relevant, Note 6 should include a statement of expenditure on each commission or special inquiry financed from the vote. A distinction is made between permanent commissions or committees, and those established on a temporary basis for a fixed purpose. For permanent commissions, expenditure in the year of account and prior year is shown. In the case of temporary commissions or special inquiries, the date of establishment and cumulative expenditure from the date of establishment is shown.

Grant funds and miscellaneous accounts

Where relevant, accounts of grant funds financed from the vote and of other miscellaneous accounts are presented in Note 6.

Appropriation Account 2022

Vote 1

President's Establishment

Introduction

As Accounting Officer for Vote 1, 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 2022 for the salaries and expenses of the Office of the Secretary General to the President, for certain other expenses of the President's Establishment and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.031 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account. The following exception applied.

Heritage assets

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets include furniture and works of art. They have the characteristics of being inalienable, irreplaceable and fragile and consequently there is no useful purpose in capitalising the assets in these statements.

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 President's Establishment.

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

The Department of Finance provided a payment function and accounting service for the President's Establishment prior to this Office's move to the National Shared Services Office's Financial Shared Services system in April 2022.

Shared services

Payroll, finance and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the President's Establishment and the National Shared Services Office for the provision of human resources, financial management and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the President's Establishment.

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.
- The internal financial control environment for the Department of Finance is also relevant given that the Department of Finance provided a payment function and accounting service for the President's Establishment until April 2022.

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 President's Establishment
- 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

The President's Establishment comes within the remit of the internal audit function provided by the Department of the Taoiseach which has appropriately trained personnel and operates under a written charter which I have approved. The internal audit work is informed by analysis of the financial risks to which the President's Establishment is exposed and aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function and its programme of work are subject to periodic review by me and by the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were four meetings of the Audit Committee in 2022 and the audit work programme agreed in 2021 was implemented in 2022.

Procurement

I confirm that the President's Establishment 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. There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process. As required by circular 40/2002, the nil return was submitted to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

The President's Establishment 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 President's Establishment and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated on a quarterly basis by the Management Board. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

I confirm that the President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2022, monitoring and review of the effectiveness of the system of internal financial control by the President's Establishment was informed by the work of the internal and external auditors and the senior management within the President's Establishment 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 2022 that resulted in, or may result in, a material loss.

John Callinan
Accounting Officer

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 1 President's Establishment

Opinion on the appropriation account

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2022 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 1 President's Establishment for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 President's Establishment 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

30 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 1 President's Establishment

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A President's Establishment	3,083	2,536	2,289
B Centenarians' Bounty	1,750	1,293	1,494
Gross expenditure	4,833	3,829	3,783
<i>Deduct</i>			
C Appropriations-in-aid	83	110	112
Net expenditure	4,750	3,719	3,671

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	1,030,629	839,708

John Callinan
Accounting Officer

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		1,246	1,442
Pay		1,909	1,878
Non pay		674	463
Gross expenditure		3,829	3,783
<i>Deduct</i>			
Appropriations-in-aid		110	112
Net expenditure		3,719	3,671
Changes in capital assets			
Depreciation		8	18
Changes in net current assets			
Increase in closing accruals	40		
Increase in inventories	(13)	27	(39)
Direct expenditure		3,754	3,650
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,858	4,096
Net programme cost		8,612	7,746

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 1 borne elsewhere.

		2022	2021
		€000	€000
Vote 7	Office of the Minister for Finance	12	28
Vote 12	Superannuation and Retired Allowances	762	665
Vote 13	Office of Public Works	2,163	1,776
Vote 18	National Shared Services Office	72	3
Vote 20	Garda Síochána	229	148
Vote 28	Foreign Affairs	110	34
Vote 36	Defence	486	448
Vote 43	Office of the Government Chief Information Officer	64	64
Central Fund: emoluments and allowances of President and pensions of former presidents		960	930
		4,858	4,096

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	17	25
Current assets			
Bank and cash		67	28
Inventories	2.2	38	25
Prepayments	2.3	63	33
Accrued income		4	3
Other debit balances		1	7
Total current assets		173	96
Less current liabilities			
Accrued expenses	2.4	84	13
Other credit balances	2.5	61	54
Net Exchequer funding	2.6	7	(19)
Total current liabilities		152	48
Net current assets		21	48
Net assets		38	73
Represented by:			
State funding account	2.7	38	73

2.1 Capital assets

	IT equipment €000	Total €000
Gross assets		
Cost or valuation at 1 January 2022	43	43
Cost or valuation at 31 December 2022	43	43
Accumulated depreciation		
Opening balance at 1 January 2022	18	18
Depreciation for the year	8	8
Cumulative depreciation at 31 December 2022	26	26
Net assets at 31 December 2022	17	17
Net assets at 31 December 2021	25	25

2.2 Inventories

at 31 December	2022 €000	2021 €000
Centenarian medals	38	2
IT consumables and stationery	—	23
	38	25

Note Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.3 Prepayments

at 31 December	2022 €000	2021 €000
Software support	7	7
Administration	46	3
Other prepayments	10	23
	63	33

2.4 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration expenses	46	13
Other accruals	38	—
	84	13

2.5 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	29	27
Pay related social insurance	14	11
Universal social charge	6	5
Pension contributions	4	3
Withholding tax	—	1
	53	47
Payroll deductions held in suspense	8	7
	61	54

2.6 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,031	840
Exchequer grant undrawn	(1,024)	(859)
Net Exchequer funding	7	(19)
Represented by:		
Debtors		
Bank and cash	67	28
Debit balances: suspense	1	7
	68	35
Creditors		
Due to the State	(53)	(47)
Credit balances: suspense	(8)	(7)
	(61)	(54)
	7	(19)

2.7 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		73	60
Disbursements from the Vote			
Estimate provision	Account	4,750	
Surplus to be surrendered	Account	(1,031)	
Net vote		3,719	3,671
Expenditure (cash) borne elsewhere	1.1	4,858	4,096
Other non-cash items – capital assets adjustment		—	(8)
Net programme cost	1	(8,612)	(7,746)
Balance at 31 December		38	73

2.8 Commitments

	2022	2021
	€000	€000
at 31 December		
Procurement of goods and services	101	374

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,023	1,909	1,878
ii	Travel and subsistence	310	104	42
iii	Training and development	40	7	11
iv	Professional, consultancy and other services	225	185	179
v	Operating expenses	178	270	106
vi	Asset and equipment expenses	260	32	41
vii	Premises and accommodation expenses	9	2	—
viii	Communications and marketing expenses	104	74	84
		3,149	2,583	2,341

Note The administration subheads were increased from five in 2021 to eight in 2022 to facilitate the new single cross-Government chart of accounts. The 2021 comparative figures have been re-analysed to reflect the new structure.

Significant variations

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

ii Travel and subsistence

Estimate provision €310,000; outturn €104,000

A shortfall in expenditure of €206,000 arose as domestic and international travel was less than originally envisaged. Expenditure in this area is slowly building back up post the public health emergency.

vi Asset and equipment expenses

Estimate provision €260,000; outturn €32,000

There was a shortfall in expenditure of €228,000. The estimate provided for investment to replace the current Lotus Notes system. Progress on the project was delayed as a result of pandemic-related restrictions. The project is due to be finalised in 2023.

Programme A President's Establishment

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	1,972	1,864	1,828
A.2	Administration – non pay	1,111	672	461
		3,083	2,536	2,289

Programme B Centenarians' Bounty

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	51	45	50
B.2	Administration – non pay	15	2	2
B.3	Centenarians' bounty	1,684	1,246	1,442
		1,750	1,293	1,494

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

B.3 Centenarians' bounty

Estimate provision €1.684 million; outturn €1.246 million

Overall, the expenditure in relation to Programme B was €438,000 lower than provided because there were fewer centenarians than provided for. 472 centenarian bounties were paid out in 2022 and approximately 643 provided for. Spend in this area is demand lead.

Note 4 Receipts**4.1 Appropriations-in-aid**

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	76	79	75
2	Miscellaneous	7	31	37
Total		83	110	112

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>24</u>	<u>23</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	1,721	1,715
Higher, special or additional duties allowances	52	49
Overtime	20	3
Employer's PRSI	116	111
Total pay	<u>1,909</u>	<u>1,878</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	5	3	21,136	20,161
Overtime	9	—	5,835	1,367

Note No member of staff received additional payments in more than one category.

5.4 President's Establishment staffing by pay bands

The number of employees of the President's Establishment whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	16	20
60,000	69,999	3	2
70,000	79,999	3	2
80,000	89,999	—	2
90,000	99,999	2	1
100,000	109,999	—	2
110,000	119,999	1	—
120,000	129,999	—	1
130,000	139,999	1	—
140,000	199,999	—	—
200,000	209,999	1	—

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 1 President's Establishment is also the Accounting Officer for Vote 2 Department of the Taoiseach. His salary level is disclosed in the Appropriation Account for Vote 2.

Appropriation Account 2022

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 2022 for the salaries and expenses of the Department of the Taoiseach, including certain services administered by the Department and for the payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.522 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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

Processing of financial transactions is provided on a shared services basis by Financial Shared Services Centre in Killarney, which is part of the Department of Justice. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department of the Taoiseach and Financial Shared Services for the provision of this shared service.

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

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and the Financial Shared Services Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plan, approved by me, are based on this analysis. This plan aims 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

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 has provided details of seven 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, National Development Plan Delivery, and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of four contracts (in excess of €25,000), totalling €394,687 (exclusive of VAT), as set out below:

- A contract with a value of €211,737 for facilitation and notetaking for the Citizens' Assemblies, procured through a request for tenders (RFT) on e-tenders, exceeded the threshold of such procurement. Increased numbers of meetings resulted in expenditure above the non-OJEU procurement threshold of €140,000.
- A contract with a value of €93,570 for IT managed support services to the Commissions of Investigation, procured through an RFT on e-tenders, exceeded the threshold of such procurement. Extensions to the original reporting deadlines of the Commissions resulted in this above threshold procurement.
- A contract with a value of €61,950 for technical support, patching, upgrading servers and advice on the optimal usage of these systems was procured on the basis of quotation. Due to the importance of the continuity of service to Government meetings and the Department during Covid-19, it was not appropriate to risk disruption by changing provider when the quotation threshold was exceeded. The Department is currently examining our technical requirements in this area before undertaking a new procurement exercise.
- A contract for catering services for the National Day of Commemoration 2022 was procured on the basis of quotation. As the final expenditure (€27,430) was in excess of €25,000, procurement should have been through an RFT. The RFT process will be used in future where contract values are close to the threshold.

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 regularly reviewed and updated in consultation with the Department's senior management. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific business units.

Risk management is also a standing item on the agenda of the Department's Audit Committee.

The annual National Risk Assessment process, overseen by the Department of the Taoiseach, is also in place and provides an opportunity to identify and discuss significant risks that may arise for Ireland over the short, medium and long term. The National Risk Assessment sets out the most significant geopolitical, economic, social, environmental and technological risks facing the country. The public consultation on the National Risk Assessment 2023 closed in February, and work is now underway on considering the consultation responses ahead of finalisation in the coming weeks.

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 Advisory Committee, 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 2022 that require disclosure in the appropriation account.

John Callinan
Accounting Officer
Department of the Taoiseach

1 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

Opinion on the appropriation account

I have audited the appropriation account for Vote 2 Department of the Taoiseach for the year ended 31 December 2022 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 2 Department of the Taoiseach for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 the Taoiseach 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

5 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 2 Department of the Taoiseach

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Supporting the work of the Taoiseach and Government	38,934	32,367	38,719
Gross expenditure	38,934	32,367	38,719
<i>Deduct</i>			
B Appropriations-in-aid	909	864	699
Net expenditure	38,025	31,503	38,020

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	6,521,782	12,156,604

John Callinan
Accounting Officer
Department of the Taoiseach

1 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	9,507	18,177
Pay	17,340	17,218
Non pay	5,520	3,324
Gross expenditure	32,367	38,719
<i>Deduct</i>		
Appropriations-in-aid	864	699
Net expenditure	31,503	38,020
Changes in capital assets		
Purchases cash	(40)	
Depreciation	271	273
Changes in net current assets		
Decrease in closing accruals	(942)	
Increase in inventories	83	(1,372)
Direct expenditure	30,875	36,921
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	5,578	5,184
Notional rents	1,517	1,517
Net programme cost	37,970	43,622

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 2 borne elsewhere, net of costs of shared services provided to other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	10	20
Vote 12	Superannuation and Retired Allowances	4,096	3,767
Vote 13	Office of Public Works	561	572
Vote 18	National Shared Services Office	25	25
Vote 20	Garda Síochána	236	168
Vote 24	Justice	59	58
Vote 36	Defence	86	88
Vote 43	Office of the Government Chief Information Officer	43	36
Central Fund - Taoisigh and ministerial pensions		462	450
		5,578	5,184

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	535	766
Current assets			
Bank and cash	2.2	1,014	262
Inventories	2.3	—	83
Prepayments	2.4	741	440
Net Exchequer funding	2.8	—	401
Other debit balances	2.5	40	96
Total current assets		1,795	1,282
Less current liabilities			
Accrued expenses	2.6	652	1,293
Other credit balances	2.7	705	759
Net Exchequer funding	2.8	349	—
Total current liabilities		1,706	2,052
Net current assets		89	(770)
Net assets		624	(4)
Represented by:			
State funding account	2.9	624	(4)

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Assets under development €000	Total €000
Gross assets ^a				
Cost or valuation at 1 January 2022	662	1,886	—	2,548
Additions	—	40	—	40
Disposals	—	(5)	—	(5)
Adjustments ^b	(23)	(465)	—	(488)
Cost or valuation at 31 December 2022	639	1,456	—	2,095
Accumulated depreciation				
Opening balance at 1 January 2022	571	1,211	—	1,782
Depreciation for the year	17	254	—	271
Depreciation on disposals	—	(5)	—	(5)
Depreciation on adjustments	(23)	(465)	—	(488)
Cumulative depreciation at 31 December 2022	565	995	—	1560
Net assets at 31 December 2022	74	461	—	535
Net assets at 31 December 2021	91	675	—	766

Notes ^a Cost or valuation at the beginning and end of the year includes assets acquired for less than €10,000 prior to 1 January 2020.

^b Disposals which occurred in prior years accounted for in 2022.

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances and cash	1,012	262
Other bank account balance	2	—
	1,014	262

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Official gift items	—	20
Stationery	—	51
Publications	—	1
Consumables	—	11
	—	83

Note ^a Commencing in 2022, high-volume low-value items are fully expensed in the year, and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
ICT prepayments	611	393
Programme prepayments	8	27
Other administration prepayments	122	20
	741	440

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable travel pass expenditure	32	35
Other debit suspense items	8	61
	40	96

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Covid-19 public communications accruals	—	976
Other programme accruals	334	163
Administration accruals	318	154
	652	1,293

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	333	344
Pay related social insurance	155	141
Professional services withholding tax	24	33
Value added tax	35	20
	<u>547</u>	<u>538</u>
Payroll deductions held in suspense	157	164
Other credit suspense items	1	57
	<u>705</u>	<u>759</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	6,522	12,157
Exchequer grant undrawn	(6,173)	(12,558)
Net Exchequer funding	<u>349</u>	<u>(401)</u>
Represented by:		
Debtors		
Bank and cash	1,014	262
Debit balances: suspense	40	96
	<u>1,054</u>	<u>358</u>
Creditors		
Due to the State	(547)	(538)
Credit balances: suspense	(158)	(221)
	<u>(705)</u>	<u>(759)</u>
	<u>349</u>	<u>(401)</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		(4)	(1,103)
Disbursements from the Vote			
Estimate provision	Account	38,025	
Surplus to be surrendered	Account	(6,522)	
Net vote		31,503	38,020
Expenditure (cash) borne elsewhere	1	5,578	5,184
Non cash expenditure – notional rent	1	1,517	1,517
Net programme cost	1	(37,970)	(43,622)
Balance at 31 December		624	(4)

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	49	163

2.11 Contingent liabilities

Two High Court cases relating to requests for access to environmental information were noted as contingent liabilities on the 2021 appropriation account. One case concluded in July 2023 and no costs were due. The other case is still ongoing and may generate costs.

The High Court case relating to constitutional provisions governing meetings of the Seanad, noted as a contingent liability on the 2021 appropriation account, concluded in December 2021 with costs reimbursed by the Department to the State Claims Agency in 2022.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	18,429	17,340	17,218
ii	Travel and subsistence	730	605	184
iii	Training and development and incidental expenses	2,802	2,875	1,389
iv	Postal and telecommunications services	360	306	217
v	Office equipment and external IT services	1,257	1,413	1,123
vi	Office premises expenses	400	321	411
vii	Consultancy and other services	18	—	—
		23,996	22,860	20,542

Programme A Supporting the work of the Taoiseach and Government

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	18,429	17,340	17,218
A.2	Administration – non pay	5,567	5,520	3,324
A.3	National Economic and Social Council	2,288	2,129	1,973
A.4	Tribunals of Inquiry	3,910	898	793
A.5	Commissions of Investigation	4,238	3,075	2,690
A.6	Citizens' Assembly	502	1,337	594
A.7	Covid-19 public communications	4,000	2,068	12,127
		38,934	32,367	38,719

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (more than +/- 5% and €100,000).

A.3 National Economic and Social Council

Estimate provision €2.288 million; outturn €2.129 million

The shortfall in expenditure of €159,000 relative to the estimate provision was due to the non-filling of three staff posts from May/June 2022.

A.4 Tribunals of Inquiry

Estimate provision €3.91 million; outturn €898,000

The shortfall in expenditure of €3.012 million relative to the estimate provision was due to a lower than anticipated number of legal cost claims settled in 2022. The Department has no control over third party legal costs awarded by the Tribunal of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

A.5 Commissions of Investigation

Estimate provision €4.238 million; outturn €3.075 million

Commissions of investigation are independent of the Department of the Taoiseach and their expenditure levels depend on the needs and requirements of their investigations in the first instance. The underspend of €1.163 million relative to the estimate provision was due to the Commission's difficulty in accurately forecasting the level and timing of their own expenditure needs, including expenditure arising from decisions to award third-party costs.

A.6 Citizens' Assembly

Estimate provision €502,000; outturn €1.337 million

Due to the timing of the establishment of the Citizens' Assemblies, the estimate provision of €502,000 did not reflect their full year costs. Sanction for virement has been granted to offset this overspend of €835,000 through savings elsewhere.

A.7 Covid-19 public communications

Estimate provision €4 million; outturn €2.068 million

The shortfall in expenditure of €1.932 million relative to the estimate provision occurred because the Covid-19 public health/epidemiological situation for the majority of 2022 did not require the Government Information Service to run large-scale public information campaigns.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 Appropriations-in-aid	50	174	31
2 Receipts from additional superannuation contributions on public service remuneration	859	690	668
Total	909	864	699

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €45,000 less than the estimate.

1 Appropriation-in-aid

Estimate €50,000; realised €174,000

The increase in receipts of €124,000 against the estimate was due to an adjustment to include an historic suspense balance of €57,000 in appropriations-in-aid and €67,000 relating to the recoupment of travel costs from other departments and a supplier refund due to a cancelled event.

2 Receipts from additional superannuation contributions on public service remuneration

Estimate €859,000; realised €690,000

The decrease in receipts of €169,000 against the estimate was due to the delay in the planned filling of vacancies.

4.2 Extra receipts payable to the Exchequer

	2022 €000	2021 €000
Balance at 1 January	99	55
Receipts from office holders' voluntary salary surrender	96	99
Transferred to the Exchequer	(99)	(55)
Balance at 31 December	96	99

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Department	236	236
Agency – National Economic and Social Development Office	14	16
	250	252

5.2 Pay - Department

	2022	2021
	€000	€000
Pay	16,262	16,041
Redundancy and severance	—	166
Higher, special or additional duties allowances	432	395
Overtime	381	308
Employer's PRSI	1,338	1,294
Total pay ^a	18,413	18,204

Note ^a The Departmental total pay figure includes pay in respect of staff of the Tribunal and Commissions of Investigation and the Citizens' Assembly.

5.3 Pay - Agency

	2022	2021
	€000	€000
Pay	1,356	1,327
Employer's PRSI	133	123
Total pay	1,489	1,450

Note Information based on returns made by the National Economic and Social Development Office.

5.4 Allowances and overtime payments - Department

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	44	16	35,302	51,657
Overtime	86	11	28,504	21,528
Extra remuneration in more than one category	16	11	32,980	36,229

5.5 Other remuneration arrangements

Ex-gratia payment of €29,829 (2021: €29,829) was made in respect of agreed retirement benefits to one former employee.

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €1,760.

This account includes expenditure of €116,915 in respect of one officer who was serving outside the Department for all of 2022 and whose salary was paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	9	21,805	10,472
Recovery plans in place	5	14,971	6,774

Included in these were overpayments to four individuals totalling €14,971 which resulted from the timing of the change of Government in December 2022.

One overpayment recovery plan in respect of one individual to the value of €334 was transferred to another Department during the year.

5.7 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	150	153
60,000	69,999	16	13
70,000	79,999	6	8
80,000	89,999	17	19
90,000	99,999	19	15
100,000	109,999	5	11
110,000	119,999	17	5
120,000	129,999	3	—
130,000	139,999	—	1
140,000	149,999	1	1
150,000	159,999	—	8
160,000	169,999	9	—
170,000	179,999	—	1
180,000	189,999	1	1
190,000	199,999	1	1
200,000	209,999	—	—
210,000	219,999	—	1
220,000	229,999	—	—
230,000	239,999	1	—

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€000	€000
Basic pay		
Martin Fraser (to 2 May 2022)	74	211
John Callinan (from 3 May 2022)	151	—
	225	211

The Accounting Officer changed following the appointment of a new Secretary General by Government to replace the incumbent whose term concluded.

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Tribunal of Inquiry ^a	1997	67,337	898	793
Commission of Investigation (Cregan) ^b	2015	13,012	1,976	1,801
Commission of Investigation (Cooke) ^c	2017	5,009	1,099	889
			3,973	3,483

- Notes
- ^a There will be further payments associated with the Tribunal of Inquiry (payments to Messrs Haughey and Lowry). Final costs cannot be determined at this point.
 - ^b The Commission of Investigation (Cregan) relates to certain transactions carried out by Irish Bank Resolution Corporation.
 - ^c The Commission of Investigation (Cooke) relates to the sale by the National Asset Management Agency of its Project Eagle portfolio.

6.2 Official gifts

The account includes the sum of €18,322, which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2022 (2021: €20,457).

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Total 2022	Total 2021
Number of cases ^a	4	4
	€000	€000
Department's own legal costs	—	—
Compensation	—	—
Legal costs	1,090	—
Other costs	—	—
2022 Total	1,090	—

Cumulative costs of cases completed in 2022

	Total
Number of cases ^a	4
	€000
Department's own legal costs	—
Compensation	—
Legal costs	1,090
Other costs	—
Total	1,090

Note ^a Four cases brought by members of the public relating to the Cregan Commission of Investigation, the Moriarty Tribunal of Inquiry and in a case noted as a contingent liability.

Appendix A Accounts of bodies under the aegis of the Department of the Taoiseach

The following table lists the bodies under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2023, the period to which the last audited financial statements relate and the period on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
National Economic and Social Development Office	2021	29 Sep 2022	26 Oct 2022	20 Jan 2023

Appropriation Account 2022

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2022 for the salaries and expenses of the Office of the Attorney General, including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €13.472 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Shared services

Payroll and human resource functions are provided on a shared service basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

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

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the information and communications technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines adhered to.

Internal audit and Audit Committee

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

Procurement

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

The Office has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract (in excess of €25,000). A contract with a value of €100,237 for parliamentary drafting services was awarded without a competitive process. It was deemed non-compliant, as the contract was not subjected to a competitive process in the year due to the specialised nature of the work involved, the extreme urgency of legislation required and the necessity to deliver on the Government's legislative programme.

The above contract has been included in the 40/2002 annual return referenced above.

The Office has engaged in a number of tendering processes over the last number of years to attract suitably qualified individuals.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) on a bi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

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

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Covid-19 control issues

I can confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Damien Moloney
Accounting Officer
Office of the Attorney General

23 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

Opinion on the appropriation account

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 3 Office of the Attorney General for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

27 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 3 Office of the Attorney General

Appropriation Account 2022

	Estimate provision €000	2022 Outturn €000	2021 Outturn €000
Programme expenditure			
A Delivery of professional legal services to Government, Departments and Offices.	33,991	20,445	16,707
Gross expenditure	33,991	20,445	16,707
<i>Deduct</i>			
B Appropriations-in-aid	705	631	556
Net expenditure	33,286	19,814	16,151

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022 €	2021 €
Surplus to be surrendered	13,471,619	602,635

Damien Moloney
Accounting Officer
Office of the Attorney General

23 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		2,316	2,460
Pay		13,007	11,601
Non pay		5,122	2,646
Gross expenditure		20,445	16,707
<i>Deduct</i>			
Appropriations-in-aid		631	556
Net expenditure		19,814	16,151
Changes in capital assets			
Purchases cash	(189)		
Gain on disposal	(6)		
Disposals cash	6		
Depreciation	181	(8)	123
Changes in net current assets			
Increase in closing accruals	81		
Decrease in inventories	38	119	176
Direct expenditure		19,925	16,450
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,786	3,510
Notional rents		791	791
Net programme cost		23,502	20,751

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,251	2,809
Vote 13	Office of Public Works	189	357
Vote 18	National Shared Services Office	14	14
Vote 43	Office of the Government Chief Information Officer	24	24
Central Fund: pensions in respect of former Attorneys General		308	306
		2,786	3,510

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	376	368
Current assets			
Inventories	2.2	—	38
Prepayments	2.3	274	354
Accrued income	2.4	1	—
Other debit balances	2.5	119	50
Net Exchequer funding	2.8	340	58
Total current assets		734	500
Less current liabilities			
Bank and cash		459	18
Accrued expenses	2.6	400	398
Other credit balances	2.7	—	90
Total current liabilities		859	506
Net current assets		(125)	(6)
Net assets		251	362
Represented by:			
State funding account	2.9	251	362

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	1,692	5,204	6,896
Additions	12	177	189
Disposals	(10)	(3,527)	(3,537)
Cost or valuation at 31 December 2022	1,694	1,854	3,548
Accumulated depreciation			
Opening balance at 1 January 2022	1,659	4,869	6,528
Depreciation for the year	7	174	181
Depreciation on disposals	(10)	(3,527)	(3,537)
Cumulative depreciation at 31 December 2022	1,656	1,516	3,172
Net assets at 31 December 2022	38	338	376
Net assets at 31 December 2021	33	335	368

2.2 Inventories

at 31 December	2022 ^a €000	2021 €000
Stationery	—	16
IT consumables	—	22
	—	38

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as inventory.

2.3 Prepayments

	2022 €000	2021 €000
Software support	198	192
Library services	76	158
Other prepayments	—	4
	274	354

2.4 Accrued income

at 31 December	2022	2021
	€000	€000
Social Protection refunds	1	—

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Office of Public Works	99	37
Travel imprests	—	1
Recoupable travel pass scheme	8	9
Shared costs account	9	—
Other debit suspense items	3	3
	119	50

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Contract legal expertise ^a	312	363
Other administration expenses	88	35
	400	398

Note ^a Accruals of €247,000 in respect of payments due to members of the working group undertaking work on the review and revision of planning laws project are included in the contract legal expertise figure above. However, the Office has additional potential liabilities in respect of work carried out on this project in 2022 because a number of fee notes from counsel have not yet been submitted. The potential liability associated with these outstanding fee notes is not expected to exceed €193,000.

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Professional services withholding tax	—	41
Value added tax	—	49
	—	90

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	13,472	603
Exchequer grant undrawn	(13,812)	(661)
Net Exchequer funding	(340)	(58)
Represented by:		
Debtors		
Debit balances: suspense	119	50
	119	50
Creditors		
Due to the State	—	(90)
Bank and cash	(459)	(18)
	(459)	(108)
	(340)	(58)

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		362	661
Disbursements from the Vote			
Estimate provision	Account	33,286	
Surplus to be surrendered	Account	13,472	
Net vote		19,814	16,151
Expenditure (cash) borne elsewhere	1.1	2,786	3,510
Non cash expenditure – notional rent	1	791	791
Net programme cost	1	(23,502)	(20,751)
Balance at 31 December		251	362

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	986	495

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	14,308	13,007	11,601
ii	Travel and subsistence	240	110	70
iii	Training and development and incidental expenses	700	551	543
iv	Postal and telecommunications services	125	92	116
v	Office equipment and external IT services	700	1,007	839
vi	Office premises expenses	208	116	98
vii	Consultancy services and value for money and policy reviews	35	22	21
viii	Contract legal expertise	2,710	447	873
		19,026	15,352	14,161

Significant variations

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

i Salaries, wages and allowances

Estimate provision €14.308 million; outturn €13.007 million

The savings of €1.301 million arose as all posts within the Office were not filled during the year with one senior post being vacant for almost the entire year.

ii Travel and subsistence

Estimate provision €240,000; outturn €110,000

Savings of €130,000 arose due to a lack of travel at the beginning of the year due to the pandemic.

v Office equipment and external IT services

Estimate provision €700,000; outturn €1.007 million

The excess of €307,000 arose due to the ongoing up-grading of IT systems to allow for remote working and also due to the installation of Office Wi-Fi.

vi Office premises expenses

Estimate provision €208,000; outturn €116,000

The savings of €92,000 arose because work on the upgrading of the Office security cameras was deferred until 2023 as OPW were unable to undertake the work in 2022.

viii Contract legal expertise

Estimate provision €2.71 million; outturn €447,000

The savings of €2.263m arose as payments to external counsel and consultant parliamentary counsel were much less than anticipated.

Funding was provided for the year under this subhead to allow the Office to seek advice from external counsel who would specialise in a particular area of law thus freeing up Office staff to undertake other daily tasks. The additional funding was also to allow the Office and the State to appropriately address and where necessary defend litigation. Ultimately, expenditure on requests from external counsel for advice under specific areas of law and the need to address and defend litigation during 2022 did not materialise for the Office. Payments to consultant parliamentary counsel for the year were some €267,000 less than anticipated as all fee sheets for 2022 were not received by year end and the need to engage consultancy parliamentary consultants in 2022 was slightly less than originally expected.

Programme A Delivery of professional legal services to Government, Departments and Offices

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	14,308	13,007	11,601
A.2	Administration – non pay	4,718	2,345	2,560
A.3	Contributions to international organisations	54	57	53
A.4	Law Reform Commission	2,781	2,316	2,460
A.5	General law expenses	130	36	33
A.6	Consolidation and revision of planning regulations	12,000	2,684	—
		33,991	20,445	16,707

Significant variations

The following outlines the reasons for significant variations in programme expenditure. Overall the expenditure in Programme A was €13.546 million lower than originally provided. €3.674 million of this related to administration expenditure and has already been explained and the balance of the variance of €9.872 million was mainly due to the following.

A.4 Law Reform Commission

Estimate €2.781 million; realised €2.316 million

The shortfall in expenditure of €465,000 relative to the estimate provision was mainly due to savings under pay in the Commission as all posts were not filled at all times during the year.

A.6 Consolidation and revision of planning regulations

Estimate €12 million; realised €2.684 million

Government decision S180/20/10/2665 agreed, following on from the agreement under *Housing for All*, to undertake a comprehensive review and consolidation of planning legislation. In all, funding of €15 million was provided to undertake this project, €12 million of which was allocated in the 2022 estimate provision for the Office. The shortfall in expenditure of €9.316 million relative to the estimate provision was partly due to lower than anticipated costs associated with members of the working group on the project to review and redraft the planning legislation as up to 28 fee sheets from counsel have not yet been submitted for payment. In addition, €5.85 million had been allocated for the anticipated use of external counsel on the project who would specialise in specific areas of legislation and who may have been required to undertake specific areas of work on the project relevant to their specific area of expertise. In the event, these services were not required.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	697	631	549
2	Miscellaneous	8	—	7
Total		705	631	556

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Office of the Attorney General	137	145
Agency - Law Reform Commission	20	20
Total	157	165

5.2 Pay – Office of the Attorney General

	2022	2021
	€000	€000
Pay	11,788	10,506
Higher, special or additional duties allowances	73	62
Other allowances	14	14
Overtime	12	13
Employer's PRSI	1,120	1,006
Total pay	13,007	11,601

5.2 Pay – Law Reform Commission

	2022	2021
	€000	€000
Pay	1,162	1,466
Higher, special or additional duties allowances	—	3
Employer's PRSI	110	103
Total pay ^a	1,272	1,572

Note ^a The Law Reform Commission received a grant of €2.781 million under subhead A.4 Law Reform Commission (€2.46 million in 2021). The pay figures reported above were provided by the Law Reform Commission.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Higher, special or additional duties allowances	6	3	28,889	27,946
Other allowances	7	—	8,825	8,989
Overtime	1	1	12,204	10,147
Extra remuneration in more than one category	2	1	28,889	28,044

5.4 Office staffing by pay band

The number of Office employees whose total benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	41	48
60,000	69,999	11	17
70,000	79,999	18	18
80,000	89,999	11	8
90,000	99,999	8	12
100,000	109,999	8	10
110,000	119,999	14	13
120,000	129,999	13	6
130,000	139,999	—	—
140,000	149,999	—	4
150,000	159,999	3	2
160,000	169,999	3	5
170,000	179,999	4	—
180,000	189,999	—	—
190,000	199,999	1	—
200,000	209,999	—	2
210,000	219,999	—	—
220,000	229,999	2	—

5.5 Other remuneration arrangements

This account includes expenditure of €121,207 in respect of the salary costs of three officers who were serving outside the Office for all or part of 2022 and whose salaries were paid by the Office.

This account does not include expenditure in respect of 37 officers who were serving outside the Office for all or part of 2022 in other Government departments/offices and whose salaries were paid by the host department/office.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	11	16,833	—
Recovery plans in place	4	4,993	—

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>214</u>	<u>203</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and his entitlements in that regard do not extend beyond the terms of that pension scheme.

Appendix A Accounts under the aegis of the Office of the Attorney General

The following table lists the bodies under the aegis of the Office of the Attorney General where the Office has an obligation to present financial statements. It indicates, (as at the account signing date), the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Minister	Date presented to the Oireachtas
Law Reform Commission	2021	22 Sep 2022	9 Nov 2022	25 Nov 2022

Appropriation Account 2022

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 2022 for the salaries and expenses of the Central Statistics Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.945 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Depreciation

Assets that cost €7.864 million, and were employed during the 2022 Census of Population are being depreciated over a two-year period commencing June 2022.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as Director General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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 Office and the National Shared Services Office for the provision of HR and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

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

Procurement

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

The Office has provided details of nine 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines in respect of all contracts in 2022 and this has been reflected in the 40/2002 annual return referenced under procurement above.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The risk register is reviewed and updated by the risk board on a quarterly basis and approved annually by the management board.

The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the risk 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Overpayment of home office allowance

The Office continuously conducts surveys collecting data from Irish households. The Office has a permanent household survey field workforce of approximately 130 coordinators and interviewers, and additional temporary field staff are recruited to conduct cyclical surveys.

Payment of a home office/storage allowance to field staff was implemented from October 2018 at a rate of €16.01 a week, in accordance with 2004 General Council Report 1438. During 2022, the Office identified that the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR) had decreased the allowance with effect from 1 January 2011 to €12.77 a week. The correct allowance rate was implemented with effect from 24 April 2023.

The incorrect weekly allowance rate was in payment from October 2018 to April 2023, and involved an overpayment of €3.24 a week per field staff member. The total amount overpaid has been calculated at approximately €93,000 and relates to 348 staff members for variable periods of employment. The Office is seeking to recoup the amounts overpaid from the relevant staff members/former staff members/pensioners in accordance with DPENDPDR circular 7/2018.

The CSO household surveys are very complex, with constant changes to data collected and in the number of interviewers on field collection duties. Administration of various payments, including the home office/storage allowance is done via the National Shared Services Office (NSSO) travel and subsistence expenses claims process. The Office is engaging with the NSSO to change the payment of this allowance to the payroll process. The Office is also investing further in professional accountant resources to add to our analysis and review of expenditure.

Pádraig Dalton
Accounting Officer
Central Statistics Office

25 August 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2022 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 4 Central Statistics Office for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Central Statistics Office 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

1 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 4 Central Statistics Office

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Delivery of annual statistical programme	105,605	102,071	61,880
	105,605	102,071	61,880
Gross expenditure			
<i>Deduct</i>			
B Appropriations-in-aid	2,120	2,531	1,663
Net expenditure	103,485	99,540	60,217

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	3,944,786	2,938,409

Pádraig Dalton
Accounting Officer
Central Statistics Office

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		77,814	48,028
Non pay		24,257	13,852
Gross expenditure		102,071	61,880
<i>Deduct</i>			
Appropriations-in-aid		2,531	1,663
Net expenditure		99,540	60,217
Changes in capital assets			
Purchases cash	(3,188)		
Depreciation	4,121	933	(2,913)
Changes in net current assets			
Decrease in closing accruals	(245)		
Decrease in inventories	144	(101)	(633)
Direct expenditure		100,372	56,671
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		11,556	8,816
Notional rents		1,706	1,706
Net programme cost		113,634	67,193

1.1 Net allied services expenditure

The net allied services expenditure amount comprises the following amounts in relation to Vote 4 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	1,216	1,259
Vote 12	Superannuation and Retired Allowances	8,337	6,484
Vote 13	Office of Public Works	1,389	971
Vote 18	National Shared Services Office	614	102
		11,556	8,816

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	14,830	19,293
Current assets			
Bank and cash	2.2	1,687	981
Inventories	2.3	—	144
Prepayments	2.4	2,352	1,968
Accrued income	2.5	152	113
Other debit balances	2.6	204	108
Net Exchequer funding	2.8	500	753
Total current assets		4,895	4,067
Less current liabilities			
Accrued expenses		540	362
Other credit balances	2.7	2,391	1,842
Total current liabilities		2,931	2,204
Net current assets		1,964	1,863
Net assets		16,794	21,156
Represented by:			
State funding account	2.9	16,794	21,156

2.1 Capital assets

	Office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	73,041	3,206	11,731	87,978
Additions	157	—	3,031	3,188
Disposals ^a	(30,289)	—	—	(30,289)
Transfers	10,432	—	(10,432)	—
Adjustments ^b	(3,942)	(2,303)	(3,207)	(9,452)
Cost or valuation at 31 December 2022	49,399	903	1,123	51,425
Accumulated depreciation				
Opening balance at 1 January 2022	65,580	3,105	—	68,685
Depreciation for the year	4,108	13	—	4,121
Depreciation on disposals ^a	(30,289)	—	—	(30,289)
Adjustments ^b	(3,669)	(2,253)	—	(5,922)
Cumulative depreciation at 31 December 2022	35,730	865	—	36,595
Net assets at 31 December 2022	13,669	38	1,123	14,830
Net assets at 31 December 2021	7,461	101	11,731	19,293

Note ^a As part of the project to remove assets less than €10,000, all remaining assets were reviewed. This review resulted in an increase in disposals in the year. 2022 disposals had an original acquisition cost of €30.289 million, of which €29.974 million relate to disposal of obsolete fully depreciated software assets.

^b Adjustments relate to removal of assets costing less than €10,000 from the asset register totalling a net €326,000, plus an adjustment to the opening value of assets under development totalling €3.204 million – combined net adjustment of €3.53 million. The adjustment is reflected in the State funding account (note 2.9).

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	1,686	979
Petty cash	1	2
	1,687	981

2.3 Inventories ^a

at 31 December	2022	2021
	€000	€000
Stationery	—	99
IT consumables	—	18
Gift vouchers	—	27
	—	144

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
IT services and support	1,911	1,568
Census publicity	3	227
Other prepayments	438	173
	2,352	1,968

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Grant funding due from the EU	152	113
	152	113

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable salaries	32	26
Recoupable travel expenditure	9	—
Recoupable travel pass expenditure	4	9
OPW suspense balance	95	51
Other debit suspense items	64	22
	204	108

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	768	659
Pay related social insurance	514	432
Professional services withholding tax	53	121
Value added tax	45	19
Pension contributions	175	219
Local property tax	5	5
Universal social charge	148	129
	<u>1,708</u>	<u>1,584</u>
Payroll deductions held in suspense	197	183
Other credit suspense items	486	75
	<u>2,391</u>	<u>1,842</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,945	2,938
Exchequer grant undrawn	(4,445)	(3,691)
Net Exchequer funding	<u>(500)</u>	<u>(753)</u>
Represented by:		
Debtors		
Bank and cash	1,687	981
Debit balances: suspense	204	108
	<u>1,891</u>	<u>1,089</u>
Creditors		
Due to the State	(1,708)	(1,584)
Credit balances: suspense	(683)	(258)
	<u>(2,391)</u>	<u>(1,842)</u>
	<u>(500)</u>	<u>(753)</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		21,156	17,610
Disbursements from the Vote			
Estimate provision	Account	103,485	
Surplus to be surrendered	Account	(3,945)	
Net vote		99,540	60,217
Non cash items – capital assets adjustment	2.1	(3,530)	
Expenditure (cash) borne elsewhere	1.1	11,556	8,816
Non cash expenditure – notional rent	1	1,706	1,706
Net programme cost	1	(113,634)	(67,193)
Balance at 31 December		16,794	21,156

2.10 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	12,582	7,121

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	10	1

2.12 Contingent liabilities

The Office 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

All of the allocation for Vote 4 Central Statistics Office is classified as administrative expenditure applied towards a single programme: delivery of annual statistical programme.

		2022		2021
		Estimate provision ^a	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	79,787	77,814	48,028
ii	Travel and subsistence	1,105	748	186
iii	Training and development and incidental expenses	3,146	2,584	1,747
iv	Postal and telecommunications services	1,304	1,436	1,230
v	Office equipment and external IT services	11,354	11,679	8,445
vi	Office premises expenses	1,196	1,745	1,466
vii	Consultancy services and value for money and policy reviews	105	12	18
viii	Collection of statistics	7,608	6,053	760
		105,605	102,071	61,880

Note ^a Included in the total estimate provision for 2022 is EU NRRP (National Resilience and Recovery Plan) funding totalling €1.5 million. Actual expenditure was €1.102 million in 2022. See note 6.1.

Significant variations

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

ii Travel and subsistence

Estimate provision €1.105 million; outturn €748,000

The decrease of €357,000 on expenditure on travel and subsistence was due to travel restrictions arising from the Covid-19 pandemic

vi Office premises expenses

Estimate provision €1.196 million; outturn €1.745 million

The increase of €549,000 on expenditure on office premises expenses was due to additional expenditure on office improvements, Covid-19 related work, blended working requirements and energy costs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	European Union receipts	530	906	182
2	Miscellaneous	70	83	96
3	Receipts from additional superannuation contributions on public service remuneration	1,520	1,542	1,385
Total		2,120	2,531	1,663

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

1 European Union receipts

Estimate €530,000; realised €906,000

The increase of €376,000 was partly due to a timing difference on the receipt of the integrated farm statistics grant of €250,000 – paid in 2022 instead of 2023. The other three EU grants received during 2022 were greater than estimated value.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>1,001</u>	<u>898</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	69,898	44,103
Higher, special or additional duties allowances	1,589	280
Overtime	266	63
Employer's PRSI	6,061	3,582
Total pay ^a	<u>77,814</u>	<u>48,028</u>

Note ^a The total pay figure is that of subhead A(i).

5.3 Allowances and overtime payments

	Number of recipients ^a	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	597	4	15,523	14,419
Overtime and extra attendance	125	3	20,632	10,846
Other allowances	4	—	65	40
Extra remuneration in more than one category	18	8	27,920	18,406

Note ^a A higher number of allowance recipients in 2022 arose due to allowances paid to the temporary census field supervisory staff. Additional overtime was incurred during 2022 to ensure delivery of census processing deadlines.

5.4 CSO staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	727	646
60,000	69,999	70	54
70,000	79,999	34	46
80,000	89,999	59	60
90,000	99,999	29	17
100,000	109,999	17	19
110,000	119,999	14	8
120,000	129,999	1	—
130,000	139,999	—	—
140,000	149,999	—	2
150,000	159,999	2	3
160,000	169,999	3	1
170,000	179,999	1	—
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

5.5 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €7,200 during 2022. The payments made were consistent with the principles of the Public Services (Single Scheme and other Provisions) Act 2012.

There were no officers serving outside the Office for all or part of 2022 and whose salaries were paid by the Office.

This account does not include expenditure in respect of 33 officers who were serving outside the Office for all or part of 2022 in other government department/offices that paid their salaries.

5.6 Payroll overpayments

	Number of recipients	2022 €	2021 €
Overpayments	70	100,656	82,554
Recovery plans in place	28	53,386	48,395

Four overpayment recovery plans in respect of four individuals to the value of €4,871 were transferred to other departments in the year.

There were overpayments amounting to a total of €2,296 to 23 Census 2022 enumerators. Because of the relatively small amounts involved, it was considered that it would probably be uneconomic to try to recoup these overpayments. Therefore, a decision was made not to seek the recoupment of these overpayments, and they are not included in the amounts in the note.

In addition to the overpayments shown above, potential overpayments of home office/storage expenses allowances to 348 field staff over the period October 2018 to April 2023 were identified. These have been valued at an estimated €93,000 in total. Arrangements for recovery of the overpaid amounts are being progressed. See also the statement on internal financial control.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	202	190

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the established pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2022, the CSO received EU income totalling €906,204 on foot of four contracts. Two contracts were for data collection to facilitate purchasing power parity comparisons between capital city prices totalling €200,055. A third contract was for the census of agriculture totalling €456,149 and the fourth contract was for integrated farm statistics totalling €250,000. This funding has been recognised as appropriations-in-aid in 2022.

The Office was also awarded EU NRRP (National Resilience and Recovery Plan) funding totalling €1.5 million (actual expenditure €1.102 million) in 2022 towards the first milestone delivery of an online census platform. This grant was added to the Office allocation through the Department of Public Expenditure, National Development Plan Delivery and Reform vote mechanism.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Total	Total
	2022	2021
Number of cases	4 ^a	3
	€000	€000
Department's own legal costs	1	9
Payments by/on behalf of Department		
Compensation	—	95
Legal costs	40	—
Other costs	13	2
Total	54	106

- Notes
- ^a Costs were incurred in relation to four claims by employees. No compensation was paid in 2022.
- ^b At 31 December 2022, the following claims are outstanding: personal injury claims — seven (2021: seven); loss or damage claims — two (2021: nil); employment law cases (WRC) — three (2021: nil).

Appropriation Account 2022

Vote 5

Office of the Director of Public Prosecutions

Introduction

As Accounting Officer for Vote 5, 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 2022 for the salaries and expenses of the Office of the Director of Public Prosecutions.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.23 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account with the following exceptions.

Accrued general law expenses

Accrued general law expenses are calculated using one of the following criteria.

- Bills of cost received before 28 February of the following year are fully accrued regardless of whether or not they have been agreed and settled.
- Costs which have been awarded where the bills of costs have not been received by 28 February are accrued based on an estimate from the costs officer taking into account the complexity of proceedings and the duration of the case.

Accrued fees to counsel

Accrued fees to counsel expenses include a general provision for hearings that have not been reported to the Office within two months of the year end. The calculation is based on the average level of such fees that arose in the previous three years.

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.

Shared services

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 HR/payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

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

Procurement

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

The Office has provided details of six 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €26,618 (ex. VAT).

The contract was for weekly preventative decontamination of the Office premises as part of controls in place to maintain a safe working environment during the pandemic. A tender was not issued as there was no certainty as to how long the service would be required. This contract ceased in June 2022.

The above contract has been included in the circular 40/2002 annual return referenced above.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a twice yearly 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 assigned to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

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

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 did result in some changes to the working and control environment with remote and virtual working playing a major role in how the Office continued to discharge its functions. As a result, the Office introduced a number of procedural and control changes. Management assessed the risks posed by Covid-19 to the control environment and to the Office in general. The changes introduced have been reviewed by the Office's Audit Committee and were monitored by the Management Board. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective in 2022.

Marion Berry

Accounting Officer
Office of the Director of Public Prosecutions

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 5 Office of the Director of Public Prosecutions

Opinion on the appropriation account

I have audited the appropriation account for Vote 5 Office of the Director of Public Prosecutions for the year ended 31 December 2022 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 5 Office of the Director of Public Prosecutions for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Director of Public Prosecutions 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

14 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 5 Office of the Director of Public Prosecutions

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of prosecution service			
	<i>Original</i>	48,652		
	<i>Supplementary</i>	3,445		
			52,097	45,244
			50,878	
Gross expenditure		52,097	50,878	45,244
	<i>Deduct</i>			
B	Appropriations-in-aid	820	831	772
Net expenditure				
	<i>Original</i>	47,832		
	<i>Supplementary</i>	3,445		
			51,277	44,472
			50,047	

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	1,229,759	231,875

Marion Berry

Accounting Officer
Office of the Director of Public Prosecutions

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		29,500	25,810
Pay		18,483	17,015
Non pay		2,895	2,419
Gross expenditure		50,878	45,244
<i>Deduct</i>			
Appropriations-in-aid		831	772
Net expenditure		50,047	44,472
Changes in capital assets			
Purchases cash	(114)		
Depreciation	46	(68)	171
Changes in net current assets			
Increase in closing accruals	948		
Decrease in inventories	27	975	254
Direct expenditure		50,954	44,897
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,145	2,757
Notional rents		2,025	2,025
Net programme cost		56,124	49,679

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 5 borne elsewhere.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,431	2,021
Vote 13	Office of Public Works	468	567
Vote 18	National Shared Services Office	22	21
Vote 20	Garda Síochána	224	148
		3,145	2,757

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	129	61
Current assets			
Bank and cash	2.2	952	837
Inventories	2.3	67	94
Prepayments	2.4	244	238
Other debit balances	2.5	390	367
Total current assets		1,653	1,536
Less current liabilities			
Accrued expenses	2.6	3,175	2,221
Other credit balances	2.7	1,326	1,190
Net Exchequer funding	2.8	16	14
Total current liabilities		4,517	3,425
Net current liabilities		(2,864)	(1,889)
Net liabilities		(2,735)	(1,828)
Represented by:			
State funding account	2.9	(2,735)	(1,828)

2.1 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	2,451	24	2,475
Additions	114	—	114
Disposals	(38)	—	(38)
Cost or valuation at 31 December 2022	2,527	24	2,551
Accumulated depreciation			
Opening balance at 1 January 2022	2,404	10	2,414
Depreciation for the year	46	—	46
Depreciation on disposals	(38)	—	(38)
Cumulative depreciation at 31 December 2022	2,412	10	2,422
Net assets at 31 December 2022	115	14	129
Net assets at 31 December 2021	47	14	61

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balance	948	836
Other bank account balance	4	1
	952	837

2.3 Inventories

at 31 December	2022 €000	2021 €000
Stationery ^a	—	33
IT consumables	67	61
	67	94

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software and other maintenance	181	158
Information services	63	73
Travel and subsistence	—	7
	244	238

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Other debit suspense balances	390	367

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Counsel fees	1,467	1,468
General law expenses	1,563	624
Other expenses	145	129
	3,175	2,221

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	619	624
Pay related social insurance	200	184
Professional services withholding tax	453	359
Value added tax	30	23
	1,302	1,190
Other credit suspense items	24	—
	1,326	1,190

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,230	232
Exchequer grant undrawn	(1,214)	(218)
Net Exchequer funding	16	14
Represented by:		
Debtors		
Bank and cash	952	837
Debit balances: suspense	390	367
	1,342	1,204
Creditors		
Due to the State	(1,302)	(1,190)
Credit balances: suspense	(24)	—
	(1,326)	(1,190)
	16	14

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		(1,828)	(1,237)
Disbursements from the Vote			
Estimate provision	Account	51,277	
Surplus to be surrendered	Account	(1,230)	
Net vote		50,047	44,472
Expenditure (cash) borne elsewhere	1	3,145	2,757
Non-cash items – capital assets adjustment (net)	2.1	—	(166)
Non-cash expenditure – notional rent	1	2,025	2,025
Net programme cost	1	(56,124)	(49,679)
Balance at 31 December		(2,735)	(1,828)

2.10 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	27	31

In addition to the above, the Office had commitments in respect of legal fees at the end of the year, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases.

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	21	23

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	19,321		
	<i>Supplementary</i>	<u>(500)</u>		
		18,821	18,483	17,015
ii	Travel and subsistence	186	174	144
iii	Training and development and incidental expenses	1,145	1,034	1,024
iv	Postal and telecommunications services	230	205	211
v	Office equipment and external IT services	931	942	525
vi	Office premises expenses	658	513	486
vii	Consultancy services and value for money and policy reviews	37	27	29
		22,008	21,378	19,434

Programme A Provision of a Prosecution Service

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	19,321		
	<i>Supplementary</i>	(500)		
		18,821	18,483	17,015
A.2	Administration – non pay	3,187	2,895	2,419
A.3	Fees to counsel			
	<i>Original</i>	16,528		
	<i>Supplementary</i>	3,725		
		20,253	20,072	17,143
A.4	General law expenses	1,446	1,095	918
A.5	Local State Solicitor service			
	<i>Original</i>	8,170		
	<i>Supplementary</i>	220		
		8,390	8,333	7,749
		52,097	50,878	45,244

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 €2.226 million higher than originally provided. Administration expenditure was €1.13 million lower than originally provided. The balance of the variance on this Subhead was an overspend of €3.356 million, which was mainly due to the following.

A.3 Fees to counsel

Estimate provision €16.528 million; outturn €20.072 million

The increase in expenditure of €3.544 million relative to the original estimate provision was due to increased court activity in the Central Criminal Court following the appointment of new judges and a general increase in all courts as the backlog of cases arising from the Covid-19 pandemic was dealt with.

A.4 General law expenses

Estimate provision €1.446 million; outturn €1.095 million.

From 2022 onwards, the State Claims Agency manages and resolves legal costs claims against the Office. The new process is slower, so fewer than expected cases were settled in 2022.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	717	779	721
2	Miscellaneous	103	52	51
Total		820	831	772

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>230</u>	<u>220</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	16,709	15,477
Higher, special or additional duties allowances	198	145
Overtime	7	2
Employer's PRSI	<u>1,569</u>	<u>1,391</u>
Total pay	<u>18,483</u>	<u>17,015</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	33	5	36,451	41,592
Overtime and extra attendance	9	—	2,387	724
Extra remuneration in more than one category	—	—	—	3,910

5.4 Office staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	122	111
60,000	69,999	21	22
70,000	79,999	27	36
80,000	89,999	24	17
100,000	109,999	15	8
110,000	119,999	6	17
120,000	129,999	11	3
130,000	139,999	3	—
140,000	149,999	2	1
150,000	159,999	—	3
160,000	169,999	2	3
170,000	179,999	2	1
180,000	189,999	1	—
190,000	239,000	1	—

5.5 Other remuneration arrangements

This account includes expenditure of €188,642 (2021: €154,150) in respect of two officers who were serving outside the Office in 2022 and whose salary was paid from subhead A.1.

The account also includes €5,639 (2021: €nil) which was paid to two retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 applied to these fees.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	8	13,422	20,120
Recovery plans in place	5	12,008	126

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €	2021 €
Basic pay		
Barry Donoghue – retired 6 August 2021	—	109,564
Liz Howlin – appointed 7 August 2021/appointment concluded 30 November 2022	158,319	61,779
Marion Berry – appointed 1 December 2022 ^a	—	—
Allowances		
Liz Howlin	11,494	6,317
	169,813	177,660

The value of retirement benefits earned in the period are not included above.

All of the individuals referenced above are members of the pre-1995 superannuation scheme for established civil servants, and their entitlements in that regard do not extend beyond the terms of that scheme.

Note ^a Marion Berry received her first payroll payment in January of 2023.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

		2022	2021
	Claims by employees	Total	Total
Number of cases	1	1	—
	€000	€000	€000
Office's own legal costs	5	5	—
Payments by/on behalf of Office			
Compensation	23	23	—
Legal costs	12	12	—
Other costs	—	—	—
Total	40	40	—

Appropriation Account 2022

Vote 6

Office of the Chief State Solicitor

Introduction

As Accounting Officer for Vote 6, 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 2022 for the salaries and expenses of the Office of the Chief State Solicitor.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €5.212 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in Circular 22 of 2022, have been applied in the preparation of the account except for the following:

Accrued income

Accrued income represents taxed costs due to the State not yet recovered. It is the policy of the Office to pursue the recovery of all taxed costs awarded in favour of the State.

Accrued counsel fees

Fee notes received from counsel are subject to a robust and comprehensive evaluation and assessment process to determine the level of fees due. The end-of-year accrual in respect of counsel fee liabilities is determined by applying an estimated mark-down percentage (based on the average mark-down percentage during the evaluation and assessment process in the year of account) to counsel fee notes on hand at the year end.

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 are 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

The National Shared Services Office provides human resource and payroll services to the Office of the Chief State Solicitor.

I rely on the letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of the shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines are adhered to.

Internal audit and Audit Committee

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

An internal audit function for the Office was in place during 2022.

Procurement

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 has provided details of ten 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines in 2022 with the exception of two contracts (in excess of €25,000), totalling €182,199 (excluding VAT).

- One contract with a value of €119,889 (excluding VAT) in respect of the provision of legal agency clerking, searching and certain other services continued without a competitive process in 2022, having been extended beyond its original contract dates. The Office is currently in the process of issuing a new Request for Tender.
- One contract with a value of €62,310 (excluding VAT) in respect of the annual renewal of licences to facilitate remote working. These licences were originally purchased as part of an emergency purchase of a remote working solution in 2020. For 2023, the Office will review the licence renewal to ensure we buy from the most cost effective agent.

Information and communications technology security

The Office applies good practice controls to mitigate against key security risks associated with information and communications technology (ICT). Review and upgrade, where necessary, of ICT security systems is an ongoing process.

Administrative and financial controls

The Management Board and the Audit Committee regularly review controls. All internal audit reports are considered by the Audit Committee.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a semi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss.

Covid-19 Control Issues

I can confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 6 Office of the Chief State Solicitor

Opinion on the appropriation account

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2022 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 6 Office of the Chief State Solicitor for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery 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 Chief State Solicitor 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

24 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 6 Office of the Chief State Solicitor

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision of legal services	50,508	45,442	41,432
Gross expenditure	50,508	45,442	41,432
<i>Deduct</i>			
B Appropriations-in-aid	850	996	1,530
Net expenditure	49,658	44,446	39,902

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	5,211,700	783,138

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		20,069	18,405
Pay		22,538	20,275
Non-pay		2,835	2,752
Gross expenditure		45,442	41,432
<i>Deduct</i>			
Appropriations-in-aid		996	1,530
Net expenditure		44,446	39,902
Changes in capital assets			
Purchases cash	(101)		
Depreciation	222		
Loss on disposal	17	138	79
Changes in net current assets			
Decrease in closing accruals	(382)		
Decrease in inventories	38	(344)	(1,694)
Direct expenditure		44,240	38,287
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,850	4,778
Notional rents		865	865
Net programme cost		49,955	43,930

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 6 borne elsewhere.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	3,390	3,254
Vote 13	Office of Public Works	1,373	1,447
Vote 18	National Shared Services Office	35	31
Vote 43	Office of the Government Chief Information Officer	52	46
		4,850	4,778

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	521	659
Current assets			
Bank and cash	2.2	1,300	1,548
Inventories	2.3	—	38
Prepayments	2.4	347	308
Accrued income	2.5	9,728	9,770
Other debit balances	2.6	513	45
Net Exchequer funding	2.7	505	24
Total current assets		12,393	11,733
Less current liabilities			
Accrued expenses	2.8	4,256	4,641
Other credit balances	2.9	2,318	1,617
Total current liabilities		6,574	6,258
Net current assets		5,819	5,475
Net assets		6,340	6,134
Represented by:			
State funding account	2.10	6,340	6,134

2.1 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	5,360	1,748	7,108
Additions	101	—	101
Disposals	(2,161)	(14)	(2,175)
Cost or valuation at 31 December 2022	3,300	1,734	5,034
Accumulated depreciation			
Opening balance at 1 January 2022	4,805	1,644	6,449
Depreciation for the year	204	18	222
Depreciation on disposals	(2,144)	(14)	(2,158)
Cumulative depreciation at 31 December 2022	2,865	1,648	4,513
Net assets at 31 December 2022	435	86	521
Net assets at 31 December 2021	555	104	659

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances and cash	1,299	1,547
Commercial bank account balance	1	1
	1,300	1,548

Non-vote bank accounts

The CSSO maintains a number of bank accounts held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No moneys due to or paid from the CSSO Vote are transmitted through these bank accounts. The amount held in such accounts at the end of 2022 was €2.95 million (2021: €11.47 million) and this is not included in the appropriation account.

2.3 Inventories

at 31 December	2022^a	2021
	€000	€000
Stationery	—	38

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software and other maintenance	219	179
Information services	50	87
Other prepayments	78	42
	347	308

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Opening balance 1 January	9,770	9,818
Cash receipts	(42)	(48)
Closing balance 31 December	9,728	9,770

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable salaries	469	—
Recoupable travel pass scheme	15	14
Recoupable cycle to work scheme	4	6
State solicitors	25	25
	513	45

2.7 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	5,212	783
Exchequer grant undrawn	(5,717)	(807)
Net Exchequer funding	(505)	(24)
Represented by:		
Debtors		
Bank and cash	1,300	1,548
Debit balances: suspense	513	45
	1,813	1,593
Creditors		
Due to the State	(1,425)	(1,304)
Credit balances: suspense	(893)	(313)
	(2,318)	(1,617)
	(505)	(24)

2.8 Accrued expenses

at 31 December	2022	2021
	€000	€000
Counsel fees	3,955	4,488
General law expenses	103	33
Incidental expenses	64	43
Office machinery	78	34
Post and telecommunications	25	16
Other expenses	31	27
	4,256	4,641

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	426	379
Pay related social insurance	236	213
Professional services withholding tax	668	622
Pension contributions	91	84
Value added tax	3	5
Local property tax	1	1
	<u>1,425</u>	<u>1,304</u>
State property: escheated estates ^a	893	313
	<u>2,318</u>	<u>1,617</u>

Note ^a This balance is also payable to the State. It is shown separately in the table above because all of the other amounts due to the State arise from the on-going operations of CSSO while the escheated estates figure relates to cash collected from external third parties where the CSSO is awaiting disposition instructions.

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		6,134	4,519
Disbursements from the Vote			
Estimate provision	Account	49,658	
Surplus to be surrendered	Account	<u>(5,212)</u>	
Net vote		44,446	39,902
Expenditure (cash) borne elsewhere	1.1	4,850	4,778
Non cash expenditure – notional rent	1	865	865
Net programme cost	1	<u>(49,955)</u>	<u>(43,930)</u>
Balance at 31 December		<u>6,340</u>	<u>6,134</u>

2.11 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	<u>1,379</u>	<u>1,161</u>

2.12 Matured liabilities

at 31 December	2022 €000	2021 €000
Estimate of matured liabilities not discharged at year end	54	21

Vote 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	24,795	22,538	20,275
ii	Travel and subsistence	90	63	26
iii	Training and development and incidental expenses	1,038	1,075	958
iv	Postal and telecommunications services	310	333	349
v	Office equipment and external IT services	1,005	1,163	1,199
vi	Office premises expenses	250	123	170
vii	Consultancy services and value for money and policy reviews	100	78	50
		27,588	25,373	23,027

Significant variations

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

i Salaries, wages and allowances

Estimate provision €24.795 million; outturn €22.538 million

The saving of €2.257 million in this subhead was due to a combination of (i) the higher than anticipated number of leavers arising from increased mobility and promotion opportunities across the public service and increased retirements and (ii) slower recruitment due to both challenging market conditions and the time lag in hiring replacement staff.

vi Office premises expenses

Estimate provision €250,000; outturn €123,000

The saving of €127,000 in this subhead was due to lower repair, maintenance and refurbishment costs and reduced purchases of furniture.

Programme A Provision of legal services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	24,795	22,538	20,275
A.2	Administration – non pay	2,793	2,835	2,752
A.3	External legal services ^a	220	221	162
A.4	Fees to counsel ^a	21,500	19,143	17,537
A.5	General law expenses ^a	1,200	705	706
		50,508	45,442	41,432

Note ^a Of the legal expenditure incurred under A.3 to A.5 above €19.23 million was paid out on behalf of 28 Departments/Votes in 2022 (2021: €17.5 million, 27 Departments/Votes).

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 €5.066 million lower than originally provided. This comprised the aggregate of (a) a saving of €2.215 million relating to administration expenditure that has already been explained and (b) a net saving of €2.851 million in non-administrative expenditure, which was mainly due to the following:

A.4 Fees to counsel

Estimate provision: €21.5 million, outturn €19.143 million

For 2022, the Office was given an allocation of €3.5 million to cover specific projects and cases only €2.02 million of this amount had been spent by year end. The €877,000 balance of the total saving (€2.357 million) related to fee notes due by year end where payments were being processed.

A.5 General law expenses

Estimate provision: €1.2 million, outturn €705,000

The saving in expenditure of €495,000 relative to the estimate provision was due to the unpredictability of how legal cases progress through the courts.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Costs and fees received by the Office of the Chief State Solicitor	100	204	812
2	Receipts from additional superannuation contributions on public service remuneration	750	792	718
Total		850	996	1,530

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €146,000 more than the original estimate. Explanations for variances are set out below:

1 Costs and fees received by the Office of the Chief State Solicitor

Estimate provision: €100,000, outturn €204,000

The excess receipts of €104,000 for 2022 was due to a higher than expected level of cost recovery, particularly in three cases totalling €65,000.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Receipts under Sections 10 and 28 of the State Property Act 1954	50	387
Receipts under Section 31 of the State Property Act 1954	—	1
Transferred to the Exchequer	(50)	(388)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
CSSO staff focused on core activities	308	288
CSSO staff working on projects for other departments/offices	10	15
	318	303

5.2 Pay

	2022	2021
	€000	€000
Pay	21,143	19,473
Higher, special or additional duties allowances	120	158
Other allowances	9	8
Overtime	21	16
Employer's PRSI	2,062	1,872
Total gross pay	23,355	21,527
Recoveries from other departments/offices	(817)	(1,252)
Total net pay	22,538	20,275

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties	46	1	12,046	16,465
Other allowances	4	—	2,039	1,917
Overtime	22	—	3,133	3,764
Extra remuneration in more than one category	5	—	7,824	10,479

5.4 Office staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	203	164
60,000	69,999	16	21
70,000	79,999	27	49
80,000	89,999	74	56
90,000	99,999	30	18
100,000	109,999	8	9
110,000	119,999	10	10
120,000	129,999	4	—
130,000	139,999	—	2
140,000	149,999	2	—
150,000	159,999	—	1
160,000	169,999	2	2
170,000	179,999	1	—
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

5.5 Other remuneration arrangements

This account does not include expenditure in respect of eight officers who were serving outside the Office for all or part of 2022 in other Government Departments/Offices and whose salaries were not recouped by the Office.

5.6 Payroll overpayments

	Number of recipients	2022 €	2021 €
Overpayments	25	38,438	24,627
Recovery plans in place	22	29,819	11,973

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€	€
Basic pay	<u>201,843</u>	<u>190,349</u>

The value of retirement benefits earned in the period are not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants, and her entitlements in that regard do not extend beyond the standard terms of that scheme.

Appropriation Account 2022

Vote 7

Office of the Minister for Finance

Introduction

As Accounting Officer for Vote 7, 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 2022 for the salaries and expenses of the Office of the Minister for Finance, including the Paymaster-General's Office, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.448 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, with the following exceptions.

Depreciation

Depreciation is calculated and charged on a monthly basis from the month of acquisition until the month 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

Payroll, finance and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). 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 HR, finance and payroll shared services.

The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer of the National Shared Services Office has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of

- internal audit work performed by the National Shared Services Office's internal audit unit in respect of payroll and HR, and
- audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the design of controls in respect of finance, and on the effectiveness of controls in respect of payroll and HR operated in 2022.

In April 2022, the National Shared Services Office Financial Shared Services (FSS) system went live for eight client bodies, including this Vote. FSS replaced the existing financial system in use in the Department and this meant that there were two separate accounting systems in place during the 2022 accounting year. As with any new large scale cross-organisational financial system, there were some challenges with the roll-out. In the context of preparing this account, this has required additional manual checks by the Department to ensure the figures being reported are accurate. The Department continues to work with the National Shared Services Office to seek to address these challenges.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2022. I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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
- 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.

Internal audit and Audit Committee

The Department uses the Department of Public Expenditure, National Development Plan Delivery and Reform internal audit function under the terms of the service level agreement between the two Departments. The internal audit unit operates under a written charter which has been approved by the Secretary General of the Department of Public Expenditure, National Development Plan Delivery and Reform. Its work is informed by analysis of the financial risks to which the Department of Finance is exposed and its annual internal audit plans (which are prepared in consultation with the Audit Committee and 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

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 has provided details of five 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, National Development Plan Delivery and Reform.

The Department complied with the guidelines in respect of all contracts in 2022 and this has been reflected in the 40/2002 annual return referenced under procurement above.

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 Executive Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes so that control deficiencies are communicated to those responsible for taking corrective action, to management and the Executive 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 2022 that require disclosure in the appropriation account.

John Hogan
Accounting Officer
Office of the Minister for Finance

28 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 7 Office of the Minister for Finance

Opinion on the appropriation account

I have audited the appropriation account for Vote 7 Office of the Minister for Finance for the year ended 31 December 2022 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 7 Office of the Minister for Finance for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Minister for Finance 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

11 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 7 Office of the Minister for Finance

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Economic and fiscal policy	28,202	24,985	24,014
B Banking and financial services policy	15,778	15,405	12,364
Gross expenditure	43,980	40,390	36,378
<i>Deduct</i>			
C Appropriations-in-aid	1,080	1,038	1,151
Net expenditure	42,900	39,352	35,227

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. €100,000 of unspent allocations in respect of the capital elements of subheads A.2 and B.2 were carried forward to 2022.

	2022	2021
	€	€
Surplus to be surrendered	3,548,171	4,283,596
Deferred surrender	(100,000)	—
Surplus to be surrendered	3,448,171	4,283,596

John Hogan

Accounting Officer
Office of the Minister for Finance

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	11,676	9,925
Pay	22,640	22,144
Non pay	6,074	4,309
Gross expenditure	40,390	36,378
<i>Deduct</i>		
Appropriations-in-aid	1,038	1,151
Net expenditure	39,352	35,227
Changes in capital assets		
Purchases cash	(241)	
Depreciation	6	15
Changes in net current assets		
Increase in closing accruals	438	
Decrease in inventories	23	(28)
Direct expenditure	39,578	35,214
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	14,694	14,418
Notional rents	1,236	1,236
Net programme cost	55,508	50,868

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 7 borne elsewhere, net of costs of shared services provided to other votes.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	14,213	14,079
Vote 13	Office of Public Works	946	974
Vote 18	National Shared Services Office	246	35
Vote 20	Garda Síochána	232	—
Vote 43	Office of Government Chief Information Officer	420	435
Central Fund - ministerial pensions		267	256
		<u>16,324</u>	<u>15,779</u>
Costs of shared services provided to other votes		<u>(1,630)</u>	<u>(1,361)</u>
		<u>14,694</u>	<u>14,418</u>

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	241	6
Current assets			
Bank and cash		760	1,194
Inventories	2.2	—	23
Prepayments	2.3	336	387
Other debit balances	2.4	271	125
Total current assets		1,367	1,729
Less current liabilities			
Accrued expenses	2.5	751	364
Other credit balances	2.6	787	857
Net Exchequer funding	2.7	244	462
Total current liabilities		1,782	1,683
Net current assets/(liabilities)		(415)	46
Net assets		(174)	52
Represented by:			
State funding account	2.8	(174)	52

2.1 Capital assets

	IT equipment €000	Office equipment €000	Assets under development €000	Total €000
Gross assets (cost or valuation)				
At 1 January 2022	222	223	—	445
Additions ^a	—	—	241	241
At 31 December 2022	222	223	241	686
Accumulated depreciation				
At 1 January 2022	216	223	—	439
Depreciation for the year	6	—	—	6
At 31 December 2022	222	223	—	445
Net assets at 31 December 2022	—	—	241	241
Net assets at 31 December 2021	6	—	—	6

Note ^a Costs associated with the beneficial ownership register of interests.

2.2 Inventories ^a

at 31 December	2022 €000	2021 €000
Stationery	—	15
IT consumables	—	8
	—	23

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.3 Prepayments

at 31 December	2022 €000	2021 €000
IT licences and support	260	238
Training	34	70
Subscriptions	39	42
Other prepayments	3	37
	336	387

2.4 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable travel expenditure	26	5
Recoupable travel pass expenditure	15	20
Recoupable salaries	72	—
Other debit suspense items	158	100
	271	125

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
Secondment costs	600	190
Office premises expenses	34	109
General administration	52	34
Consultancy and other services	65	31
	751	364

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	324	316
Pay related social insurance	205	199
Professional services withholding tax	13	1
Value added tax	40	38
Pension contributions	71	71
Local property tax	1	1
Universal social charge	65	63
	719	689
Payroll deductions held in suspense	68	69
Recoupable salaries	—	95
Other credit suspense items	—	4
	787	857

2.7 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,448	4,284
Deferred surrender	100	—
Exchequer grant undrawn	(3,304)	(3,822)
Net Exchequer funding	244	462
Represented by:		
Debtors		
Bank and cash	760	1,194
Debit balances: suspense	271	125
	1,031	1,319
Creditors		
Due to the State	(719)	(689)
Credit balances: suspense	(68)	(168)
	(787)	(857)
	244	462

2.8 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		52	39
Disbursements from the Vote			
Estimate provision	Account	42,900	
Deferred surrender	Account	(100)	
Surplus to be surrendered	Account	(3,448)	
Net vote		39,352	35,227
Expenditure (cash) borne elsewhere	1.1	14,694	14,418
Non cash expenditure – notional rent	1	1,236	1,236
Net programme cost	1	(55,508)	(50,868)
Balance at 31 December		(174)	52

2.9 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	2	2

2.10 Contingent liabilities

There is litigation in progress regarding Irish Bank Resolution Corporation (IBRC) and Permanent TSB. These actions are being defended and no estimate of the potential liability has been made.

Certain third party protections (in the form of warranties and indemnities) have been provided in connection with the sale of Irish Life Limited, the disposal of the Bank of Ireland contingent capital notes, the disposal of shares in Bank of Ireland and AIB, and the liquidation of IBRC.

These do not represent a complete list of litigation or third party protections. These particular items have been included as at the time they were instigated or provided they were of particular significance to the Minister and the State.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,771	22,640	22,144
ii	Travel and subsistence	894	557	150
iii	Training and development	564	306	516
iv	Professional, consultancy and other services	—	13	25
v	Operating expenses	2,556	3,493	2,454
vi	Premises and accommodation expenses	1,081	598	647
vii	Communication expenses	309	258	322
viii	Asset and equipment expenses	340	849	195
		29,515	28,714	26,453

Note Changes were made to the administration subheads to facilitate the new single cross Government chart of accounts for all Votes. Eight votes, including this vote, moved to the new chart of accounts in 2022. The figures for 2021 have been re-analysed to align with the new subheads.

Significant variations

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

ii Travel and subsistence

Estimate provision €894,000; outturn €557,000

While there was a return to in-person meetings in 2022, the number of meetings held virtually rather than in person was greater than anticipated.

iii Training and development

Estimate provision €564,000; outturn €306,000

The underspend was due to lower take up than anticipated on some courses and on the Refund of Fees Scheme. In addition, some course costs have been reduced with the move to virtual delivery methods. There has been an increased take up in programmes provided by OneLearning, which as a shared service training provider across the civil service has been able to generate savings in cost per head for courses.

v Operating expenses

Estimate provision €2.556 million; outturn €3.493 million

Negative interest charges for the Surplus Public Expenditure Monies (SPEM) account are a charge on Vote 7. The charge for 2022 was higher than had been anticipated.

vi Premises and accommodation expenses

Estimate provision €1.081 million; outturn €598,000

The underspend on this subhead largely relates to difficulties in scheduling planned capital works.

viii Asset and equipment expenses

Estimate provision of €340,000; outturn €849,000

The overspend on this subhead was largely due to development of a piece of software that was not included in the estimate under this subhead.

Programme A Economic and Fiscal Policy

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	12,451	10,258	11,976
A.2	Administration – non pay	3,266	4,242	3,135
A.3	Committee and commissions	705	215	426
A.4	Consultancy services and other services	780	512	268
A.5	Fuel grant	11,000	9,758	8,209
		28,202	24,985	24,014

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 €3.217 million lower than provided. An underspend of €1.217 million which relates to administration expenditure has already been explained. The remaining underspend on this programme of €2 million was mainly due to the following.

A.3 Committee and commissions

Estimate provision €705,000; outturn €215,000

The estimate on this subhead was provided to cover the work of the Commission on Taxation and Welfare (COTW) (estimate of €335,000, outturn of €128,000) and the Disabled Drivers Medical Board of Appeal (DDMBA) (estimate of €370,000, outturn of €87,000).

The DDMBA underspend arose due to the resignation of all members of the Board and subsequent suspension of the appeals process since end November 2021. The COTW underspend arose because, due to high levels of COVID infection, a number of stakeholder events which had been planned to take place in person were switched to an online format. The Commission also concluded its work earlier than budgeted for.

A.4 Consultancy services and other services

Estimate provision €780,000; outturn €512,000

Due to the nature of this subhead, the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise.

A.5 Fuel grant

Estimate provision €11 million; outturn €9.758 million

An estimate of €11 million was provided for the fuel grant under the Disabled Drivers and Passengers (Tax Concessions) Scheme. The grant is paid in respect of fuel used in the previous 12 months but claims can be made for use in any of the previous four years. Spend on the fuel grant is dependent on a number of factors such that there will be some variance between actual versus estimated spend.

Programme B Banking and Financial Services Policy

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	11,320	12,381	10,168
B.2	Administration – non pay	2,478	1,832	1,175
B.3	Committees and commissions	35	25	16
B.4	Consultancy and other services	1,454	676	438
B.5	Financial Services and Pensions Ombudsman	491	491	567
		15,778	15,405	12,364

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €373,000 lower than originally provided. There was an overspend of €415,000 which related to administration expenditure and has already been explained, and the balance of the variance of €788,000 was mainly due to the following.

B.4 Consultancy and other services

Estimate provision €1.454 million; outturn €676,000

Due to the nature of this subhead, the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Recoupment of expenses under bank guarantee scheme	150	49	240
2	Receipts from additional superannuation contributions on public service remuneration	780	753	732
3	Miscellaneous	150	236	179
Total		1,080	1,038	1,151

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €42,000 less than the estimate as forecast.

1 Recoupment of expenses under bank guarantee scheme

Estimate €150,000; realised €49,000

In 2021, the Department moved to a dedicated suspense account for banking sector recoupments. The receipts relate to prior years.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Collected	—	1
Transferred to the Exchequer	—	(1)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>313</u>	<u>324</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	20,041	19,246
Higher, special or additional duties allowances	167	167
Other allowances	490	899
Overtime	159	128
Employer's PRSI	1,783	1,704
Total pay	<u>22,640</u>	<u>22,144</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	17	6	31,728	25,707
Other allowances	103	5	50,717	7,096
Overtime	60	6	22,470	17,245
Extra remuneration in more than one category	11	7	26,602	20,704

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	194	209
60,000	69,999	16	20
70,000	79,999	18	23
80,000	89,999	35	32
90,000	99,999	21	21
100,000	109,999	13	8
110,000	119,999	10	13
120,000	129,999	9	1
130,000	139,999	2	1
140,000	149,999	—	1
150,000	159,999	—	4
160,000	169,999	3	1
170,000	179,999	1	—
180,000	189,999	—	1
190,000	199,999	2	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	1	—

5.5 Other remuneration arrangements

This account includes expenditure of €443,712 in respect of five officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	19	18,060	30,917
Recovery plans in place	9	9,266	5,418

5.7 Severance/redundancy

During 2022, two staff members whose employment was terminated, received redundancy payments of €7,308 and severance payments of €23,018. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms have been granted.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay		
Derek Moran – retired 14 July 2021	—	117
John Hogan – appointed 8 June 2021	225	116
	225	233

The value of retirement benefits earned in the period is not included above.

All of the individuals referenced above are members of the pre-1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Banking system functions

The Minister for Finance delegated a number of banking system functions to the National Treasury Management Agency (NTMA) under statutory instrument (SI) 115 of 2010. This delegation was revoked with effect from 5 August 2011 under SI 395 of 2011 and the NTMA Banking Unit has since been seconded to the Department of Finance. At the direction of the Minister, the costs of the unit, comprising staff costs and certain consultancy costs, continue to be met by the NTMA.

6.2 Committees and commissions

	2022	2021
	€000	€000
Permanent commission		
Credit Union Advisory Committee ^a	25	16
Disabled Drivers Medical Board of Appeal ^b	86	312
Fixed purpose commission		
Commission on Taxation and Welfare ^c	128	114
	239	442

- Note ^a The Committee's statutory function (under section 180 of the Credit Union Act 1997) is to advise regarding
- improvement of the management of credit unions
 - protection of the interest of members and creditors of credit unions and
 - other matters relating to credit unions upon which the Minister, the Central Bank or such other persons may be specified by the Minister, may from time to time seek by way of advice from the Committee.
- ^b The Disabled Drivers Medical Board of Appeal acts as an appeal body for those applicants refused a primary medical certificate by a senior medical officer in respect of the Disabled Drivers and Disabled Passengers (Tax Concessions) Scheme. The Board was established in 1989. The entire board resigned in November 2021 which contributed to the lower spend in 2022.
- ^c The Commission on Taxation and Welfare was established to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity, while ensuring that there are sufficient resources available to meet the costs of public services and supports in the medium and longer term. The report by the Commission on Taxation and Welfare was launched on September 14 2022.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2022 ^a	Total 2021 ^a
Number of cases	1	1	3
	€000	€000	€000
Department's own legal costs	22	22	110
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	—	—	1
Other costs	—	—	—
2022 Total	22	22	111
2021 Total	111	111	

Note ^a These costs have been refunded to the Department by a third party in 2022.

6.4 Surplus Public Expenditure Monies (SPEM) account

	2022	2021
	€000	€000
Negative interest charge	2,715	1,637

Note The Surplus Public Expenditure Monies (SPEM) account exists to facilitate tracking of the borrowing and repayment of surplus funds held in the supply account of the Paymaster General. Negative interest charges on balances in the SPEM account at the Central Bank are a charge on Vote 7. However, most of these charges are effectively reimbursed, via the surrender to the Central Fund of 80% of Central Bank annual surpluses.

6.4 Deferred surrender

Deferred surrender comprises savings in 2022 of €100,000 in capital expenditures in the following subheads that were carried over to 2023.

	€000
Description of subhead:	
A.2 Administration – non pay	50
B.2 Administration – non pay	50
	100

Appendix A Accounts of bodies and funds under the aegis of the Department of Finance

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the end of March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Central Bank	2021	5 Apr 2022	29 Apr 2022	24 May 2022
Credit Union Fund	2021	13 Jul 2022	13 Jul 2022	4 Aug 2022
Credit Union Restructuring Board ^a	2021	6 Dec 2022	13 Dec 2022	15 Dec 2022
Finance Accounts	2021	30 Jun 2022	1 Jul 2022	4 Aug 2022
Financial Services and Pensions Ombudsman	2021	30 Jun 2022	28 Jul 2022	2 Sep 2022
Intestate Estates Fund Account	2021	11 Nov 2022	11 Nov 2022	14 Nov 2022
Irish Financial Services Appeals Tribunal	2021	29 Mar 2022	30 Mar 2022	4 May 2022
Irish Fiscal Advisory Council	2021	13 Sep 2022	30 Sep 2022	17 Oct 2022
Home Building Finance Ireland	2021	25 Apr 2022	29 Apr 2022	2 June 2022
Home Building Finance Ireland Lending DAC	2021	25 Apr 2022	29 Apr 2022	2 June 2022
Hepatitis C and HIV Compensation Tribunal Special Account	2021	26 Aug 2022	26 Aug 2022	29 Aug 2022
Hepatitis C and HIV Compensation Tribunal Reparation Fund	2021	26 Aug 2022	26 Aug 2022	29 Aug 2022
Land Bond (Winding Up) Account	2021	20 Oct 2022	20 Oct 2022	21 Oct 2022
Local Loans Fund	2021	18 Oct 2022	18 Oct 2022	19 Oct 2022
National Asset Management Agency	2021	22 Apr 2022	17 May 2022	10 Jun 2022
National Asset Management Agency subsidiaries (13)	2021	24 Jun-2022	12 Jul 2022	13 Jul 2022
National Treasury Management Agency	2021	16 May 2022	31 May 2022	7 Jul 2022
Strategic Banking Corporation of Ireland	2021	28 Apr 2022	29 Apr 2022	10 Jun 2022
Sundry Moneys Deposit Account	2021	19 Dec 2022	19 Dec 2022	20 Dec 2022

Note ^a The Credit Union Restructuring Board (ReBo) was operationally wound down on 31 July 2017. The Credit Union Restructuring Board (Dissolution) Act 2020 allowed for its dissolution. A caretaker board is in place until a date for dissolution has been agreed.

Appropriation Account 2022

Vote 8

Office of the

Comptroller and Auditor General

Introduction

As Accounting Officer for Vote 8, 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 2022 for the salaries and expenses of the Office of the Comptroller and Auditor General.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.156 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account. In addition, the following accounting policies have been adopted.

Accrued audit fee income

Accrued audit fee income represents audits where an opinion had been reported at the year-end but the fee had not yet been invoiced.

Work in progress

Work in progress represents the estimated recoverable value associated with work undertaken on audits where a fee is chargeable but where the audit had not been completed at year end. The value of work in progress is calculated as a percentage of the agreed audit fee, based on the status of the audit at year end.

The percentages used are as follows

- account cleared for certification 90%
- audit review stage 75%
- fieldwork complete 60%
- final audit in progress 30%
- interim audit completed 15%
- interim audit in progress 10%

Statement on Internal Financial Control

Responsibility for the 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 as Accounting Officer. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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 control is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services through National Shared Services Office

In April 2022, the National Shared Services Office Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Office and this meant that there were two separate accounting systems in place during the accounting year 2022.

I have fulfilled my responsibilities in relation to the requirements of the service management agreements between this Office and the National Shared Services Office for the provision of human resources, payroll processing and financial management 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 these shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts

- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function provided by a private firm with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the 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. The Audit Committee, which also operates under a written charter, provides me with an independent and objective view on the financial control system by examining and advising on the process by which I obtain assurance.

Procurement compliance

I confirm that the Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €2.541 million in 2022.

The Office has provided details of one non-competitive contract in excess of €25,000 in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract (in excess of €25,000) totalling €46,021 in 2022. As part of its standard review processes, the Office identified that, due to an administrative error, a contract for ICT equipment was procured on the basis of quotes received, rather than through a request for tender process. The Office has taken steps to avoid a recurrence.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. A Risk Management Committee (RMC) comprising the three Directors of Audit oversees the risk management process.

A risk register is in place which records the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the RMC 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 results of risk management activities are reported to the Audit Committee.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

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

ICT security

The Office has a strong commitment to the security of its ICT systems. The Office holds accreditation under the international standard ISO 27001: Information Security Management. This information security management system provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. As part of the certification process, the Office is subject to bi-annual audits to ensure continued compliance with ISO 27001.

Significant financial risk

Audit fees are charged for certain financial audits, as provided for in the Comptroller and Auditor General (Amendment) Act 1993. The fees form a significant proportion of the resources of the Office and a number of procedures have been put in place to ensure that costs are recovered for relevant audits as appropriate. These measures include

- an annual review of the basis on which fees are charged, including a review of the recovery of costs on individual audits over time
- systems which record audit costs, audit progress and billing information
- the monitoring of financial information including audit costs and fee recovery.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Colette Drinan

Accounting Officer

Office of the Comptroller and Auditor General

28 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 8 Office of the Comptroller and Auditor General

Opinion on the appropriation account

The appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2022 has been audited on my behalf by Mr Shaw McClung, Crowe Ireland, Chartered Accountants and Statutory Audit Firm, under section 13 of the Comptroller and Auditor General (Amendment) Act 1993.

On the basis of their audit and report, in my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

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

1 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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.

Section 13 of the 1993 Act states that the appropriation account shall be audited on my behalf by a qualified person appointed by me, subject to such terms and conditions as the Minister for Finance may determine. Under that Section, I appointed Crowe Ireland to carry out an audit of the appropriation account in accordance with the International Standards on Auditing (ISAs). The attached report sets out the objectives of the audit undertaken on my behalf and includes information on the audit process.

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 the audit of the appropriation account, the auditor is 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 performed on my behalf, 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*.

Opinion to the Comptroller and Auditor General in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act, 1993

Report on the audit of the appropriation account

Opinion

As the auditor appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, we have audited the appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2022.

In our opinion, the appropriation account of the Vote for the Office of the Comptroller and Auditor General properly presents the receipts and expenditure of the Vote for the year ended 31 December 2022 and there are no matters on which we need to report, pursuant to Section 3(10) of the Comptroller and Auditor General (Amendment) Act 1993.

Basis of opinion

We conducted our audit of the appropriation account of the Office of the Comptroller and Auditor General in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), applicable law and Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the appropriation account section of our report. We are independent of the Office of the Comptroller and Auditor General in accordance with ethical requirements that are relevant to audits in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper accounting records have been kept by the Office of the Comptroller and Auditor General. The appropriation account is in agreement with the accounting records.

Conclusion on going concern

In auditing the appropriation account, we have concluded that the Office of the Comptroller and Auditor General's use of the going concern basis of accounting in the preparation of the appropriation account is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the appropriation account for Vote 8 Office of the Comptroller and Auditor General's ability to continue as a going concern for a period of at least twelve months from the date when the appropriation account are authorised for issue.

Our responsibilities and the responsibilities of the Office of the Comptroller and Auditor General with respect to going concern are described in the relevant sections of this report.

Statement on Internal Financial Control

We have reviewed the information contained in the Statement on Internal Financial Control. We have nothing to report in this regard.

Responsibilities of the Accounting Officer

Under Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is responsible for the preparation of the appropriation account. She is also responsible, inter alia, for the safeguarding of public funds and for the regularity and propriety of all transactions in the appropriation account.

Auditor's responsibilities for the audit of the appropriation account

It is our responsibility to audit the appropriation account in accordance with relevant legal and regulatory requirements and the ISAs (Ireland). Our objectives are to obtain reasonable assurance about whether the appropriation account, as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the appropriation account, of whether the transactions recorded in the Account conform with the authority under which they purport to have been carried out, and of whether the accounting provisions of Public Financial Procedures have been complied with.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the appropriation account, 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 our 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, internal omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Office of the Comptroller and Auditor General's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the appropriation account for Vote 8 Office of the Comptroller and Auditor General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether uncertainty exists related to events or conditions that may cast significant doubt on the appropriation account for Vote 8 Office of the Comptroller and Auditor General's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the appropriation account for Vote 8 Office of the Comptroller and Auditor General's or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Office of the Comptroller and Auditor General to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the appropriation account, including the disclosures, and whether the appropriation account represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Office of the Comptroller and Auditor General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Comptroller and Auditor General, in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993. Our audit work has been undertaken so that we can state to the Comptroller and Auditor General those matters we are required to state to him in an auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for the audit work, for this report, or for the opinions we have formed.

Shaw McClung

For and on behalf of

Crowe Ireland

Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4

31 May 2023

Vote 8 Office of the Comptroller and Auditor General

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Audit and reporting	16,050	15,874	14,548
Gross expenditure	16,050	15,874	14,548
<i>Deduct</i>			
B Appropriations-in-aid	6,685	7,665	8,322
Net expenditure	9,365	8,209	6,226

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	1,155,816	3,397,165

Colette Drinan

Accounting Officer

Office of the Comptroller and Auditor General

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Pay	13,077	12,105
Non pay	2,797	2,443
Gross expenditure	15,874	14,548
<i>Deduct</i>		
Appropriations-in-aid	7,665	8,322
Net expenditure	8,209	6,226
Changes in capital assets		
Depreciation	182	182
Changes in net current assets		
Decrease in closing accruals	(256)	
Movement in inventories	—	756
Direct expenditure	8,135	7,164
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,058	4,595
Notional rents	11	11
Net programme cost	12,204	11,770

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 8 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	41	30
Vote 12 Superannuation and Retired Allowances	1,655	1,824
Vote 13 Office of Public Works	1,510	2,053
Vote 18 National Shared Services Office	132	19
Vote 43 Office of the Government Chief Information Officer	254	231
Central Fund – salary of Comptroller and Auditor General and pensions of previous office holders	466	438
	4,058	4,595

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	377	559
Current assets			
Bank and cash		1,158	531
Audit fees recoverable	2.3	1,944	1,606
Prepayments		228	312
Other debit balances	2.2	31	284
Total current assets		3,361	2,733
Less current liabilities			
Accrued expenses		101	103
Other credit balances	2.4	461	408
Net Exchequer funding	2.5	728	407
Total current liabilities		1,290	918
Net current assets		2,071	1,815
Net assets		2,448	2,374
Represented by:			
State funding account	2.6	2,448	2,374

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	1,655	440	2,095
Additions	—	—	—
Cost or valuation at 31 December 2022	1,655	440	2,095
Accumulated depreciation			
Opening balance at 1 January 2022	1,160	376	1,536
Depreciation for the year	166	16	182
Cumulative depreciation at 31 December 2022	1,326	392	1,718
Net assets at 31 December 2022	329	48	377
Net assets at 31 December 2021	495	64	559

2.2 Other debit balances

at 31 December	2022 €000	2021 €000
Salary suspense	—	258
Recoupable travel expenditure and travel pass scheme	6	12
Recoupable expenditure from co-tenants	25	14
	31	284

2.3 Audit fees recoverable

at 31 December	2022 €000	2021 €000
Audit fee debtors	578	519
Accrued audit fee income	815	461
Work in progress	551	626
	1,944	1,606

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	175	149
Pay related social insurance	130	108
Professional services withholding tax	7	12
Value added tax	48	45
Universal social charge	34	29
	<u>394</u>	<u>343</u>
Payroll deductions held in suspense	67	65
	<u>461</u>	<u>408</u>

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,156	3,397
Exchequer grant undrawn	(428)	(2,990)
Net Exchequer funding	<u>728</u>	<u>407</u>
Represented by:		
Debtors		
Bank and cash	1,158	531
Debit balances: suspense	31	284
	<u>1,189</u>	<u>815</u>
Creditors		
Due to the State	(394)	(343)
Credit balances: suspense	(67)	(65)
	<u>(461)</u>	<u>(408)</u>
	<u>728</u>	<u>407</u>

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		2,374	3,312
Disbursements from the Vote			
Estimate provision	Account	9,365	
Surplus to be surrendered	Account	(1,156)	
Net Vote		8,209	6,226
Expenditure (cash) borne elsewhere	1.1	4,058	4,595
Non-cash items - notional rent	1	11	11
Net programme cost	1	(12,204)	(11,770)
Balance at 31 December		2,448	2,374

2.7 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	—	—

2.8 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	—	—

Note 3 Vote Expenditure

Analysis of administration expenditure

Administrative expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages, pensions and allowances	13,059	13,077	12,105
ii	Travel and subsistence	546	116	7
iii	Training and development	225	252	351
iv	Professional, consultancy and other services	1,125	1,363	1,322
v	Operating expenses	166	162	130
vi	Asset and equipment expenses	489	659	382
vii	Premises and accommodation expenses	160	101	121
viii	Communication and marketing expenses	100	60	51
		15,870	15,790	14,469

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €546,000; outturn €116,000

The underspend of €430,000 is due to a reduced requirement for business travel under the working arrangements that applied during the year.

iv Professional, consultancy and other services

Estimate provision €1.125 million; outturn €1.363 million

The excess of €238,000 is primarily due to higher than anticipated expenditure on recruitment services and other incidental expenses.

vi Asset and equipment expenses

Estimate provision €489,000; outturn €659,000

The excess of €170,000 is primarily due to the cost of procuring a new resource management system and the need to replace ICT equipment.

Programme A Audit and reporting

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	13,059	13,077	12,105
A.2	Administration – non pay	2,811	2,713	2,364
A.3	Consultancy services and other services	180	84	79
		16,050	15,874	14,548

Significant variations

The note below outlines the reasons for significant variations in programmed expenditure of the Vote (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €176,000 lower than originally provided. The variation in administration expenditure has already been explained. The balance of the variance of €96,000 was mainly due to the following.

A.3 Consultancy services and other services

Estimate provision €180,000; outturn €84,000

The underspend of €96,000 is mainly due to a lower than anticipated requirement for consultancy and legal services in the year.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Audit fees	6,300	7,285	7,983
2	Receipts from additional superannuation contributions on public service remuneration	385	380	339
		6,685	7,665	8,322

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €980,000 more than the estimate.

1 Audit fees

Estimate €6.3 million; realised €7.285 million

The variance of €985,000 is due to the difficulty in forecasting the precise timing of audit fee receipts.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>191</u>	<u>171</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	11,916	11,079
Higher, special or additional duties allowances	21	23
Overtime	1	—
Employer's PRSI	1,139	1,003
Total pay	<u>13,077</u>	<u>12,105</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	3	1	11,446	10,940
Overtime	2	—	517	96

No member of staff received additional payments in more than one category.

5.4 Office staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	125	120
60,000	69,999	23	16
70,000	79,999	15	11
80,000	89,999	19	16
90,000	99,999	12	6
100,000	109,999	1	9
110,000	119,999	10	2
120,000	129,999	1	—
130,000	139,999	—	—
140,000	149,999	—	1
150,000	159,999	1	1
160,000	169,999	1	1
170,000	179,999	1	—

5.5 Other remuneration arrangements

Two retired civil servants in receipt of civil service pensions were re-engaged in 2022 on a fee basis at a total cost of €14,900. The fees paid were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

Included in the account are salaries paid to two serving officers on secondment from the Office to the European Court of Auditors serving as national experts to Chamber V of the Court.

This account does not include expenditure in respect of four officers who were serving outside the Office for all or part of 2022 in other government departments/offices and whose salaries were not paid by the Office during their secondments.

5.6 Payroll overpayments

	Number of recipients	2022 €	2021 €
Overpayments	4	10,417	14,274
Recovery plans in place	1	39	1,929

In all three cases for which recovery plans are not currently in place, the recipients are off pay.

5.7 Remuneration of Comptroller and Auditor General

The salary of the Comptroller and Auditor General is paid directly out of the Central Fund of the Exchequer, as provided for in Section 14 of the Comptroller and Auditor General (Amendment) Act 1993. The charge on the Central Fund in 2022 in relation to the remuneration of the Comptroller and Auditor General was €213,001 (2021: €200,924). As provided for in Article 33 of the Constitution, the Comptroller and Auditor General may not hold any other office or position of emolument.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	170	163
Benefit in kind (BIK)	1	1
Allowances	—	—
	<u>171</u>	<u>164</u>

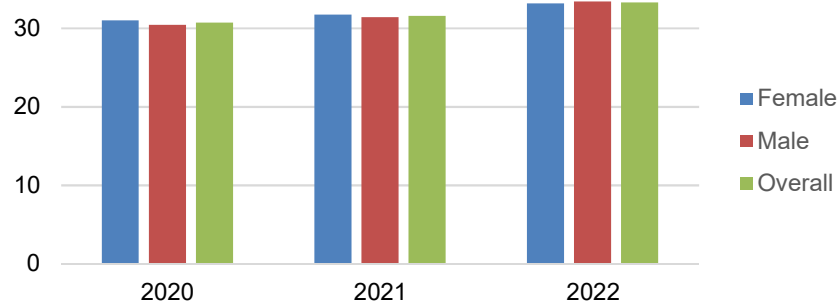
The BIK amount relates to the payment by the Office of the annual membership subscription to a professional accountancy body. It is not a paid allowance and does not increase the overall gross pay. The calculated value for the purpose of deducting tax, specified above, is in accordance with Revenue requirements.

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and her entitlements in that regard do not extend beyond the terms of that pension scheme.

5.9 Gender pay gap

The Office is committed to equality in its work force and supports a range of diversity initiatives. Gender balance and average pay rates are monitored and reported on. In 2022, there was no material (2% or more) difference in pay rates for male and female employees of the Office. On average across all grades at end 2022, male employees were paid 0.76% more per contracted hour than female employees. The chart below shows the average pay per contracted hour for males and females over the last three years.

**Average
hourly pay (€)**



5.10 Supporting professional qualifications and relevant work experience

The Office continues to support the professional development of its staff who are pursuing professional accountancy qualifications. The Office also provides opportunities for relevant work experience for third level students and for apprentices from the Accounting Technician Ireland apprenticeship programme. The table below shows the total number of trainee auditors who were supported in pursuing their professional qualifications during the year, and the total numbers of students and apprentices who held a placement within the Office during the year.

	2022	2021
Trainee auditors not yet qualified	59	48
Students	19	11
Apprentices	4	3

Appropriation Account 2022

Vote 9

Office of the Revenue Commissioners

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 2022 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 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €14.048 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Valuation of capital assets

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.

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.

The position in regard to the financial control environment, the framework of administrative procedures, in management reporting and internal audit is as follows.

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

Procurement

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

The Office has provided details of 56 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of seven contracts (in excess of €25,000), totalling €2,917,768 (ex. VAT) in 2022 as set out below.

- Two contracts for the provision of daily office cleaning services and the supply of uniforms with a combined value of €2,110,459 had previously been awarded under compliant competitive processes but were extended while revised arrangements were being put in place. New contracts are now in place for these items.
- One contract for the provision of mobile voice and data services with a value of €557,337, previously awarded under a compliant competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. Migration to the new provider is ongoing and under review.
- One contract for the provision of managed print services with a value of €121,313, previously awarded under a competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. The new service provider is now in place for these services.
- One contract for the supply, storage and distribution of PPE was awarded under a compliant competitive process in 2020 during the Covid pandemic. However, storage with the contractor was continued during 2022 at a cost of €40,451. The remaining inventory will be transferred to Revenue premises during 2023 thus closing the contract.
- One contract for the provision of antigen test kits with a value of €57,993, previously awarded under a compliant competitive process, was deemed non-compliant due to aggregated spend being above the national threshold for publication of tender requests. The contract is complete and will not be required in future.
- One contract for the provision of fuel testing kits and associated supplies with a value of €30,215 was deemed non-compliant due to aggregated spend being above the national threshold for publication of tender requests. Requirements will be reviewed with a view to implementing a compliant procurement process during 2023.

Except for the last two items listed, the above contracts have been included in the 40/2002 annual return referenced above.

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.

There is a quarterly review process for the Corporate Risk Register. Divisions report on the effectiveness of risk mitigating controls and residual risk levels following mitigation. Revisions to the register, including whether there should be any changes to the priority or ranking of individual risks, are then considered as part of a formal review by the Risk Management Committee (RMC). The RMC then presents the updated register for note to the Management Advisory Committee (MAC). 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 provides assurance of adherence to Revenue's risk management policies.

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 2022 that require disclosure in the appropriation account.

Emerging from the Covid-19 pandemic

In February 2022 the Government agreed to end almost all remaining Covid-19 restrictions. The Blended Working Policy Framework for the Civil Service was introduced in March 2022 and, based on this, Revenue's blended working policy was introduced in September 2022. Approximately 5,400 of Revenue's 6,850 staff (FTE 6,676 at 31 December 2022) had agreed a formal blended working arrangement by the end of the year. The remaining staff include those in work areas such as frontier management where blended working is not feasible and staff who have chosen to attend the office on a full-time basis.

Business support schemes

The commitment and engagement of Revenue's staff allowed Revenue to successfully maintain delivery of our core business programmes while continuing to deliver our additional role of administering Business support schemes.

Revenue continued to utilise its advanced technology infrastructure and its strong operational and project management capabilities to manage the range of subsidy and support schemes introduced by the Government to support businesses and their employees. The Business Resumption Support Scheme (BRSS) closed for applications in November 2021 with the Covid Restrictions Support Scheme (CRSS) closed in January 2022. The Covid Employment Wage Subsidy Scheme (EWSS) ended for employers in May 2022. The Temporary Business Energy Support Scheme (TBESS) was introduced in December 2022 to support businesses with increases in their electricity or natural gas (energy) costs.

These schemes ensured that critical support payments were provided to employers, employees, and businesses.

The administration of these schemes entailed the management of significant sums, with a net total of €770.6 million paid in respect of EWSS in 2022 (funded by the Department of Social Protection) and €5.5 million paid in respect of TBESS (funded by the Department of Enterprise, Trade and Employment). Net recoveries for the Temporary Wage Subsidy Scheme (TWSS) amounted to €26.3 million in 2022. Any balance owing to or from either Department at the year end are disclosed in note 2.9 of the account. CRSS and BRSS were funded through income tax or corporation tax and are paid as an advanced tax credit.

In early 2022, Revenue commenced a phased return to standard debt collection and normal periodic reviews for tax clearance which had been suspended since the start of the pandemic in March 2020.

Niall Cody

Accounting Officer

Office of the Revenue Commissioners

31 March 2023

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 2022 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 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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.

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 2022.

Seamus McCarthy
Comptroller and Auditor General

19 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports 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 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Administration and collection of taxes and duties, and frontier management				
	<i>Estimate provision</i>	496,424		
	<i>Deferred surrender</i>	493		
		496,917	491,699	488,701
Gross expenditure		496,917	491,699	488,701
	<i>Deduct</i>			
B Appropriations-in-aid		55,322	64,152	56,739
Net expenditure				
	<i>Estimate provision</i>	441,102		
	<i>Deferred surrender</i>	493		
		441,595	427,547	431,962

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus	14,048,260	9,764,842
Deferred surrender	—	(493,000)
Surplus to be surrendered	14,048,260	9,271,842

Niall Cody

Accounting Officer
Office of the Revenue Commissioners

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		350,751	339,678
Non pay		140,948	149,023
Gross expenditure		491,699	488,701
<i>Deduct</i>			
Appropriations-in-aid		64,152	56,739
Net expenditure		427,547	431,962
Changes in capital assets			
Purchases cash	(22,382)		
Depreciation	21,617		
Disposals cash	1		
Loss on disposals	99	(665)	(6,607)
Changes in net current assets			
Increase in closing accruals	5,825		
Decrease in inventories	496	6,321	(7,251)
Direct expenditure		433,203	418,104
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		167,154	156,539
Notional rents (non-cash)		12,043	12,043
Net programme cost		612,400	586,686

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.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	152,597	141,114
Vote 13	Office of Public Works	19,380	19,424
Vote 18	National Shared Services Office	680	667
		<u>172,657</u>	<u>161,205</u>
	Costs of shared services provided to other voted services rendered by Revenue without charge ^a	(5,503)	(4,666)
		<u>167,154</u>	<u>156,539</u>

Note ^a In addition to services rendered without charge to other Votes shown here (€5.503 million), services to the value of approximately €1.381 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) and the Department of Enterprise, Trade and Employment funded scheme (Temporary Business Energy Support 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 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	104,098	103,536
Current assets			
Bank and cash	2.2	30,170	24,963
Inventories	2.3	1,405	1,901
Prepayments	2.4	15,256	18,947
Accrued income	2.5	975	1,155
Other debit balances	2.6	1,883	1,809
Total current assets		49,689	48,775
Less current liabilities			
Accrued expenses	2.7	4,789	3,666
Deferred income	2.8	1,376	648
Other credit balances	2.9	25,999	26,045
Net Exchequer funding	2.10	6,054	727
Total current liabilities		38,218	31,086
Net current assets		11,471	17,689
Net assets		115,569	121,225
Represented by:			
State funding account	2.11	115,569	121,225

2.1 Capital assets ^a

	Vehicles and equipment €000	Office/IT equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
Gross assets					
Cost or valuation at 1 January 2022	18,948	431,398	88,771	3,303	542,420
Additions	1,990	5,520	1,639	13,130	22,279
Brought into use	—	10,682	—	(10,682)	—
Disposals	(145)	(1,226)	(1,729)	—	(3,100)
Cost or valuation at 31 December 2022	20,793	446,374	88,681	5,751	561,599
Accumulated depreciation					
Opening balance at 1 January 2022	15,086	365,249	58,549	—	438,884
Depreciation for the year ^b	1,248	16,148	4,221	—	21,617
Depreciation on disposals	(145)	(1,206)	(1,649)	—	(3,000)
Cumulative depreciation at 31 December 2022	16,189	380,191	61,121	—	457,501
Net assets at 31 December 2022	4,604	66,183	27,560	5,751	104,098
Net assets at 31 December 2021	3,862	66,149	30,222	3,303	103,536

- Notes
- ^a Includes certain assets acquired for less than €10,000 prior to 1 January 2021.
 - ^b Depreciation is calculated and charged on capital assets on a monthly basis from the month of acquisition until the month of disposal.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	20,272	14,382
Commercial bank account balance	55	55
TWSS bank account balance ^a	1,662	6,895
EWSS bank account balance ^a	8,156	3,631
TBESS bank account balance	25	—
	30,170	24,963

Note ^a The TWSS and EWSS bank account ledger balances at the end of 2022 include €66,000 in claimant overpayments recovered by Revenue which had not yet been paid over to the Department of Social Protection (DSP). The TWSS and EWSS suspense account balances due to DSP in note 2.9 also include €66,000 in claimant overpayments.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery and small stores	59	645
Equipment/clothing/miscellaneous	1,322	1,255
IT consumables	24	1
	1,405	1,901

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as inventory.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
ICT services and support	13,707	17,310
Postal and telecommunications	1,151	1,151
Other administration expenses	398	486
	15,256	18,947

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Administration income	975	1,155
	975	1,155

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Shared building advances	247	291
Recoupable travel expenditure	12	1
Advances to OPW for building works, etc.	929	1,057
Vote 10 Tax Appeals Commission	300	228
Recoupable salaries	186	9
Recoupable travel pass scheme expenditure	100	113
Other debit suspense items	109	110
	1,883	1,809

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
Other administration expenses	2,164	1,044
ICT services and support	1,313	1,103
Training and development and other day-to-day expenses	1,312	1,519
	4,789	3,666

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
EU funding for the procurement of specialised equipment	1,252	504
Fee income received in advance	124	144
	1,376	648

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income Tax	4,300	3,983
Universal Social Charge	875	800
Pay Related Social Insurance	3,249	2,859
Professional Services Withholding Tax	2,210	2,553
Value Added Tax	937	883
Pension contributions	1,229	958
Local Property Tax	35	38
Extra Exchequer receipts	—	445
	12,835	12,519
 Payroll deductions held in suspense	 2,554	 2,614
Recoupable expenditure in advance	258	239
Due to DSP in respect of		
• TWSS ^a	1,662	6,895
• EWSS ^a	8,156	3,631
Due to the Account of the Receipt of Revenue of the State in respect of		
• TBESS ^b	25	—
Other credit suspense items	509	147
	25,999	26,045

- Notes ^a In 2022, payments (net of refunds and unpaid claims) administered under EWSS amounted to €770.6 million. In 2022, payments and recoveries administered under TWSS were as follows.
- TWSS payments €651,000
 - TWSS recoveries €27 million
- Recoveries of €27 million arose due to repayment of TWSS liabilities.
- ^b Revenue opened a number of suspense accounts during the year to facilitate payments under TBESS, funded by the Vote of the Department of Enterprise, Trade and Employment. In 2022, payments (net of unpaid claims) administered under TBESS amounted to €5.5 million.

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	14,048	9,272
Deferred surrender	—	493
Exchequer grant undrawn	(7,994)	(9,038)
Net Exchequer funding	6,054	727
Represented by:		
Debtors		
Bank and cash	30,170	24,963
Other debit balances	1,883	1,809
	32,053	26,772
Creditors		
Due to the State	(12,835)	(12,519)
Other credit balances	(13,164)	(13,526)
	(25,999)	(26,045)
	6,054	727

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		121,225	107,367
Disbursements from the Vote			
Estimate provision	Account	441,595	
Surplus to be surrendered	Account	(14,048)	
Net vote		427,547	431,962
Expenditure (cash) borne elsewhere	1.1	167,154	156,539
Non-cash expenditure – notional rent	1	12,043	12,043
Net programme cost	1	(612,400)	(586,686)
Balance at 31 December		115,569	121,225

2.12 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	<u>25,070</u>	<u>24,803</u>

2.13 Contingent liabilities

Revenue has contingent liabilities estimated at €4.092 million (2021: €3.415 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	352,824	350,751	339,678
ii	Travel and subsistence	2,500	1,836	772
iii	Training and development and incidental expenses	33,500	28,496	30,651
iv	Postal and telecommunications services	9,000	11,156	9,641
v	Office equipment and external IT services			
	<i>Estimate provision</i>	74,050		
	<i>Deferred surrender</i>	493		
		74,543	72,763	74,557
vi	Office premises expenses	6,025	9,308	18,207
vii	Consultancy services and value for money and policy reviews	250	165	73
viii	Motor vehicles	5,350	5,421	4,503
ix	Law charges, fees and rewards	11,800	11,419	9,366
x	Compensation and losses	1,125	384	1,253
		496,917	491,699	488,701

Significant variations

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

ii Travel and subsistence

Estimate provision €2.5 million; outturn €1.836 million

Expenditure was €664,000 less than the estimate provision due to a more gradual return to in-person business meetings and compliance fieldwork following the Covid-19 pandemic.

vi Office premises expenses

Estimate provision €6.025 million; outturn €9.308 million

An excess of €3.283 million arises due to Brexit infrastructure costs at Dublin Port and due to increases in energy costs.

x Compensation and losses

Estimate provision €1.125 million; outturn €384,000

Expenditure was €741,000 less than the estimate provision due to a significant decrease in legal cost award payments compared to previous years.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for services relating to the PRSI scheme	37,437	37,437	37,437
2	Fines, forfeitures, law costs recovered	1,800	2,441	1,942
3	Cherished numbers	175	368	293
4	Receipts in respect of Environmental Levy collection	400	407	809
5	Share of Single Authorisation for Simplified Procedures (SASP) collection costs	4,785	10,453	6,098
6	Miscellaneous	2,400	4,349	1,988
7	Receipts from additional superannuation contributions on public service remuneration	8,325	8,697	8,172
		55,322	64,152	56,739

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €8.83 million higher than the original estimate. Explanations for variances are set out below.

2 Fines, forfeitures, law costs recovered

Estimate €1.8 million; realised €2.441 million

Additional receipts arise due to an increase in compliance activity following the Covid-19 pandemic resulting in a greater volume of fines in respect of diesel and excise offences.

3 Cherished numbers

Estimate €175,000; realised €368,000

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 estimate is taken when preparing the estimate. There was a marginal increase in the volume of new cars purchased in 2022 compared to 2021.

5 Share of SASP collection costs*Estimate €4.785 million; realised €10.453 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. Under the centralised clearance system, the State retains a percentage of the duties collected. The increase of €5.668 million arises due to increased imports into mainland Europe, following the Covid-19 pandemic, where the customs duties are declared and collected in the State.

6 Miscellaneous*Estimate €2.4 million; realised €4.349 million*

The increase of €1.949 million in miscellaneous receipts arises due to increased Vote refund receipts (in respect of liquidation cases) and additional EU grant payments.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	445	415
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	726	460
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with global cigarette manufacturers	130	864
Transferred to the Exchequer	(1,301)	(1,294)
Balance at 31 December	—	445

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>6,676</u>	<u>6,535</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	313,000	304,532
Higher, special or additional duties allowances	8,885	8,957
Overtime	2,582	2,294
Employer's PRSI	26,284	23,895
Total pay	<u>350,751</u>	<u>339,678</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	96	17	21,600	27,532
Overtime and extra attendance	1,231	134	30,983	21,921
Shift and roster allowances	844	167	53,509	34,473
Miscellaneous	131	8	43,117	21,048
Extra remuneration in more than one category	265	88	54,311	34,586

5.4 Office employee pay bands

The number of Revenue employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	5,217	5,637
60,000	69,999	610	496
70,000	79,999	373	346
80,000	89,999	205	192
90,000	99,999	122	45
100,000	109,999	22	38
110,000	119,999	46	31
120,000	129,999	10	2
130,000	139,999	—	1
140,000	149,999	1	2
150,000	159,999	3	9
160,000	169,999	10	1
170,000	179,999	2	—
180,000	189,999	—	—
190,000	199,999	—	2
200,000	209,999	1	1
210,000	219,999	1	—

5.5 Performance awards

A total of €127,000 (2021: €128,000) was spent on staff recognition schemes. There were 2,413 (2021: 2,401) individual awards, ranging from €20 to €250.

5.6 Other remuneration arrangements

A total of €77,000 was paid to 51 retired civil servants by Revenue in 2022 in respect of committee member payments, interview board payments and witness expenses (2021: €63,000 was paid to 36 retired civil servants). These payments were made in accordance with the appropriate Department of Public Expenditure, National Development Plan Delivery and Reform rates.

This account includes expenditure of €1.23 million in respect of 21 officers who were serving outside Revenue for all or part of 2022 and whose salaries were paid by Revenue (2021: €795,000 in respect of 19 officers).

This account does not include expenditure in respect of 43 officers who were serving outside Revenue for all or part of 2022 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.7 Payroll overpayments

at 31 December	Number of recipients	2022 €000	2021 €000
Overpayments	916	1,520	1,432
Recovery plans in place	513	710	713

Fifteen overpayment recovery plans, in respect of fourteen individuals to the value of €5,807 were transferred to nine other departments/offices during the year.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants, and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year:

	2022	2021
	€000	€000
Payroll overpayments	10	7
Payroll amendments ^a	10	—
Obsolete inventory	9	—
	29	7

Note ^a A total of €10,000 (Income Tax €6,000, PRSI €3,000 and USC €1,000) was written off in 2022 as the amounts were outside the four-year limit for claiming a tax refund. The amount of €10,000 is included in note 3 subhead A (i) salaries, wages and allowances.

6.2 Law charges, fees and rewards (subhead A (ix))

Legal costs paid during the year are categorised as follows:	2022	2021
	€000	€000
External solicitors	2,337	1,970
Counsel fees	5,446	4,519
Bankruptcy/liquidation costs	2,009	2,086
Court fees	—	12
Miscellaneous costs and rewards	1,627	779
	11,419	9,366

6.3 Compensation and losses (subhead A (x))

Payments/costs paid by Revenue Commissioners in the year

	Claims by					Total 2022	Total 2021
	employees		members of the public				
	Personal injury ^a	Other	Personal injury ^b	Loss or damage ^c	Other ^d		
Number of cases	13	1	4	3	3	24	32
	€000	€000	€000	€000	€000	€000	€000
Revenue's own legal costs	27	—	2	—	—	29	20
Payments by/on behalf of Revenue							
Compensation	73	72	1	1	—	147	286
Legal costs	170	—	—	—	31	201	947
Other costs	6	—	1	—	—	7	—
2022 total	276	72	4	1	31	384	1,253
2021 total	300	—	5	1	947	1,253	

- Notes
- ^a Amounts paid in individual cases ranged from €60 to €81,000
 - ^b Amounts paid in individual cases ranged from €60 to €1,500
 - ^c Amounts paid in individual cases ranged from €1 to €278
 - ^d Amounts paid in individual cases ranged from €1,100 to €24,000

At 31 December 2022, the following claims are outstanding.

- Personal injury claims: 21 – employees 14, members of the public 7 (2021: 25)
- Loss or damage claims: 7 – members of the public 7 (2021: 1)
- Other claims: 19 – members of the public 19 (2021: 11)

Cumulative costs of cases completed in 2022

	Claims by					Total
	employees		members of the public			
	Personal injury	Other	Personal injury	Loss or damage	Other	
Number of cases	2	1	2	2	3	10
	€000	€000	€000	€000	€000	€000
Revenue's own legal costs	1	—	—	—	33	34
Payments by/on behalf of Revenue						
Compensation	—	72	1	1	—	74
Legal costs	—	—	—	—	31	31
Other costs	—	—	1	—	1	2
Total	1	72	2	1	65	141

6.4 EU funding

Under a grant agreement with EU Commission Anti-Fraud Office (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 a mobile X-ray scanning van which is used by Investigation, Prosecution and Frontier Management Division (IPFMD) to scan trucks and containers. The first instalment of grant funding €720,000 was received in 2020 and the scanner was ordered in 2021. The scanner was delivered in October 2022. The second grant instalment of €361,000 will be claimed by Revenue in Q3 2023.

Under a grant agreement with OLAF, the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.84 million, or 40% of the eligible cost for the purchase of a Customs cutter which will be used by IPFMD to detect prohibited goods and illicit excisable products in the maritime domain. The first instalment of €920,000 was received in June 2022 and is included in category 6 'miscellaneous' in appropriations-in-aid.

Under a grant agreement with the Directorate-General Taxation and Customs Union (DG-TAXUD), the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.19 million, or 80% of the eligible cost for the purchase of various X-ray machines, trace detection systems, bore scopes and spectrometers which will be used by IPFMD to detect prohibited goods and illicit excisable products in ports, airports, and postal depots. The first instalment of €595,200 was received in October 2022 and is included in category 6 'miscellaneous' in appropriations-in-aid.

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

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 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Name of Account	Last accounting period	Date of audit report	Date presented to the Oireachtas
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners	2021	22 Apr 2022	11 May 2022

Appropriation Account 2022

Vote 10

Tax Appeals Commission

Introduction

As Accounting Officer for Vote 10, 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 2022 for the salaries and expenses of the Tax Appeals Commission.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €516,000 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Depreciation of capital assets

Depreciation is charged on assets on a full-year basis with a full-year's depreciation charged in the year of acquisition and no depreciation 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 implemented, maintained and operated by the Commission.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chairperson. 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.

Support services

Procedures in relation to the Commission's payment and accounting service that are administered by the Office of the Revenue Commissioners were set up in 2016 when the Commission was established. The service level agreement (SLA) between the Commission and the Office of the Revenue Commissioners setting out the responsibilities of the parties was reviewed and a revised SLA was agreed and signed on 12 February 2021. This agreement covers primarily accounts and finance.

With regards to the provision of human resources and payroll shared services, I note the assurance provided to the Revenue Commissioners by the Accounting Officer of the Vote for the National Shared Services Office.

Financial control environment

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

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk 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 Commission
- there are systems aimed at ensuring the security of the Commission's ICT systems
- there are appropriate capital investment guidelines in place
- the Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal audit

The Commission engages a firm of accountants to provide outsourced internal audit services. The internal auditor reports to me and independently to the Audit and Risk Committee who receive, review and approve a rolling three-year internal audit work plan in consultation with the Commission's management team.

In 2023, the internal auditor reported on the review of the effectiveness of internal financial controls in 2022, which provided reasonable assurance regarding the internal control environment in operation. The work of the internal audit function is informed by analysis of the risks to which the Commission 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Commission on the adequacy and effectiveness of the organisation's internal control systems, control environment and control procedures. In addition, the Committee monitors the work of the internal audit function and pays careful attention to the Comptroller and Auditor General's (C&AG) annual report and subsequent management letter. The Committee, which is advisory rather than supervisory, provides an independent view of the financial reporting process, internal controls and audit functions of the Commission. The Committee also advises on and monitors the implementation of the Commission's risk management strategy. The Committee makes an important contribution to the effectiveness of the corporate governance function of the Commission.

Procurement

I confirm that the Commission 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 Commission complied with the guidelines in the year.

The Commission has provided details of one non-competitive contract in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

The Commission 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 Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Risk Review Board and the Audit and Risk Committee on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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, 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 Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Commission'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 Commission 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 2022 that require disclosure in the appropriation account.

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

21 June 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 10 Tax Appeals Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 10 Tax Appeals Commission for the year ended 31 December 2022 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 10 Tax Appeals Commission for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Tax Appeals Commission 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 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 10 Tax Appeals Commission

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Facilitation of hearing tax appeals	3,522	2,989	2,825
Gross expenditure	3,522	2,989	2,825
<i>Deduct</i>			
B Appropriations-in-aid	79	62	63
Net expenditure	3,443	2,927	2,762

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	516,287	455,826

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

21 June 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost			
Pay		2,511	2,359
Non pay		478	466
Gross expenditure		2,989	2,825
<i>Deduct</i>			
Appropriations-in-aid		62	63
Net expenditure		2,927	2,762
Changes in capital assets			
Purchases cash	(145)		
Depreciation	53		
Loss on disposals	1	(91)	29
Changes in net current assets			
Decrease in closing accruals	(28)		
Decrease in inventories	18	(10)	(40)
Direct expenditure		2,826	2,751
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		636	633
Net programme cost		3,462	3,384

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 10 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	29	27
Vote 13	Office of Public Works	575	570
Vote 43	Office of the Government Chief Information Officer	32	36
		636	633

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	279	188
Current assets			
Bank and cash		317	232
Inventories	2.2	—	18
Prepayments	2.3	66	66
Total current assets		383	316
Less current liabilities			
Accrued expenses		9	37
Vote 9 Revenue Commissioners		300	228
Net Exchequer funding	2.4	17	4
Total current liabilities		326	269
Net current assets		57	47
Net assets		336	235
Represented by:			
State funding account	2.5	336	235

2.1 Capital assets

	Furniture and fittings €000	Office/IT equipment €000	Capital assets under development €000	Total €000
Gross assets ^a				
Cost or valuation at 1 January 2022	7	362	18	387
Additions	—	—	145	145
Assets under development brought into use	—	—	—	—
Disposals	—	(84)	—	(84)
Cost or valuation at 31 December 2022	7	278	163	448
Accumulated depreciation				
Opening balance at 1 January 2022	2	197	—	199
Depreciation for the year	1	52	—	53
Depreciation on disposals	—	(83)	—	(83)
Cumulative depreciation at 31 December 2022	3	166	—	169
Net assets at 31 December 2022	4	112	163	279
Net assets at 31 December 2021	5	165	18	188

Note ^a Includes certain assets acquired prior to 1 January 2021 for less than €10,000 each.

2.2 Inventories

at 31 December	2022 €000	2021 €000
Stationery and small stores	—	2
Equipment/miscellaneous	—	2
IT consumables	—	14
	—	18

Note Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
ICT services and support	37	39
Other administration expenses	29	27
	66	66

2.4 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	516	456
Exchequer grant undrawn	(499)	(452)
Net Exchequer funding	17	4

Represented by:**Debtors**

Bank and cash	317	232
	317	232

Creditors

Vote 9 Revenue Commissioners	(300)	(228)
	17	4

2.5 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		235	224
Disbursements from the Vote			
Estimate provision	Account	3,443	
Surplus to be surrendered	Account	(516)	
Net vote		2,927	2,762
Expenditure (cash) borne elsewhere	1.1	636	633
Net programme cost	1	(3,462)	(3,384)
Balance at 31 December		336	235

2.6 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	728	66
Total of legally enforceable commitments	728	66

Note 3 Vote Expenditure

Analysis of administration expenditure

All the programme expenditure is classified as administrative expenditure.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,751	2,511	2,359
ii	Travel and subsistence	1	5	—
iii	Training and development and incidental expenses	97	71	72
iv	Postal and telecommunications services	25	6	19
v	Office equipment and external IT services	465	266	142
vi	Office premises expenses	21	21	23
vii	Consultancy and other services	162	109	210
		3,522	2,989	2,825

Significant variations

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

v Office equipment and external IT services

Estimate provision €465,000; outturn €266,000

The underspend of €199,000 on office equipment and external IT services expenses relates to delays in the development of the new case management system. This will be completed in 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	79	59	62
2	Miscellaneous	—	3	1
Total		79	62	63

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>34</u>	<u>30</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	2,207	2,103
Higher, special or additional duties allowances	40	36
Overtime	28	3
Employer's PRSI	<u>236</u>	<u>217</u>
Total pay	<u>2,511</u>	<u>2,359</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	7	—	9,886	16,970
Overtime	16	—	4,240	616
Extra remuneration in more than one category	4	2	14,126	17,326

5.4 Commission staffing by pay band

The number of Commission employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	20	22
60,000	69,999	—	1
70,000	79,999	4	4
80,000	89,999	1	1
90,000	99,999	3	—
100,000	109,999	2	—
110,000	119,999	—	1
150,000	159,999	—	1
160,000	169,999	—	2
170,000	179,999	2	—
180,000	189,999	—	1
190,000	199,999	1	—

5.5 Performance awards

A total of €1,250 (2021: €1,300) was spent on staff recognition schemes. There were 25 (2021: 26) individual awards of €50.

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	195	189
	<u>195</u>	<u>189</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and her entitlements in that regard do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

	Claims by		Total 2022	Total 2021
	employees (personal injury)	members of the public (judicial review)		
Number of cases	1	3	4	7
	€000	€000	€000	€000
Commission's own legal costs	—	51	51	27
Payments by/on behalf of the Commission				
Compensation	—	—	—	—
Legal costs	30	—	30	4
Other costs	—	—	—	18
2022 Total	30	51	81	49
2021 Total	21	28	49	

Note At 31 December 2022, one judicial review is outstanding (2021: one case).

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees (personal injury)	members of the public (judicial review)	
Number of cases	1	2	3
	€000	€000	€000
Commission's own legal costs	3	48	51
Payments by/on behalf of the Commission			
Compensation	100	—	100
Legal costs	30	—	30
Other costs	18	—	18
Total	151	48	199

Appropriation Account 2022

Vote 11

**Office of the Minister for
Public Expenditure, National Development
Plan Delivery and Reform**

Introduction

As Accounting Officer for Vote 11, 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 2022, for the salaries and expenses of the Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €5.475 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Change of Department name

On 1 February 2023, the Public Expenditure and Reform (Alteration of Name of Department and Title of Minister) Order 2023 came into operation to give legal effect to a name change announced by the Taoiseach on 17 December 2022. This changed the name of the Department from the Department of Public Expenditure and Reform to the Department of Public Expenditure, National Development Plan Delivery and Reform.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Depreciation

Depreciation is calculated and charged on a straight line monthly basis from the month of acquisition/commissioning.

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.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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 (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the NSSO that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Department.

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Department and this meant that there were two separate accounting systems in place during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Department to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Department continues to work on addressing the challenges.

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.
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 11.
- 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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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

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 has recorded one non-competitive procurement in its annual return in respect of Circular 40/2002 to the Comptroller and Auditor General. However, this contract with the Institute of Public Administration (IPA) for a review of the 2016 *Consultation Principles and Guidance*, which had a value of €39,300, was compliant with procurement rules as a result of the Teckal exemption pursuant to Regulation 12 of SI 284/2016. This exemption meant that the contract could be awarded to the IPA in compliance with procurement legislation without going to public tender.

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 high level risks facing the Department are reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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 2022 that require disclosure in the appropriation account.

David Moloney

Accounting Officer

Department of Public Expenditure, National Development Plan Delivery and Reform

21 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform

Opinion on the appropriation account

I have audited the appropriation account for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform for the year ended 31 December 2022 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 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Public Expenditure, National Development Plan Delivery and Reform 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

1 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Public expenditure and sectoral policy	25,932	23,318	21,119
B Public service management and reform	23,498	21,584	21,359
Gross expenditure	49,430	44,902	42,478
<i>Deduct</i>			
C Appropriations-in-aid	2,905	3,852	2,952
Net expenditure	46,525	41,050	39,526

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	5,474,721	3,148,074

David Moloney

Accounting Officer

Department of Public Expenditure, National Development Plan Delivery and Reform

21 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		17,929	16,646
Pay		24,911	24,695
Non pay		2,062	1,137
Gross expenditure		44,902	42,478
<i>Deduct</i>			
Appropriations-in-aid		3,852	2,952
Net expenditure		41,050	39,526
Changes in capital assets			
Purchases cash	(411)		
Depreciation	274	(137)	251
Changes in net current assets			
Decrease in closing accruals	136		
Decrease in closing inventories	26	162	110
Direct expenditure		41,075	39,887
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		11,860	9,303
Notional rents		2,512	2,512
Net programme cost		55,447	51,702

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 11 borne elsewhere.

		2022	2021
		€000	€000
Vote 7	Office of the Minister for Finance	1,457	942
Vote 12	Superannuation and Retired Allowances	7,585	6,224
Vote 13	Office of Public Works	1,957	1,583
Vote 18	National Shared Services Office	211	42
Vote 20	Garda Síochána	223	—
Vote 43	Office of the Government Chief Information Officer	427	512
		11,860	9,303

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	2,182	2,045
Current assets			
Bank and cash		3,497	806
Inventories	2.2	—	26
Prepayments	2.3	262	337
Accrued income	2.4	—	10
Other debit balances	2.5	276	58
Total current assets		4,035	1,237
Less current liabilities			
Accrued expenses		190	139
Other credit balances	2.6	1,168	1,024
Net Exchequer funding	2.7	2,605	(160)
Total current liabilities		3,963	1,003
Net current assets		72	234
Net assets		2,254	2,279
Represented by:			
State funding account	2.8	2,254	2,279

2.1 Capital assets

	IT equipment €000	Total €000
Gross assets		
Cost or valuation at 1 January 2022	4,855	4,855
Additions ^a	411	411
Capital assets under development brought into service	—	—
Cost or valuation at 31 December 2022	5,266	5,266
Accumulated depreciation		
Opening balance at 1 January 2022	2,810	2,810
Depreciation for the year	274	274
Cumulative depreciation at 31 December 2022	3,084	3,084
Net assets at 31 December 2022	2,182	2,182
Net assets at 31 December 2021	2,045	2,045

Note ^a Of the additions in 2022, €349,000 related to the development of the European Regional Development Fund (ERDF) portfolio management system and €62,000 represents additions to two existing assets: the Civil Service Learning Content Manager and the eCohesion system.

2.2 Inventories

at 31 December	2022 ^a €000	2021 €000
Stationery	—	18
IT consumables	—	8
	—	26

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
IT costs	109	126
Education fees	48	120
International institutions	55	55
Subscriptions	42	27
Insurance	7	8
Miscellaneous	1	1
	262	337

2.4 Accrued income

at 31 December	2022	2021
	€000	€000
National Lottery Regulator pension contributions	—	10
	—	10

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable travel pass expenditure	28	28
VAT refund due	154	—
Other debit suspense items	94	30
	276	58

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	491	495
Pay related social insurance	242	224
Professional services withholding tax	22	13
Value added tax	28	15
Pension contributions	86	83
Local property tax	2	2
	<u>871</u>	<u>832</u>
Payroll deductions held in suspense	96	83
Other credit suspense items	201	109
	<u>1,168</u>	<u>1,024</u>

2.7 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	5,475	3,148
Exchequer grant undrawn	(2,870)	(3,308)
Net Exchequer funding	<u>2,605</u>	<u>(160)</u>
Represented by:		
Debtors		
Bank and cash	3,497	806
Debit balances: suspense	276	58
	<u>3,773</u>	<u>864</u>
Creditors		
Due to the State	(871)	(832)
Credit balances: suspense	(297)	(192)
	<u>(1,168)</u>	<u>(1,024)</u>
	<u>2,605</u>	<u>(160)</u>

2.8 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		2,279	2,652
Disbursements from the Vote			
Estimate provision	Account	46,525	
Surplus to be surrendered	Account	(5,475)	
Net vote		41,050	39,526
Expenditure (cash) borne elsewhere	1.1	11,860	9,303
Non cash items - capital assets adjustment		—	(12)
Non cash expenditure – notional rent	1	2,512	2,512
Net programme cost		(55,447)	(51,702)
Balance at 31 December		2,254	2,279

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	26,543	24,912	24,695
ii	Travel and subsistence	257	189	60
iii	Training and development	421	492	457
iv	Professional, consultancy and other services	29	74	29
v	Operating expenses	561	408	377
vi	Premises and accommodation expenses	251	333	164
vii	Communication and marketing expenses	22	18	19
viii	Asset and equipment expenses	433	548	31
		28,517	26,974	25,832

Note Changes were made to the administration subheads to facilitate the new single cross Government chart of accounts for all Votes. Eight votes, including this vote, moved to the new chart of accounts in 2022. Four subheads were retired and five new subheads were created. The figures for 2021 have been re-analysed to align with the new subheads.

Significant variations

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

v Operating expenses

Estimate provision €561,000; outturn €408,000

While it was expected that operating expenses would return to pre-pandemic levels in 2022, savings of €153,000 were realised as operating expenses did not increase as anticipated.

viii Asset and equipment expenses

Estimate provision €433,000; outturn €548,000

The increase of €115,000 relates to expenditure on two EU IT systems which support the timely drawdown of EU funds. The eCohesion system was enhanced and a new European Regional Development Fund management system was built. The expenditure on these systems was partly offset by a delay in procuring a new patient management system for the Civil and Public Service Chief Medical Officer, which is now expected to be built in 2024.

Programme A Public Expenditure and Sectoral Policy

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	11,965	11,292	11,186
A.2	Administration – non pay	869	1,155	502
A.3	Economic and Social Research Institute – administration and general expenses	3,000	3,000	3,000
A.4	Structural funds technical assistance and other costs	1,654	1,169	1,023
A.5	Technical assistance costs of Regional Assemblies	1,125	992	669
A.6	Special EU Programmes Body and North/South programmes	4,850	3,147	2,283
A.7	Ireland/Wales and Transnational INTERREG	220	217	150
A.8	Consultancy and other services	349	188	687
A.9	Funding for pensions for bodies under the aegis of the Department	1,150	1,505	1,410
A.10	Irish Government Economic and Evaluation Service	250	172	193
A.11	Construction innovation support	500	481	16
		25,932	23,318	21,119

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €2.614 million lower than the sum provided.

A.2 Administration – non pay

Estimate provision €869,000; outturn €1.155 million

The increase of €286,000 partially relates to an increase in premises costs and training and development costs. As detailed in the asset and equipment expenses variance explanation above, there was also expenditure on two EU IT systems. The eCohesion system was enhanced and a new European Regional Development Fund (ERDF) portfolio management system was built. These systems will support the timely drawdown of EU funds.

A.4 Structural funds technical assistance and other costs

Estimate provision €1.654 million; outturn €1.169 million

This saving of €485,000 is due to pay savings in the Internal and EU Audit Unit due to lower than anticipated staffing levels in 2022. Additionally, profiled expenditure for the running costs of the eCohesion system were less than expected.

A.5 Technical assistance costs of Regional Assemblies

Estimate provision €1.125 million; outturn €992,000

There was an increase in the estimate from 2021 to 2022 of €455,000 to provide the assemblies with sufficient technical support to allow them to process new applications for EU grant funding. The technical support required in 2022 was €133,000 less than expected.

A.6 Special EU Programmes Body and North/South programmes

Estimate provision €4.85 million; outturn €3.147 million

This underspend of €1.703 million is due to the delayed launch of the PEACEPLUS project. This programme expenditure should commence in 2023.

A.8 Consultancy and other services

Estimate provision €349,000; outturn €188,000

This saving of €161,000 is due to spending on events, training and engagement being lower than previous years.

A.9 Funding for pensions for bodies under the aegis of the Department

Estimate provision €1.15 million; outturn €1.505 million

The excess in expenditure of €355,000 is primarily due to a number of lump sum payments associated with retirements in these bodies that were not forecast by the bodies at the time of the Revised Estimates in late 2021.

Programme B Public Service Management and Reform

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	14,578	13,619	13,508
B.2	Administration – non pay	1,105	907	635
B.3	Institute of Public Administration	2,725	2,725	2,725
B.4	Civil service arbitration and appeals procedure	44	23	37
B.5	Consultancy and other services	369	457	138
B.6	Public Service Innovation Fund	750	747	746
B.7	Reform agenda	693	436	603
B.8	Employee assistance officer shared service	1,498	1,434	1,320
B.9	Public pay determination support	100	8	36
B.10	Civil service learning and development programme	846	607	457
B.11	Single public service pension administration project	200	71	34
B.12	Implementation of Protected Disclosures Act	285	285	220
B.13	Non-profit sector data project	305	265	900
		23,498	21,584	21,359

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €1.914 million lower than provided. Savings in administration expenditure totalled €1.157 million. The balance of the variance was mainly due to the following:

B.7 Reform agenda

Estimate provision €693,000; outturn €436,000

The saving in expenditure of €257,000 relative to the estimate provision was due to a combination of smaller savings over a number of policy and programme areas, particularly in civil service HR resourcing, policy and capacity.

B.10 Civil service learning and development programme

Estimate provision €846,000; outturn €607,000

This saving of €239,000 can be mainly attributed to delays in finding suitable alternative classroom facilities to replace OneLearning's Mountjoy Square classrooms. The lease on the Mountjoy Square premises expired on 31 December 2020. The remaining variance is due to less course development than planned in 2022.

B.11 Single public service pension administration project

Estimate provision €200,000; outturn €71,000

The saving in expenditure of €129,000 is due to a delay in the planned design and development work for a future central ICT system to support the administration of the Single Pension Scheme across the Public Service.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	EU programmes	1,300	1,925	1,109
2	Pension cash flow surpluses	130	177	170
3	Miscellaneous	65	173	95
4	Receipts from additional superannuation contributions on public service remuneration	1,410	1,577	1,578
Total		2,905	3,852	2,952

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €947,000 more than the original estimate. Explanations for variances are set out below:

1 EU programmes

Estimate €1.3 million; realised €1.925 million

The increase of €625,000 is due to the challenges in accurately estimating the timing as well as the value of reimbursements pertaining to EU programmes.

3 Miscellaneous

Estimate €65,000; realised €173,000

Miscellaneous receipts are by their nature difficult to forecast. The increase of €108,000 is mainly due to a grant refund from Benefacts of €87,000.

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €1.41 million; realised €1.577 million

The increase of €167,000 can be attributed to an increase in wages under the Building Momentum extension which was agreed in October 2022 and partially backdated to February 2022. This increased the value of superannuation contributions.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Voluntary surrender of ministerial salaries	37	37
EU receipt – Interreg refund	—	7
Transferred to the Exchequer	(37)	(44)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>364</u>	<u>362</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	25,249	24,447
Higher, special or additional duties allowances	256	272
Other allowances	10	9
Overtime	7	36
Employer's PRSI	<u>2,131</u>	<u>1,984</u>
Total pay ^a	<u>27,653</u>	<u>26,748</u>

Note ^a The total pay figure is distributed across subheads A.1 and B.1. The Department does not directly fund the pay costs of any of the bodies under its aegis.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	33	7	33,876	39,157
Other allowances	2	—	9,723	9,293
Overtime	11	—	4,404	32,258
Extra remuneration in more than one category	3	3	21,674	42,426

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	213	223
60,000	69,999	35	34
70,000	79,999	21	26
80,000	89,999	39	38
90,000	99,999	42	36
100,000	109,999	11	15
110,000	119,999	15	13
120,000	129,999	5	—
130,000	139,999	1	1
140,000	149,999	—	—
150,000	159,999	2	—
160,000	169,999	—	2
170,000	179,999	1	1
180,000	189,999	—	1
190,000	199,999	1	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	1	—

5.5 Other remuneration arrangements

In 2022, expenditure of €195,174 (2021: €220,626) was incurred in respect of three officers (2021: three officers) who were serving outside the Department for all or part of 2022 and whose salary was paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	33	115,915	145,797
Recovery plans in place	7	19,402	28,764

Three individuals with recovery plans in place to a value of €2,802 transferred to other Departments in the year. Recovery of the outstanding amounts will be collected by their respective Departments.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€000	€000
Basic pay	225	210

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that scheme. The figure for 2021 has been restated and now shows the remuneration received, as required by circular 22/2022.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2022 €000	2021 €000
Civil Service Arbitration Board ^a	1950/51	23	21
Top Level Appointments Committee ^b	1984	72	44
		95	65

Notes ^a The Civil Service Arbitration Board provides means acceptable both to the State and to its employees for dealing with claims and proposals relating to the conditions of service of civil servants and to secure the fullest co-operation between the State, as employer, and civil servants, as employees, for the better discharge of public business.

^b The Top Level Appointments Committee (TLAC) was established in 1984. The Committee's function is to recommend candidates to Ministers and Government for the most senior positions in the civil service – at Assistant Secretary level and upwards. By carrying out this function in an independent manner and by making its decisions strictly on the basis of the relative merit of the candidates for the positions concerned, TLAC aims to strengthen the management structure of the civil service, and to provide a means by which the best candidates can aspire to fulfilling their potential.

6.2 EU funding

The outturn shown in Subheads A.4, A.5 and A.6 includes payments in respect of activities which are co-financed by the EU. Estimates of expenditure and actual outturns were as follows:

Subhead	Description	2022 Estimate €000	2022 Outturn €000	2021 Outturn €000
A.4	Structural funds technical assistance and other costs	1,654	1,169	732
A.5	Technical assistance costs of Regional Assemblies	1,125	992	669
A.6	6 Special EU Programmes Body and North/South programmes	4,850	3,147	1,228
		7,629	5,308	2,629

6.3 Arbitration and conciliation costs

There were no arbitration or conciliation costs for the Department in 2022 (2021: one case costing €460,000).

6.4 Land Development Agency

As provided for in section 25 of the Land Development Agency Act 2021, the Minister for Public Expenditure, National Development Plan Delivery and Reform and the Minister for Housing, Local Government and Heritage (the Ministers) are the sole shareholders in the Land Development Agency (LDA), holding shares with an issue value of €99 million and €1 million, respectively.

In March 2022, the Minister for Finance directed the NTMA to transfer €100 million out of the assets of the Irish Strategic Investment Fund (ISIF) to the LDA, to discharge the Ministers' liability arising from the subscription for shares.

On 15 February 2023, the Minister for Finance directed the NTMA to transfer a further €250 million out of the assets of ISIF to the LDA for the purpose of discharging the Minister for Public Expenditure, National Development Plan Delivery and Reform's liability arising from the Minister's subscription for further shares in the LDA with a nominal value of €250 million.

Note 7 Contingency Fund

	2022	2021
	€000	€000
Balance at 1 January	1,200	1,200
Receipts	—	—
Payments	—	—
Balance at 31 December	<u>1,200</u>	<u>1,200</u>

The Contingency Fund is a non-statutory fund formed in 1923. The fund is available for use to facilitate the defraying of urgent or unforeseen expenditure which is not covered by the ordinary Votes and for which it may be impracticable to seek the immediate approval of Dáil Éireann e.g. during recess.

The procedures in relation to the operation of the fund are set out in *Public Financial Procedures* (Sections C.1.5 to C.1.12).

The size of the fund is reviewed every five years. Following a review in 2020, it was decided that the fund should remain at its existing level.

Appendix A Accounts of bodies and funds under the aegis of the Department of Public Expenditure, National Development Plan Delivery and Reform

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the date of signing, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/ Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Economic and Social Research Institute	2021	31 May 2022	11 Aug 2022	11 Aug 2022
Institute of Public Administration	2021	14 Sep 2022	11 Dec 2022	11 Dec 2022
Ireland-United States Educational Fund	2021	8 Nov 2022	8 Nov 2022	8 Dec 2022
Regulator of the National Lottery	2021	24 Jun 2022	9 Aug 2022	17 Oct 2022
Special EU Programmes Body	2021	23 Dec 2022	15 Feb 2023	Pending
State Property Miscellaneous Deposit Account	2021	15 Nov 2022	15 Nov 2022	8 Dec 2022
Traveller's Protection Fund	2021	6 Dec 2022	7 Dec 2022	8 Dec 2022

Appropriation Account 2022

Vote 12

Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 12, 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 2022 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure, National Development Plan Delivery and Reform; fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Authority, and other professional fees, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €100.103 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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, all 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 Office and the National Shared Services Office (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Office.

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Department and this meant that there were two separate accounting systems in use during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Department to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Department continues to work on addressing the challenges.

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.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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 2022 that resulted in, or may result in, a material loss.

David Moloney
Accounting Officer
Superannuation and Retired Allowances

21 March 2023

Comptroller and Auditor General**Report for presentation to the Houses of the Oireachtas****Vote 12 Superannuation and Retired Allowances****Opinion on the appropriation account**

I have audited the appropriation account for Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2022 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 12 Superannuation and Retired Allowances for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Public Expenditure, National Development Plan Delivery and Reform and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

29 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 12 Superannuation and Retired Allowances

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Superannuation and retired allowances			
	<i>Original</i>	707,620		
	<i>Supplementary</i>	79,000		
			786,620	762,551
				698,543
Gross expenditure				
	<i>Original</i>	707,620		
	<i>Supplementary</i>	79,000		
			786,620	762,551
				698,543
B	Appropriations-in-aid		433,192	509,226
	Net expenditure			433,798
	<i>Original</i>	274,428		
	<i>Supplementary</i>	79,000		
			353,428	253,325
				264,745

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	100,103,037	75,123,535

David Moloney
Accounting Officer
Superannuation and Retired Allowances

21 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	762,025	698,231
Pay	—	—
Non pay	526	312
Gross expenditure	762,551	698,543
<i>Deduct</i>		
Appropriations-in-aid	509,226	433,798
Net expenditure	253,325	264,745
Changes in net current assets		
Increase in closing accruals	(183)	—
Direct expenditure	253,142	264,745
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,083	3,804
Net programme cost	257,225	268,549

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 12 borne elsewhere.

	2022	2021
	€000	€000
Vote 7 Office of the Minister for Finance	28	57
Vote 18 National Shared Services Office	2,946	2,732
Central Fund ^a	1,109	1,015
	4,083	3,804

Note ^a Central fund expenditure arises on Ministerial Spouses and Children, Cathaoirleach, Leas Cathaoirleach, Ceann Comhairle and Leas Ceann Comhairle pensions and related costs.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Current assets			
Bank and cash	2.1	51,997	30,730
Other debit balances	2.2	166	350
Accrued income	2.3	183	—
Total current assets		52,346	31,080
Less current liabilities			
Other credit balances	2.4	16,942	11,468
Net Exchequer funding	2.5	35,221	19,612
Total current liabilities		52,163	31,080
Net current assets		183	—
Net assets		183	—
Represented by:			
State funding account	2.6	183	—

2.1 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	51,958	30,730
Commercial bank account balance	39	—
	51,997	30,730

2.2 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable pensions owed by other departments	166	350
	166	350

2.3 Accrued income

at 31 December	2022	2021
	€000	€000
Purchase of notional service	183	—
	183	—

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	9,028	8,337
Universal social charge	1,484	1,350
Local property tax	151	151
	10,663	9,838
Voluntary pension deductions held in suspense	4,620	35
Other credit suspense items	1,659	1,595
	16,942	11,468

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	100,103	75,124
Exchequer grant undrawn	(64,882)	(55,512)
Net Exchequer funding	35,221	19,612
Represented by:		
Debtors		
Bank and cash	51,997	30,730
Debit balances: suspense	166	350
	52,163	31,080
Creditors		
Due to the State	(10,663)	(9,838)
Credit balances: suspense	(6,279)	(1,630)
	(16,942)	(11,468)
	35,221	19,612

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		—	—
Disbursements from the Vote			
Estimate provision	Account	353,428	
Surplus to be surrendered	Account	(100,103)	
Net vote		253,325	264,745
Expenditure (cash) borne elsewhere		4,083	3,804
Net programme cost		(257,225)	(268,549)
Balance at 31 December		183	—

Note 3 Vote Expenditure

Programme A Superannuation and Retired Allowances

				2022	2021
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances				
	<i>Original</i>	530,852			
	<i>Supplementary</i>	<u>23,614</u>			
			554,466	551,409	494,352
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers				
	<i>Original</i>	43,966			
	<i>Supplementary</i>	<u>1,559</u>			
			45,525	45,971	44,036
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers				
	<i>Original</i>	208			
	<i>Supplementary</i>	<u>(21)</u>			
			187	177	199
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service				
	<i>Original</i>	109,000			
	<i>Supplementary</i>	<u>53,929</u>			
			162,929	141,181	137,617
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service				
	<i>Original</i>	22,000			
	<i>Supplementary</i>	<u>94</u>			
			22,094	22,775	21,551
A.6	Injury grants and medical fees				
	<i>Original</i>	345			
	<i>Supplementary</i>	<u>(7)</u>			
			338	283	287

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.7	Pension related fees and other expenses			
	<i>Original</i>	794		
	<i>Supplementary</i>	(168)		
			626	526
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997		400	175
A.9	Pension liabilities of former public service bodies payable under statute		55	54
		786,620	762,551	698,543

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

A.4 Additional allowances and gratuities in respect of established officers and payments in respect of transferred service

Estimate provision €109.0 million; outturn €141.2 million

Expenditure on this subhead is impacted by numbers entering and leaving the scheme and the grade mix, all of which can vary from year to year. The increase in expenditure of €32.2 million relative to the estimate provision was due to a higher level of lump sums paid relative to that provided for in the estimate due to the higher number and higher-grade mix of retirees. Given the inherent expenditure variability, and the level of gross expenditure as it stood at the end of October, a supplementary estimate of approximately €54 million was sought for subhead A.4 and approved by the Oireachtas. The actual experience at year end was that 1,960 people (126% of the original estimate) retired from the established scheme and received a lump sum under subhead A.4. In the event, the full supplementary provision was not required.

A.7 Pension related fees and other expenses

Estimate provision €794,000; outturn €526,000

A provision for legal fees remained unused at the 2022 year end resulting in a lower than expected 2022 outturn.

A.8 Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Estimate provision €400,000; outturn €175,000

The Taxes Consolidation Act 1997 provides that individuals who became liable for 'chargeable excess' income tax can choose to repay any chargeable excess over a post-retirement period of up to 20 years, but the full amount owing must be paid by the pension administrator to the Collector General within three months of the person's retirement. Where this occurs, the amount paid is shown as a charge under subhead A8.

The shortfall in expenditure of €225,000 relative to the estimate provision of €400,000 was due to fewer people exercising their right to create a charge to the Vote than expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff	27,852	27,852	25,400
2	Receipts in respect of pension liability of staff on loan, etc.	1,170	778	888
3	Contribution to spouses' and children's pension scheme for civil servants and others	17,420	19,452	17,624
4	Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)	37,700	40,330	38,815
5	Repayments of gratuities, etc.	500	72	624
6	Purchase of notional service	6,500	5,289	5,594
7	Single scheme contributions	342,000	415,192	344,853
8	Miscellaneous	50	261	—
Total		433,192	509,226	433,798

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €76.034 million more than the estimate. Explanations for variances are set out below.

2 Receipts in respect of pension liability of staff on loan, etc.

Estimate €1.17 million; realised €778,000

The shortfall of approximately €400,000 was due to an over estimation of the number of staff on loan. It is difficult to predict the number of staff on loan year to year.

3 Contributions to spouses' and children's pension scheme for civil servants and others

Estimate €17.42 million; realised €19.45 million

The increase of €2.03 million was due to higher than expected contributions to spouses' and children's pension scheme for civil servants and others. This can fluctuate from year to year.

4 Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)

Estimate €37.7 million; realised €40.33 million

The increase of approximately €2.63 million was due to an underestimation of the level of receipts from the cohort of civil servants appointed on or after 6 April 1995 and before 1 January 2013 and who are members of the established scheme. The number in this cohort will decrease as retirements occur. However, the level of contributions is affected by changes in the salary levels of this cohort which may increase in line with career progression.

5 Repayments of gratuities, etc.

Estimate €500,000; realised €72,000

This subhead varies year on year as it is dependent on the occurrence of civil servants repaying gratuities. As a result, the estimate can be difficult to predict.

6 Purchase of notional service

Estimate €6.5 million; realised €5.29 million

This subhead varies year on year as it is dependent on the occurrence of civil servants purchasing notional service. As a result the estimate can be difficult to predict.

7 Single scheme contributions

Estimate €342 million; realised €415 million

The increase of approximately €73 million was largely due to an increased level of receipts in the final months of the year. The amount credited to the Vote in respect to the Single Public Service Pension Scheme represents contributions made by all new public servants who commence employment after 1 January 2013. While there is central oversight of total public service employee numbers, the number of new entrants, the timing of their engagement and the grade and pay level at which they are engaged in individual sectors in any year is managed in those sectors and is subject to wide variation. Due to the nature of recruitment and retirement processes across the public service, a level of variation in estimates versus receipts will remain.

8 Miscellaneous receipts

Estimate €50,000; realised €261,000

This subhead varies year on year as by its nature it is designed to provide a basis for lodging unpredictable receipts which may be received during the year for a number of different reasons. As a result, the estimate can be difficult to predict.

Note 5 Staffing and Remuneration

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 18 National Shared Services Office. Staff engaged on the formulation of superannuation policy are charged to Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

	2022	2021
A.1 Superannuation allowances, compensation allowances, pensions and certain children's allowances	22,969	21,462
A.2 Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	3,089	3,037
A.3 Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	12	14
A.5 Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	4,326	4,390
A.9 Pension liabilities of former public service bodies payable under statute	3	3
	30,399	28,906

5.3 Pension payment agency services

Vote 12 makes pension payments, on an agency basis, to former staff of the bodies detailed below.

Name of body	Number of pensioners	Gross value (per annum) €million
Vocational Education Committee/Institute of Technology/Education Training Board pensions	12,875	341
FÁS/SOLAS pensions	1,481	31

The amounts paid are charged to Vote 26 Education and Vote 45 Further and Higher Education, Research, Innovation and Science.

5.4 Overpayment of pensions

Overpayments at year end were €44,663 (68 cases), (2021: €48,863 (72 cases)). All of these cases have recoupment plans in place.

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 12 Superannuation and Retired Allowances is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Abatement of pensions

The Pensions (Abatement) Act 1965 and the Public Service (Single Scheme and other Provisions) Act 2012 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The legislation also provides that such abatements may be waived at the discretion of the Minister for Public Expenditure, National Development Plan Delivery and Reform.

In 2022, the pensions of 34 retired civil servants were fully or partially abated. The total amount abated in 2022 was €232,957.

Appropriation Account 2022

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 2022 for the salaries and expenses of the Office of Public Works, for services administered by that Office and for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €66.884 million is liable for surrender to the Exchequer.

The Office of Public Works incurs expenditure on behalf of other Government departments and agencies. The expenditure incurred on their behalf is set out in note 2.13. In addition, the Office provides client services on behalf of the State. This expenditure is set out in note 1.

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, National Development Plan Delivery and Reform in Circular 22 of 2022, have been applied in the preparation of the account with the exceptions below.

Valuation of capital assets

The Office recognises the value of land and buildings as follows.

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value. On the disposal of land and buildings, the assets are revalued to the sales proceeds amount and the gain or loss is shown as a revaluation on disposal in note 2.1.

Capital expenditure in a number of areas is not recognised in note 2.1 (capital assets) as follows.

- Expenditure on improvements on buildings is not included. The change in value will be reflected at the next valuation date.
- Expenditure on improvements to leased buildings is not capitalised.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading fixtures and fittings at historical cost and is not revalued. Artwork acquired prior to 1 January 2008 has not been capitalised.

Depreciation

Depreciation is calculated on an annual basis. The depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, to a projected residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

Capital assets under development

Expenditure on works on existing properties owned by the Office carried out under subhead B.6 (new works, alterations and additions) is not included in capital assets under development but any change will be reflected at the next valuation date. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

Property lease payments

Payment for goods and services is generally recognised when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements, once the lease commences, and the rent is due and payable, then the Office is satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments at year end but the payments have been made shortly after year end, the Office charges the payment to the Vote and transfers the funds to suspense.

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 Chairman. 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 Office and the National Shared Services Office for the provision of human resources and payroll and travel shared services for civil service grades.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- a corporate governance framework for the Office is in place.

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 written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the recommendations arising from reports of the internal audit function are implemented.

Procurement

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

The Office has provided details of 56 non-competitive contracts totalling €6,346,492 in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of 122 instances totalling €12,930,645 (ex. VAT) in 2022 as set out below.

- Ninety-six suppliers were paid €10,342,323 where the contract value was in excess of the relevant advertising threshold but was awarded by way of competitive requests for tenders. It is not possible to rectify these non-compliant contracts retrospectively as the Office is legally committed, and payments must continue until those contracts are complete.
- Fourteen suppliers were paid €1,134,565 where the contract was extended beyond the original contract date.
- Twelve suppliers were paid €1,453,757 where the contract was a direct award without a competitive process.

In relation to the instances involving the 26 other suppliers, amounting to €2.59 million, compliant procurement processes are underway in many cases. The Office is working towards compliance in the procurement of all future contracts. 26 of the above contracts have been included in the 40/2002 annual return referenced under procurement above.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

The following internal financial control issues were identified in 2022.

Expenditure on measured term maintenance contract

A measured term maintenance contract (MTMC) entered into in October 2018 had an anticipated value estimated at €15 million over three years with an option to extend by one year bringing the total value to €20 million. In 2022, the OPW incurred expenditure of €19.2 million under this contract. This brought the total expenditure under this contract to €122.5 million.

In 2021, the MTMC was re-tendered as a framework consisting of two separate contracts to broaden the supplier base for maintenance services and minor works to the OPW. This MTMC framework commenced on 3 May 2022. The estimated value of this framework is €10 million per annum with a cumulative estimated value of €40 million over four years. In 2022, the OPW incurred expenditure of €5.43 million under this framework.

Travel and subsistence

Internal Audit carried out a review of travel and subsistence expenses and identified a possible issue with payroll taxes. The OPW made an unprompted voluntary disclosure to the Revenue Commissioners in relation to an under payment of €550,110 relating to four years of expense claims. Interest of €110,559 and a penalty of €16,503 were paid to the Revenue Commissioners in 2022. A full review has been carried out with corrective measures put in place to ensure the OPW are tax compliant going forward.

Prepayment to sub-contractor

In 2020 the OPW pre-paid a supplier €299,559 outside of contractual obligations, in respect of works completed on behalf of OPW to reduce the liquidity risk to a sub-contractor of a delayed payment from the main contractor. This payment was refunded in full to OPW in 2022. This transaction was not recorded as a debtor in the OPW 2020 and 2021 appropriation accounts. The circumstances surrounding the approval and documentation of this arrangement are currently being examined in full and any necessary actions will then be taken.

Maintenance of ICT equipment refund

Following an OPW internal review it came to light that a supplier had been paid €156,713 for maintenance of ICT equipment that had not been carried out. The OPW requested and received a full refund for the amount in 2022. Maintenance contracts of this nature are now dealt with centrally under a single contract minimising the risk of an issue like this reoccurring in the future.

Covid-19 control issues

I confirm that both existing controls and those introduced as a result of Covid-19 continue to be effective. The control environment remains largely unchanged in 2022.

Additional costs of €958,000 were incurred in 2022 directly relating to the Office's response to working in a Covid-19 environment. In the main, these costs relate to construction costs, health and safety equipment and ICT requirements.

Maurice Buckley
Accounting Officer
Office of Public Works

20 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

Opinion on the appropriation account

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2022 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 13 Office of Public Works for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Public Works and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2022.

Tax settlement

The Accounting Officer has disclosed in the statement on internal financial control that there was a payment of €550,110 to the Revenue Commissioners in relation to the under payment of tax on expense claims over a four-year period. In addition, interest of €110,559 and penalties of €16,503 was paid, bringing the total amount to €677,172.

Advance payment to a sub-contractor

The Accounting Officer has disclosed in the statement of internal financial control that an advance payment of €299,559, outside of contractual obligations, was made to a sub-contractor in 2020. This transaction was not recorded as a debtor in OPW's appropriation account. This amount was repaid in 2022.

Seamus McCarthy

Comptroller and Auditor General

21 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 13 Office of Public Works

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Flood risk management			
	<i>Original</i>	142,583		
	<i>Supplementary</i>	(7,904)		
			134,679	102,892
				99,591
B	Estate management			
	<i>Original</i>	454,341		
	<i>Deferred surrender</i>	20,700		
	<i>Supplementary</i>	7,905		
			482,946	438,956
				392,939
Gross expenditure				
	<i>Original</i>	596,924		
	<i>Deferred surrender</i>	20,700		
	<i>Supplementary</i>	1		
			617,625	541,848
				492,530
	<i>Deduct</i>			
C	Appropriations-in-aid		15,444	33,551
				11,113
Net expenditure				
	<i>Original</i>	581,480		
	<i>Deferred surrender</i>	20,700		
	<i>Supplementary</i>	1		
			602,181	508,297
				481,417

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. €27 million of unspent allocations in respect of the capital elements of subhead A.5 was carried forward to 2023.

	2022	2021
	€	€
Surplus	93,883,786	40,357,662
Deferred surrender	(27,000,000)	(20,700,000)
Surplus to be surrendered	<u>66,883,786</u>	<u>19,657,662</u>

Maurice Buckley
Accounting Officer
Office of Public Works

20 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	476,503	430,610
Administration - pay	51,878	49,750
Administration - non pay	13,467	12,170
Gross expenditure	541,848	492,530
<i>Deduct</i>		
Appropriations-in-aid	33,551	11,113
Net expenditure	508,297	481,417
Changes in capital assets		
Purchases cash	(10,727)	
Depreciation	6,119	
Disposals cash	8,776	
Gain on disposal	(258)	(1,866)
Changes in net current assets		
Increase in closing accruals	1,792	
Increase in inventories	(117)	7,184
Direct expenditure	513,882	486,735
Expenditure on services where OPW acts as client	(200,251)	(170,351)
Direct expenditure (excluding services where OPW acts as client)	313,631	316,384
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(117,124)	(114,500)
Net programme cost ^a	196,507	201,884

Note ^a The net programme cost does not include the following.

- Notional rents receivable by the OPW on State owned properties are estimated at some €90.085 million. Notional rents payable by OPW are estimated at €2.2 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 13 borne elsewhere, and costs borne by Vote 13 in respect of other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	72	53
Vote 12	Superannuation and Retired Allowances	24,928	23,918
Vote 18	National Shared Services Office	83	78
Vote 43	Office of the Government Chief Information Officer	45	48
Apportioned cost of shared services for other Votes		(142,252)	(138,597)
		(117,124)	(114,500)

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	3,620,866	3,454,327
Current assets			
Bank and cash	2.2	106,177	68,957
Inventories	2.3	2,101	1,984
Prepayments	2.4	25,725	23,700
Accrued income	2.5	3,641	3,431
Other debit balances	2.6	17,755	12,814
Total current assets		155,399	110,886
Less current liabilities			
Accrued expenses	2.7	14,282	10,475
Deferred income	2.8	338	118
Other credit balances	2.9	63,804	56,613
Net Exchequer funding	2.10	60,128	25,158
Total current liabilities		138,552	92,364
Net current assets		16,847	18,522
Net assets		3,637,713	3,472,849
Represented by:			
State funding account	2.11	3,637,713	3,472,849

2.1 Capital assets

	Land and buildings ^a	Plant and machinery	Office equipment	Furniture and fittings	Assets under development ^b	Total ^c
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2022	3,412,418	58,779	25,369	23,146	9,992	3,529,704
Additions ^d	610	7,518	1,895	481	109	10,613
Disposals	(8,158)	(433)	—	—	—	(8,591)
Revaluation on disposal	3,107	—	—	—	—	3,107
Revaluations ^e	(628)	—	—	—	—	(628)
Transfer from other Departments ^f	174,165	—	—	—	(6,008)	168,157
Cost or valuation at 31 December 2022	3,581,514	65,864	27,264	23,627	4,093	3,702,362
Accumulated depreciation						
Opening balance at 1 January 2022	—	36,321	23,441	15,615	—	75,377
Depreciation for the year	—	4,648	1,234	237	—	6,119
Cumulative depreciation at 31 December 2022	—	40,969	24,675	15,852	—	81,496
Net assets at 31 December 2022	3,581,514	24,895	2,589	7,775	4,093	3,620,866
Net assets at 31 December 2021	3,412,418	22,458	1,928	7,531	9,992	3,454,327

- Notes
- ^a An analysis of the valuations of land and buildings is given below.
 - ^b Capital assets under development does not include construction projects carried out under subhead B.6 New works, alterations and additions.
 - ^c Expenditure on leased buildings is not capitalised.
 - ^d The OPW bought one building in March 2022 at a cost of €610,000.
 - ^e The revaluation figure is split between revaluations on disposals and assets subject to revaluation by the OPW in 2022.
 - ^f The assets transferred relate to construction projects funded by An Garda Síochána that have transferred to the OPW asset register following substantial completion of projects.

Valuation of land and buildings

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation bases. The number of buildings and the related value under each valuation basis used is set out below.

Valuation bases	2022		2021	
	Number of buildings	€000	Number of buildings	€000
Market value	295	903,996	304	908,129
Building cost norms	515	709,374	519	710,920
Cost	154	1,040,238	149	865,463
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
Miscellaneous properties ^a	225	—	225	—
	1,927	3,581,514	1,935	3,412,418

Note ^a Miscellaneous properties are various categories of land and buildings including secondary properties or land where the overall valuation for the full site is included on the primary asset in the table above.

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances ^a	106,175	68,953
Petty cash	2	4
	106,177	68,957

Note ^a The 2021 comparative for PMG balances was amended to take account of the re-classification of orders outstanding.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Engineering stocks	899	930
Heritage depot stocks	1,087	928
Building materials	65	71
Stationery	40	35
Miscellaneous stocks	10	20
	2,101	1,984

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Administration	449	347
IT services and support	1,431	956
Flood risk management	22	34
Estate management	23,823	22,363
	25,725	23,700

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Social insurance fund	2,474	2,293
Estate management	888	1,076
Heritage services	251	25
Government publications	28	37
	3,641	3,431

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Agency balances (note 2.13)	17,445	12,381
Other debit balances	310	433
	17,755	12,814

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration	235	267
IT services and support	96	129
Flood risk management	1,124	1,733
Estate management	12,827	8,346
	14,282	10,475

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
Government publications	6	6
Estate management	256	100
Heritage services	76	12
	338	118

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,861	1,462
Universal social charge	361	283
Pay related social insurance	1,433	1,216
Professional services withholding tax	856	902
Value added tax	12,893	10,540
Pension contributions	405	327
Local property tax	11	10
	17,820	14,740
Agency balances (note 2.13)	35,171	24,548
Sundry works account	804	85
Property management ^a	7,501	15,129
Percent for art scheme	2,162	2,033
Miscellaneous heritage	189	—
Other credit balances	157	78
	63,804	56,613

Note ^a As at 31 December 2022, the value of lease payments charged to the vote and transferred to suspense was €4.232 million. Of this, €4.225 million was charged to subhead B.8 and €7,000 was charged to subhead B.9.

2.10 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus to be surrendered	66,884	19,658
Deferred surrender	27,000	20,700
Exchequer grant undrawn	(33,756)	(15,200)
Net Exchequer funding	60,128	25,158
Represented by:		
Debtors		
Bank and cash	106,177	68,957
Debit balances: suspense	17,755	12,814
	123,932	81,771
Creditors		
Due to the State	(17,820)	(14,740)
Credit balances: suspense	(45,984)	(41,873)
	(63,804)	(56,613)
	60,128	25,158

2.11 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		3,472,849	3,455,541
Disbursements from the Vote			
Estimate provision	Account	602,181	
Deferred surrender	Account	(27,000)	
Surplus to be surrendered	Account	(66,884)	
Net vote		508,297	481,417
Expenditure (cash) borne elsewhere	1.1	25,128	24,097
Allied services	1.1	(142,252)	(138,597)
Client services	1	(200,251)	(170,351)
Net programme cost	1	(196,507)	(201,884)
Asset adjustments		170,449	22,626
Balance at 31 December		3,637,713	3,472,849

2.12 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	7,677	8,409
Non-capital grant programmes	757	750
Capital grant programmes	12,182	14,124
Capital projects	125,523	81,910
Public private partnership projects	319,138	340,702
Total of legally enforceable commitments	465,277	445,895

There were commitments outstanding at the end of 2022 in respect of rental of leased properties and associated service charges. Figures have not been included for such commitments in this account but they are estimated to be €133 million in 2023 (2022: €118.7 million).

b) Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	750	1,000
New Grant commitments	460	—
Grants paid in the year	(453)	(250)
Closing balance	757	750

c) Capital grant programmes	2022	2021
	€000	€000
Opening balance	14,124	12,768
Adjustment	16	—
New grant commitments	1,500	4,820
Grants paid in the year	(3,434)	(3,464)
Grants cancelled	(24)	—
Closing balance	12,182	14,124

d) Major capital projects

Major ongoing projects during 2022 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows.

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years ^a	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Flood risk management					
River Dodder Fluvial Scheme	19,718	1,365	500	21,583	21,200
Ennis Lower	19,300	106	—	19,406	19,400
Bandon	30,216	823	300	31,339	31,350
Skibbereen	33,976	320	1,000	35,296	34,500
Clonakilty	28,807	1,910	1,860	32,577	29,815
Ennis South	18,155	69	1,500	19,724	19,606
Douglas	15,838	6,576	1,100	23,514	20,138
Athlone	12,607	3,291	6,800	22,698	14,612
Clare Galway	11,058	200	50	11,308	11,217
Lower Morell FRS	4,206	2,701	9,500	16,407	10,809
Total	193,881	17,361	22,610	233,852	212,647
Estate management					
Miesian Plaza	21,318	—	2,097	23,415	23,441
Leinster House	17,841	—	—	17,841	18,000
Clyde House	—	4,815	5,685	10,500	—
Distillers Building	222	658	38,320	39,200	—
Bailieboro Garda Station	—	2,368	13,304	15,672	—
Tom Johnson House	1,013	17,579	34,461	53,053	—
Data Centre Backweston	—	—	70,364	70,364	—
Total	40,394	25,420	164,231	230,045	41,441

Note ^a Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2021 to 2022.

Flood risk management**Skibbereen**

Increase in expected total spend: €796,000

Change in capital expenditure anticipated due to additional works on the scheme as well as amendments to two culverts have been identified.

Clonakilty

Increase in expected total spend: €2.762 million

The increase in costs for Clonakilty relate to changes in the scope of the project which resulted in higher construction costs and design changes due to the vulnerability of buildings. Also, compensation costs on the scheme have increased and further increases may arise when agreements have been reached with landowners.

Douglas

Increase in expected total spend: €3.376 million

The additional costs were as a result of increases affecting the contract including Covid-19 and additional works outside the contract and also due to the original construction estimate being significantly lower than the actual tender.

Athlone

Increase in expected spend: €8.086 million

The original cost estimate for Athlone was completed in 2017. A project budget review is ongoing and while not finalised, it is estimated that the total project budget will be in the region of €27 million (the scheme has a benefit of €48 million). The vast majority of the increases in cost are due to increased scope of work incorporated into the final design which were not included in the original cost estimate.

Lower Morrell FRS

Increase in expected total spend: €5.598 million

Changes to the design at the golf course and subsequent re-submission to planning and construction related inflation are all factors contributing to the increase in expenditure. The Morell scheme has a financial benefit of €20 million.

e) Unitary payments of Public Private Partnership projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Expected project total 2022	Expected project total 2021
	€000	€000	€000	€000	€000
Convention Centre Dublin	422,549	23,863	319,138	765,550	763,251

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2021 to 2022.

Convention Centre Dublin

Increase in expected total spend: €2.299 million

The increase is due to the annual indexation process undertaken in August each year as provided for in the project agreement. In 2022, this led to an increase in the 2022/2023 unitary charge. This had a knock on effect on estimated future payments to the end of the project agreement in 2035.

2.13 Provision of agency services

In addition to expenditure on Vote 13, the Office also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the Office by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2022 was €192 million of which the main areas of expenditure were major capital works (€163.7 million); leasing of accommodation (€20.7 million), schools programme (€4.2 million) and maintenance works (€3.4 million).

Agency services account

at 31 December	2022 €000	2021 €000
Opening balance at 1 January	(12,167)	(11,282)
Payments	192,274	183,406
Receipts	(197,833)	(184,291)
Closing balance ^a	(17,726)	(12,167) ^a

Note ^a The closing credit balance of €17.726 million is made up of debit agency balances of €17.445 million (note 2.6) and credit agency balances of €35.171 million (note 2.9).

2.14 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	6,511	—

2.15 Contingent liabilities

The Office is involved in a number of pending legal proceedings and contractual conciliations, which may generate liabilities, depending on the outcome of the litigation. Any actual amount or 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.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	54,530		
	<i>Supplementary</i>	(1,206)		
			53,324	49,750
ii	Travel and subsistence			
	<i>Original</i>	2,217		
	<i>Supplementary</i>	(250)		
			1,967	1,450
iii	Training and development and incidental expenses		1,193	1,348
iv	Postal and telecommunications services		1,808	1,983
v	Office equipment and external IT services			
	<i>Original</i>	8,474		
	<i>Supplementary</i>	500		
			8,974	6,053
vi	Office premises expenses			
	<i>Original</i>	1,279		
	<i>Supplementary</i>	(250)		
			1,029	910
vii	Consultancy services and value for money and policy reviews		293	285
viii	Government publication services		140	141
		68,728	65,345	61,920

Significant variations

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

vi Office premises expenses

Estimate provision €1.279 million; outturn €958,000

The underspend reflects lower than expected office usage given a large number of staff continue to work from home.

vii Consultancy services and value for money policy reviews*Estimate provision €293,000; outturn €172,000*

The underspend of €121,000 was mainly due to the heritage review project, which was due to begin in 2022 being delayed until Q1 2023. The expected costs associated with this project was circa €50,000. In addition, invoices of circa €16,500 for audit services for November and December were not received until January 2023.

Programme A Flood risk management

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.1	Administration – pay				
	<i>Original</i>	14,259			
	<i>Supplementary</i>	678			
			14,937	14,847	14,005
A.2	Administration – non pay				
	<i>Original</i>	2,837			
	<i>Supplementary</i>	(49)			
			2,788	3,470	3,135
A.3	Purchase of plant and machinery				
	<i>Original</i>	8,770			
	<i>Supplementary</i>	1,600			
			10,370	8,708	7,679
A.4	Hydrometric and hydrological investigation and monitoring		1,383	1,393	1,371
A.5	Flood risk management				
	<i>Original</i>	95,997			
	<i>Supplementary</i>	(10,481)			
			85,516	54,670	55,666
A.6	Drainage maintenance				
	<i>Original</i>	19,337			
	<i>Supplementary</i>	348			
			19,685	19,804	17,735
			134,679	102,892	99,591

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.5 Flood risk management

Estimate provision €95.997 million; outturn €54.67 million

The saving of €41.327 million is in the main due to planning approval delays and other legal issues affecting the construction commencement dates of seven capital projects. In addition, there were savings at the design stage (Stage 1) for some 34 schemes, due to reduced market capacity to provide necessary data. Further savings were incurred across a range of activities including reduced drawdowns on the Voluntary Home Relocation Scheme.

Programme B Estate management

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	40,271		
	<i>Supplementary</i>	(1,884)		
			38,387	37,031
B.2	Administration – non pay			35,745
	<i>Original</i>	12,567		
	<i>Supplementary</i>	49		
			12,616	9,997
B.3	President's household staff		1,004	894
B.4	Grants for works and related services			807
	<i>Original</i>	2,000		
	<i>Supplementary</i>	1,500		
			3,500	3,500
B.5	Purchase of sites and buildings			3,500
	<i>Original</i>	4,480		
	<i>Supplementary</i>	(2,769)		
			1,711	130
B.6	New works, alterations and additions			809
	<i>Original</i>	70,000		
	<i>Deferred surrender</i>	20,700		
	<i>Supplementary</i>	30,000		
			120,700	115,118
B.7	Property maintenance and supplies			97,311
	<i>Original</i>	66,888		
	<i>Supplementary</i>	750		
			67,638	67,711
B.8	Rents and miscellaneous fees			64,159
	<i>Original</i>	106,577		
	<i>Supplementary</i>	(1,750)		
			104,827	100,654
B.9	Service charges and utilities			103,311
	<i>Original</i>	12,136		
	<i>Supplementary</i>	500		
			12,636	12,260
B.10	Unitary payments		25,000	23,863
B.11	Heritage services			23,847
	<i>Original</i>	47,618		
	<i>Supplementary</i>	1,509		
			49,127	49,031
				42,574

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
B.12	National recovery and resilience plan			
	<i>Original</i>	64,000		
	<i>Supplementary</i>	(20,000)		
			44,000	17,632
B.13	Brexit adjustment reserve (BAR)		1,800	1,135
		482,946	438,956	392,939

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

B.3 President's household staff

Estimate provision €1.004 million; outturn €894,000

The underspend was due to recruitment issues during the year as well as less events planned as Ireland emerged from the Covid-19 pandemic.

B4 Grants for works and related services

Estimate provision €2 million; outturn €3.5 million

The increase in expenditure of €1.5 million was agreed to provide further support to Dublin Zoo and Fota Island Wildlife Park ongoing capital programmes. The spend was offset by savings elsewhere on the Vote.

B.5 Purchase of sites and buildings

Estimate provision €4.48 million; outturn €130,000

The significant underspend relates to properties that had been planned for acquisition during 2022 that did not materialise during the year. In one case, the OPW was outbid on an acquisition. In a small number of other cases, lease buy-out did not proceed. There are acquisitions ongoing that were expected to be finalised in 2022 but will now finalise in 2023.

B.6 New works, alterations and additions

Estimate provision €90.7 million; outturn €115.118 million

The increase in expenditure of €24.4 million is due to a number of capital works projects spends landing in the same year along with an increase in costs due to construction inflation. A supplementary estimate was requested to allow the National Development Plan (NDP) meet its ambitious targets set out in the NDP 2021 to 2030.

B.8 Rents and miscellaneous fees

Estimate provision €106.577 million; outturn €100.654 million

The underspend on this subhead is due to lower than expected rent reviews, proposed new leases for certain departments didn't progress as expected and lower than expected VAT being charged on certain leases.

B.10 Unitary payments

Estimate provision €25 million; outturn €23.863 million

The initial funding requirement for 2022 included an estimate for rates of approx. €780,000. Dublin City Council implemented a series of rates waivers which reduced this to nil in 2022. In addition, an allowance in respect of legal fees was not required.

B.12 National recovery and resilience plan

Estimate provision €64 million; outturn €17.632 million

This variance was due to delay in awarding the contract for the Data Centre Project in Backweston, Co. Kildare and a delayed start to the programme of energy upgrading works for regional office buildings.

B.13 Brexit adjustment reserve (BAR)

Estimate provision €1.8 million; outturn €1.135 million

The shortfall on expenditure of €665,000, all pay costs, relative to the estimate provision was largely due to the delays in the commencement of the Rosslare Europort Terminal 7 project. This in turn led to a delay in the recruitment of staff.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Rents, licence fees, etc	3,024	3,639	3,099
2	Heritage - events and conferencing	1,445	1,208	332
3	Government publication services	570	507	596
4	Heritage – general sales	630	465	946
5	Heritage – admission fees	6,375	10,048	52
6	Miscellaneous, including fees, interest and disposals etc.	1,300	15,400	4,175
7	Receipts from additional superannuation contributions on public service remuneration	2,100	2,284	1,913
Total		15,444	33,551	11,113

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €18.107 million more than the estimate. Explanations for variances are set out below.

1 Rents, licence fees, etc.

Estimate €3.024 million; realised €3.639 million

Higher than expected receipts due to new and extended leases being agreed during the year.

2 Heritage – events and conferencing

Estimate €1.445 million; realised €1.208 million

Subheads were reconfigured between C.2, C.4 and C.5 in early 2022 which impacted the amount realised. Variance due to Dublin Castle conference centre being booked for cabinet meetings which affected overall bookings for the centre.

4 Heritage – general sales

Estimate €630,000; realised €465,000

Subheads were reconfigured between C.2, C.4 and C.5 in early 2022 which impacted the amount realised.

5 Heritage – admission fees

Estimate €6.375 million; realised €10.048 million

Subheads were reconfigured between C.2, C.4 and C.5 in early 2022 which impacted the amount realised. Increase was due to more visitors visiting heritage sites than expected.

6 Miscellaneous, including fees, interest and disposals etc.

Estimate €1.3 million; realised €15.4 million

The outturn of €15.4 million includes property disposals of €8.3 million which was greater than anticipated, and there was a change in accounting treatment of property lease payments which meant that leases with a value of €4.7 million, treated as matured liabilities in previous years, transferred to appropriations-in-aid in 2022.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.1 million; realised €2.284 million

Pay arrears backdated to February 2022 due to a new pay agreement resulted in additional ASC contributions in 2022.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Civil service grades	874	820
OPW specific grades	1,202	1,239
	2,076	2,059

5.2 Pay

	2022	2021
	€000	€000
Pay		
Civil service grades	48,624	45,755
OPW specific grades	52,598	48,759
Higher, special or additional duties allowances		
Civil service grades	170	184
OPW specific grades	2,242	1,931
Overtime		
Civil service grades	28	24
OPW specific grades	3,800	3,081
Extra attendance, shift and roster		
OPW specific grades	2,111	1,879
Employer's PRSI		
Civil service grades	4,188	3,787
OPW specific grades	6,309	5,809
Total pay^a	120,070	111,209

Note ^a The total pay figure includes pay for 509 temporary and seasonal staff in 2022 (2021: 387 staff).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Higher, special or additional duties allowances				
Civil service grades	37	6	22,755	15,668
OPW specific grades	1,071	1	10,153	8,817
Overtime				
Civil service grades	21	—	6,813	4,370
OPW specific grades	1,111	122	39,996	35,631
Extra attendance, shift and roster				
OPW specific grades	755	2	10,280	13,004
Extra remuneration in more than one category				
Civil service grades	3	—	8,744	6,328
OPW specific grades	1,021	253	52,672	38,137

5.4 OPW staffing by pay band

The number of OPW employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Civil Service grades

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	559	571
60,000	69,999	104	108
70,000	79,999	59	74
80,000	89,999	72	55
90,000	99,999	29	17
100,000	109,999	13	7
110,000	119,999	9	5
120,000	129,999	1	2
130,000	139,999	2	—
140,000	149,999	1	1
150,000	159,999	—	1
160,000	169,999	1	1
170,000	179,999	1	—
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

OPW specific grades

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	1,131	1,105
60,000	69,999	64	28
70,000	79,999	16	15
80,000	89,999	15	5
90,000	99,999	4	1

5.5 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €7,814. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Payroll overpayments

	Number of recipients	2022 €	2021 €
Overpayments	39	49,855	45,378
Recovery plans in place	11	15,218	17,160

5.7 Severance/redundancy

During the year €56,638 was paid to nine officers in severance payments, one of which exceeded €10,000.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €	2021 €
Basic pay	201,843	192,474

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 2004 superannuation scheme for non-established State employees and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by			Total 2022	Total 2021
	employees	members of the public			
	Personal injury	Personal injury	Loss or damage		
Number of cases	19	33	4	56	70
	€000	€000	€000	€000	€000
Office's own legal costs	76	111	—	187	123
Payments to/on behalf of the Office					
Compensation	882	258	11	1,151	603
Legal costs	30	71	—	101	221
Other costs	11	39	—	50	44
2022 Total	999	479	11	1,489	991
2021 Total	736	206	49	991	

Note ^a At 31 December 2022, the following claims are outstanding.

- Personal injury claims: 70 (2021:90)
- Loss or damage claims: 14 (2021:4)

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
	Personal injury	Personal injury	
Number of cases	5	10	15
	€000	€000	€000
Office's own legal costs	105	123	228
Payments to/on behalf of the Office			
Compensation	296	139	435
Legal costs	108	68	176
Other costs	25	36	61
Total	534	366	900

6.2 Arbitration and conciliation costs

Expenditure in 2022 includes payments of €1.319 million (2021: €373,541) made to contractors and others as a result of conciliation and arbitration proceedings. There were four cases in 2022 (2021: eight). Figures include VAT, legal and professional fees.

6.3 Interest and compensation

Penalty interest and compensation payments amounting to €40,304 were made by the OPW in 2022 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2021: €56,991). The total value of payments made by the OPW in 2022 amounted to €558 million and the total number of reckonable payments were 96,174.

6.4 Write offs

The following sums were written off in the year

	2022	2021
	€000	€000
Unpaid fees from companies no longer trading/irrecoverable debts	—	7

6.5 Ex-gratia payments

Ex-gratia payments to the value of €1.902 million were paid in the year principally relating to OGP inflation framework. The payments were made following the guidance note issued by the Office of Government Procurement (2021: €589,237).

6.6 Deferred surrender

Deferred surrender comprises savings in 2022 of €27 million in capital expenditures in the following subheads that were carried over to 2023.

	€000
A.5 Flood risk management	27,000
	27,000

Appropriation Account 2022

Vote 14

State Laboratory

Introduction

As Accounting Officer for Vote 14, 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 2022 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €401,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following:

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

Inventories

Valuation of inventories includes high-volume low-value consumable items given their nature and the need for monitoring and security.

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 State Laboratory.

This responsibility is exercised in the context of the resources available to me and my other obligations as State Chemist. 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 the State Laboratory and the National Shared Services Office for the provision of payroll shared services 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 the State Laboratory.

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 State Laboratory
- 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 State Laboratory has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the State Laboratory 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

I confirm that the State Laboratory 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 State Laboratory has provided details of four 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, National Delivery Plan Delivery and Reform.

Non-compliance with procurement rules

The State Laboratory complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €32,038, relating to the purchase of electricity through an OGP tender. The OGP agreement with a previous supplier expired on the 20 July 2022. The contract with the new supplier was in place before the 20 July 2022 but the new supplier did not start billing the State Laboratory until 1 August 2022. The previous supplier billed the State Laboratory from 20 July 2022 to 31 July 2022 but there was no contract in place with them as this time.

The above contract has been included in the 40/2002 annual return referenced above.

Risk and control framework

The State Laboratory 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 State Laboratory and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies 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 State Laboratory has procedures to monitor the effectiveness of its risk management and control procedures. The State Laboratory'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 State Laboratory 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 2022 that require disclosure in the appropriation account.

Barbara O'Leary
Accounting Officer
State Laboratory

29 August 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 14 State Laboratory

Opinion on the appropriation account

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2022 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 14 State Laboratory for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 State Laboratory 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

1 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 14 State Laboratory

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Government analytical laboratory and advisory service			
	<i>Original</i>	11,932		
	<i>Supplementary</i>	220		
		12,152	11,725	11,190
Gross expenditure		12,152	11,725	11,190
	<i>Deduct</i>			
B	Appropriations-in-aid	1,096	1,070	1,126
Net expenditure		11,056	10,655	10,064

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	401,340	448,400

Barbara O'Leary
Accounting Officer
State Laboratory

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		6,516	6,219
Non pay		5,209	4,971
Gross expenditure		11,725	11,190
<i>Deduct</i>			
Appropriations-in-aid		1,070	1,126
Net expenditure		10,655	10,064
Changes in capital assets			
Purchases cash	(1,370)		
Depreciation	1,020	(350)	158
Changes in net current assets			
Decrease in closing accruals	347		
Increase in inventories	(41)	306	(362)
Direct expenditure		10,611	9,860
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,147	1,666
Notional rents		1,688	1,688
Net programme cost		14,446	13,214

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 14 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	10	8
Vote 12	Superannuation and Retired Allowances	2,126	1,550
Vote 13	Office of Public Works	—	98
Vote 18	National Shared Services Office	11	10
		2,147	1,666

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	2,122	1,772
Current assets			
Bank and cash		254	270
Inventories	2.2	310	269
Prepayments	2.3	1,030	1,265
Accrued income	2.4	178	91
Other debit balances		3	5
Total current assets		1,775	1,900
Less current liabilities			
Accrued expenses	2.5	322	123
Other credit balances	2.6	223	254
Net Exchequer funding	2.7	34	21
Total current liabilities		579	398
Net current assets		1,196	1,502
Net assets		3,318	3,274
Represented by:			
State funding account	2.8	3,318	3,274

2.1 Capital assets

	Equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2022	13,551	559	14,110
Additions	1,370	—	1,370
Cost or valuation at 31 December 2022	14,921	559	15,480
Accumulated depreciation			
Opening balance at 1 January 2022	11,790	548	12,338
Depreciation for the year	1,018	2	1,020
Cumulative depreciation at 31 December 2022	12,808	550	13,358
Net assets at 31 December 2022	2,113	9	2,122
Net assets at 31 December 2021	1,761	11	1,772

2.2 Inventories

at 31 December	2022	2021
	€000	€000
Chemicals and laboratory consumables	264	231
Stationery and IT consumables	46	38
	310	269

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Laboratory and IT	1,018	1,200
Administration	12	65
	1,030	1,265

2.4 Accrued income

at 31 December	2022	2021
	€000	€000
Due for services	178	91
	178	91

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
Laboratory and IT	146	61
Administration	176	62
	322	123

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	79	84
Pay related social insurance	62	57
Universal social charge	16	17
Relevant contracts tax	1	-
Value added tax on intra-EU acquisitions	18	47
	176	205
Payroll deductions held in suspense	46	49
Other credit suspense items	1	-
	223	254

2.7 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	401	448
Exchequer grant undrawn	(367)	(427)
Net Exchequer funding	34	21
Represented by:		
Debtors		
Bank and cash	254	270
Debit balances: suspense	3	5
	257	275
Creditors		
Due to the State	(176)	(205)
Credit balances: suspense	(47)	(49)
	(223)	(254)
	34	21

2.8 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		3,274	3,069
Disbursements from the Vote			
Estimate provision	Account	11,056	
Surplus to be surrendered	Account	(401)	
Net vote		10,655	10,065
Expenditure (cash) borne elsewhere	1.1	2,147	1,666
Non cash expenditure – notional rent	1	1,688	1,688
Net programme cost	1	(14,446)	(13,214)
Balance at 31 December		3,318	3,274

2.9 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Goods and services	431	628
Total of legally enforceable commitments	431	628

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 14 State Laboratory is classified as administration expenditure applied towards a single programme: Government analytical laboratory and advisory service.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	6,952		
	<i>Supplementary</i>	(210)		
		6,742	6,516	6,219
ii	Travel and subsistence	45	9	1
iii	Training and development and incidental expenses	325	324	341
iv	Postal and telecommunications services	60	47	52
v	Lab equipment and external IT services	3,027	3,081	3,108
vi	Office premises expenses			
	<i>Original</i>	1,458		
	<i>Supplementary</i>	430		
		1,888	1,711	1,432
vii	Consultancy and VFM and policy reviews	65	37	37
		12,152	11,725	11,190

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for various analyses, examinations, tests etc.	900	864	925
2	Receipts from additional superannuation contributions on public service remuneration	196	205	200
3	Miscellaneous receipts	—	1	1
Total		1,096	1,070	1,126

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>100</u>	<u>103</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	5,953	5,699
Higher, special or additional duties allowances	20	28
Employer's PRSI	543	492
Total pay	<u>6,516</u>	<u>6,219</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	2	1	10,489	24,994
Other allowances	3	—	1,276	1,256

Under the terms of the AHCPs 1% PCW restructuring agreement, 15 officers received PCW allowances. The total amount paid was €37,449 (2021 €35,137).

5.4 State Laboratory staffing pay bands

The number of State Laboratory employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	58	65
60,000	69,999	14	17
70,000	79,999	16	13
80,000	89,999	6	4
90,000	99,999	2	1
100,000	109,999	2	2
110,000	119,999	1	—
120,000	129,999	—	1

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€	€
Basic pay		
Ita Kinahan – Retired 20 May 2022	41,615	100,894
Barbara O'Leary – Appointed 21 May 2022	65,158	—
Allowances	17,343	24,994
	124,116	125,888

The value of retirement benefits earned in the period are not included above.

The Accounting Officer, Barbara O'Leary, is a member of the pre-1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

The Accounting Officer until 21 May 2022, Ita Kinahan, is a member of the pre 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Appropriation Account 2022

Vote 15

Secret Service

Introduction

As Accounting Officer for Vote 15, 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 2022 for secret service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022.

A surplus of €811,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 4 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Prescribed arrangements are in place with the Department of Justice and the Department of Defence for the drawdown of moneys from the Secret Service Vote and for the annual certification by the respective Ministers of moneys actually expended during the year, as well as balances held at the year end.

For security reasons, restrictions are in place regarding operations and information about the individual transactions. This places a limitation on the normal direct controls available to me as Accounting Officer of a Vote. In the circumstances, I rely on annual certified statements signed by the Ministers to whom moneys have been issued, which are underpinned by operational controls put in place by their Departments.

David Moloney
Accounting Officer
Secret Service

26 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 15 Secret Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 15 Secret Service for the year ended 31 December 2022 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 15 Secret Service for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Public Expenditure, National Development Plan Delivery and Reform and have fulfilled my other ethical responsibilities in accordance with the standards.

For the purposes of this audit, I have been furnished with certificates from the Minister for Justice and the Minister for Defence which support the expenditure from the Vote. The audit included review of operational controls over the moneys issued from the Vote.

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

14 August 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 15 Secret Service**Appropriation Account 2022**

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Secret service	2,000	1,189	1,099
	2,000	1,189	1,099

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	811,090	901,219

David Moloney
Accounting Officer
Secret Service

26 July 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

This note is not applicable in the case of the Secret Service Vote.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Current assets			
Sub-account balances		307	496
PMG balance		88	88
Total current assets		395	584
Less current liabilities			
Net Exchequer funding	2.1	395	584
Total current liabilities		395	584
Net current assets		—	—
Net assets		—	—
Represented by:			
State funding account	2.2	—	—

2.1 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	811	901
Exchequer grant undrawn	(416)	(317)
Net Exchequer funding	395	584
Represented by:		
Debtors		
Sub-account balance	307	496
PMG balance	88	88
	395	584
	395	584

2.2 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		—	—
Disbursements from the Vote			
Estimate provision	Account	2,000	
Surplus to be surrendered	Account	(811)	
Net vote		1,189	1,099
Net programme cost		(1,189)	(1,099)
Balance at 31 December		—	—

Note 3 Vote Expenditure

The expenditure outturn was €811,000 (41%) lower than the amount provided. The estimate is necessarily conjectural.

Note 4 Salary of Accounting Officer

The Accounting Officer for Vote 15 Secret Service is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Appropriation Account 2022

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2022 for the salaries and expenses of the Vote for Valuation Office and certain minor services.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided by capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.505 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

All functions within the ambit of Vote 16 Valuation Office transferred to Vote 16 Tailte Éireann under statutory instrument 58 of 2023, with effect from 1 March 2023. In anticipation of this change, responsibility for the former Programme B Administration service for the Valuation Tribunal was transferred to Vote 34, Housing, Local Government and Heritage with effect from 1 January 2022.

Statement of Accounting Policies and Principles

The standard accounting policies and principles, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Services Office for the provision of human resources and payroll shared services to this Office.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecast
- a risk management system operates within the Office
- 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 Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the 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.

Procurement

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

The Office has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €128,515 (exclusive of VAT), as set out below:

- One contract with a value of €40,000, is with a former staff member who chairs the Technical Review Group and provides specific expertise on cases relating to the Valuation Tribunal. The commitment required would not make the role attractive to someone with the required expertise, from outside the jurisdiction/from the private sector. This contract will conclude in September 2023.
- One contract with a value of €35,115, was for the support/development and maintenance of the website, where it was not credible to provide the same functionality on a new platform within a €60,000 budget. This website is no longer functional after the establishment of Tailte Éireann.
- One contract with a value of €53,400 where the website needed to be moved to a new hosting site. The deadline for the move did not give sufficient time to tender for an alternative. Following strong recommendations from other public service bodies, we engaged a third-party supplier. Following the cyber-attack on the Health Service Executive ICT systems in May 2021, a potential vulnerability was identified in our data backup solution. As a result, an online Cloud based back up was added to the third-party contract as an imperative priority action.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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 MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the 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 2022 that require disclosure in the Appropriation account.

Liam O'Sullivan
Accounting Officer
Valuation Office

12 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2022 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 16 Valuation Office for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Tailte Éireann 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

21 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 16 Valuation Office

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision of a State Valuation service			
	<i>Estimate provision</i> 20,226		
	<i>Deferred surrender</i> 325		
		20,551	15,163
			11,420
B Administration service for the Valuation Tribunal		—	—
			710
Gross expenditure		20,551	15,163
<i>Deduct</i>			
C Appropriations-in-aid		785	492
Net expenditure			
	<i>Estimate provision</i> 19,441		
	<i>Deferred surrender</i> 325		
		19,766	14,671
			11,177

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. €590,000 of unspent allocations in respect of the capital elements of the Vote was carried forward to 2023 (see note 6.2).

	2022	2021
	€	€
Surplus	5,094,678	5,118,765
Deferred surrender	(590,000)	(325,000)
Surplus to be surrendered	4,504,678	4,793,765

Liam O'Sullivan
Accounting Officer
Valuation Office

12 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		1,843	1,411
Pay		8,134	8,219
Non pay		5,186	2,500
Gross expenditure		15,163	12,130
<i>Deduct</i>			
Appropriations-in-aid		492	953
Net expenditure		14,671	11,177
Changes in capital assets			
Purchases cash	(3,522)		
Depreciation	24		
Loss on disposals	4	(3,494)	(657)
Changes in net current assets			
Increase in closing accruals	122		
Decrease in inventories	21	143	454
Direct expenditure		11,320	10,974
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,637	6,223
Net programme cost		16,957	17,197

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 16 borne elsewhere.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	4,151	4,778
Vote 13	Office of Public Works	1,449	1,408
Vote 18	National Shared Services Office	16	16
Vote 43	Office of the Government Chief Information Officer	21	21
		5,637	6,223

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	4,560	716
Current assets			
Bank and cash	2.2	1,217	771
Inventories ^a		—	21
Prepayments	2.3	126	143
Accrued income		—	14
Other debit balances	2.4	37	16
Total current assets		1,380	965
Less current liabilities			
Accrued expenses	2.5	344	267
Deferred income	2.6	176	162
Other credit balances	2.7	694	484
Net Exchequer funding	2.8	560	303
Total current liabilities		1,774	1,216
Net current liabilities		(394)	(251)
Net assets		4,166	465
Represented by:			
State funding account	2.9	4,166	465

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.1 Capital assets

	Office and IT equipment €000	Furniture and fittings €000	Assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2022	825	282	680	1,787
Adjustments ^a	—	2	350	352
Additions	15	—	3,507	3,522
Disposals	(91)	—	—	(91)
Cost or valuation at 31 December 2022	749	284	4,537	5,570
Accumulated depreciation				
Opening balance at 1 January 2022	789	282	—	1,071
Adjustments	—	2	—	2
Depreciation for the year	24	—	—	24
Depreciation on disposals	(87)	—	—	(87)
Cumulative depreciation at 31 December 2022	726	284	—	1,010
Net assets at 31 December 2022	23	—	4,537	4,560
Net assets at 31 December 2021	36	—	680	716

Note ^a A review of Project AXIA identified additional costs that required to be included in assets under development in 2021.

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balance	1,180	720
Commercial bank account balance	37	51
	1,217	771

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Software support	91	123
Revaluation programme	12	—
Administration	16	10
Other prepayments	7	10
	126	143

2.4 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable travel pass expenditure	17	12
Recoupable salary	19	—
Other debit suspense items	1	4
	37	16

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	158	73
Revaluation programme	35	—
Administration expenses	83	47
Legal costs	68	147
	344	267

2.6 Deferred income

at 31 December	2022	2021
	€000	€000
Deposits on services to be provided in 2023	176	162
	176	162

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	106	107
Universal social charge	21	21
Local property tax	1	1
Pay related social insurance	80	71
Professional services withholding tax	432	226
Pension contributions	26	25
	<u>666</u>	<u>451</u>
Payroll deductions held in suspense	28	27
Miscellaneous liabilities	—	6
	<u>694</u>	<u>484</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	4,180	4,794
Deferred surrender	590	325
Exchequer grant undrawn	(4,210)	(4,816)
Net Exchequer funding	<u>560</u>	<u>303</u>
Represented by:		
Debtors		
Bank and cash	1,217	771
Debit balances: suspense	37	16
	<u>1,254</u>	<u>787</u>
Creditors		
Due to the State	(666)	(451)
Credit balances: suspense	(28)	(33)
	<u>(694)</u>	<u>(484)</u>
	<u>560</u>	<u>303</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		465	243
Disbursements from the Vote			
Estimate provision	Account	19,441	
Deferred surrender	Account	(590)	
Surplus to be surrendered	Account	(4,180)	
Net vote		14,671	11,177
Expenditure (cash) borne elsewhere	1.1	5,637	6,223
Non-cash items – capital assets adjustment	2.1	350	19
Net programme cost	1	(16,957)	(17,197)
Balance at 31 December		4,166	465

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	425	2,750
Capital projects	8,050	10,068
	8,475	12,818

a) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Project AXIA ^b	1,030 ^a	3,507	8,050	12,587	12,601

Notes ^a Includes adjustment of €350,000 (see Note 2.1 Capital assets).

^b Up to 2021, the entire project was costed excluding VAT. The lifetime spend for 2022 is adjusted to include the VAT element on relevant components. The figure for 2021 has been restated accordingly.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 16 Valuation Office is classified as administration expenditure applied towards a single programme: provision of a State valuation service.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,715	8,134	8,219
ii	Travel and subsistence	160	201	125
iii	Training and development and incidental expenses	364	320	438
iv	Postal and telecommunications services	80	96	85
v	Office equipment and external IT services			
	<i>Estimate provision</i>	7,444		
	<i>Deferred surrender</i>	325		
		7,769	4,445	1,707
vi	Office premises expenses	140	110	107
vii	Consultancy services and other services	50	15	38
		18,278	13,321	10,719

Significant variations

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

v Office equipment and external IT services

Estimate provision €7.769 million; outturn €4.445 million

The shortfall of €3.324 million was due to fewer than anticipated payment milestones for Project AXIA in 2022. Work began on the project in 2021, continued throughout 2022 and went live on a phased basis beginning in April 2023.

Programme A Provision of a State valuation service

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	9,715	8,134	7,783
A.2	Administration – non pay			
	<i>Estimate provision</i>	8,238		
	<i>Deferred surrender</i>	325		
		8,563	5,187	2,226
A.3	Fees to counsel and other legal expenses	73	168	12
A.4	National revaluation projects	2,200	1,674	1,399
		20,551	15,163	11,420

Significant variations

The following outlines the reasons for significant variations in programme subhead expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €5.063 million lower than originally provided.

A.1 Administration – pay

Estimate provision €9.715 million; outturn €8.134 million

The shortfall of €1.581 million in expenditure was mainly due to delays in the recruitment process and difficulty in acquiring suitably qualified resources during the year.

A.2 Administration – non pay

Estimate provision €8.563 million; outturn €5.187 million

The shortfall of €3.376 million in expenditure is primarily constituted by the underspend in Project AXIA detailed immediately above.

A.4 National revaluation projects

Estimate provision €2.2 million; outturn €1.674 million

The shortfall of €526,000 in expenditure was mainly due to the deferral of the Revaluation 2021 Programme until 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 <i>Valuation Tribunal appeal fees</i>	—	—	50
2 Valuation certificates	120	110	94
3 Valuation revision fees	300	114	550
4 Miscellaneous receipts	65	4	8
5 Receipts from additional superannuation contributions on public service remuneration	300	264	251
Total	785	492	953

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €293,000 less than estimate. Explanations for variances are set out below:

3 Valuation revision fees

Estimate €300,000; realised €114,000

The shortfall of €186,000 was due to reduced fees from local authorities consequent on SI no. 437 of 2021 coming into operation on 1 September 2021. This removed the requirement for local authorities to pay a prescribed fee for revision outcomes from the Valuation Office. Future estimates will reflect the consequent reduction in revision fee income.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>128</u>	<u>139</u>

5.2 Pay

Remuneration of Office staff	2022	2021
	€000	€000
Pay	7,329	7,432
Higher, special or additional duties allowances	74	88
Other allowances	15	15
Overtime	11	2
Employer's PRSI	705	682
Total pay	<u>8,134</u>	<u>8,219</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	18	—	7,946	7,911
Overtime	2	1	10,501	2,449
Other allowances	3	—	5,187	5,048
Extra remuneration in more than one category	2	1	15,689	7,496

5.4 Other remuneration agreements

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €85,865. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Office staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	77	98
60,000	69,999	20	17
70,000	79,999	13	8
80,000	89,999	13	1
90,000	99,999	2	3
100,000	109,999	3	1
110,000	119,999	2	—
140,000	149,999	1	—

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	11	19	9
Recovery plans in place	6	13	3

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	145	137

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that scheme.

Note: The above figures relate to the Commissioner of Valuation who was the Accounting Officer for Vote 16 on 31 December 2022.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	Total 2022	Total 2021
Number of cases ^a	10	12
	€000	€000
Office's own legal costs	—	—
Compensation	—	—
Legal costs ^b	165	8
Other costs	2	4
2022 Total	167	12
2021 Total	12	

Notes ^a All claims were made by members of the public.

^b Cost of one case completed in 2022 was €165,000.

6.2 Deferred surrender

Deferred surrender comprises savings in 2022 of €590,000 in capital expenditure in subhead A.2 that were carried over to 2023.

6.3 Merger

As part of a programme of rationalisation of State bodies, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The new organisation arising from the merger is known as Tailte Éireann. Tailte Éireann is under the aegis of the Department of Housing, Local Government and Heritage.

The Tailte Éireann Bill 2022 was published on 6 September. The Tailte Éireann Act 2022 was enacted on 21 December 2022 and Tailte Éireann was established on 1 March 2023.

Tailte Éireann is the body responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. As such, it will be the primary national source of property information and geo-spatial data and will be a leader in the development and delivery of land information services.

Accommodation arrangements for Tailte Éireann have been put in place by the Office of Public Works, effective in the final quarter of 2024. The staff of Tailte Éireann will remain in their current locations until the new building is ready for occupation.

Appropriation Account 2022

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2022 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €686,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Board

The Public Appointments Service was established under the Public Service Management (Recruitment and Appointments) Act 2004. It provides for a Chief Executive of the Service, and the appointment of a Board, consisting of eight external members and the Chief Executive in an ex officio basis.

The statutory functions of the Board are more advisory in nature than the traditional functions of State boards and essentially relate to giving advice or guidance to the Chief Executive. In general, they include

- representing the interests of the public service and ensuring that all appropriate service standards are being achieved
- considering and approving plans and strategic objectives put forward by the Chief Executive
- monitoring and advising the Public Appointments Service in the performance of its functions
- ensuring that appropriate review procedures are developed and implemented in relation to recruitment and promotion competitions, having regard to any relevant codes of practice issued by the Commission for Public Service Appointments
- publishing the annual report of the Public Appointments Service.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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 Public Appointments Service.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Public Appointments Service and the National Shared Services Office for the provision of shared services (e.g. human resources and payroll).

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Public Appointments Service.

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 Public Appointments Service

- 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 Public Appointments Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Public Appointments Service 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

I confirm that the Public Appointments Service 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 Public Appointments Service has provided details of five 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Public Appointments Service complied with the guidelines except for one contract to the value of €46,403 (exclusive of VAT), for the provision of security services at Chapter House.

The supplier was initially engaged on the recommendation of the OPW, for the duration of building works, primarily to ensure access to Chapter House when required. Following the pandemic, on the advice of An Garda Síochána, it was decided to continue the service due to the significant rise of anti-social behaviour in the area.

The contract will be replaced following a competitive procurement process in 2023.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management 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 of controls to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures (discussed further in the next section). The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Public Appointments Service 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 2022 that require disclosure in the appropriation account.

Covid-19 control issues

Senior management completed a review of the ongoing impact of Covid-19 and hybrid working on the Office's systems of internal control for 2022. No significant gaps, weaknesses or areas of non-compliance were noted. A small number of procedures and internal controls were adapted to ensure they continue to function effectively in a hybrid working environment.

Margaret McCabe
Accounting Officer
Public Appointments Service

29 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2022 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 17 Public Appointments Service for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Public Appointments Service 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

28 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 17 Public Appointments Service

Appropriation Account 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Civil and public service – redeployment/recruitment/selection			
	<i>Original</i>	19,659		
	<i>Supplementary</i>	574		
			20,233	19,578
				19,525
Gross expenditure			20,233	19,578
<i>Deduct</i>				
B	Appropriations-in-aid			
	<i>Original</i>	175		
	<i>Supplementary</i>	95		
			270	301
				361
Net expenditure				
	<i>Original</i>	19,484		
	<i>Supplementary</i>	479		
			19,963	19,277
				19,164

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	685,604	1,336,709

Margaret McCabe
Accounting Officer
Public Appointments Service

29 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		11,564	10,011
Non pay		8,014	9,514
Gross expenditure		19,578	19,525
<i>Deduct</i>			
Appropriations-in-aid		301	361
Net expenditure		19,277	19,164
Changes in capital assets			
Purchases cash	(90)		
Depreciation	145		
Loss on disposals	21	76	121
Changes in net current assets			
Increase in closing accruals	198		
Decrease in inventories	25	223	(238)
Direct expenditure		19,576	19,047
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,374	4,023
Net programme cost		22,950	23,070

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	62	45
Vote 12	Superannuation and Retired Allowances	1,354	1,020
Vote 13	Office of Public Works	1,887	2,908
Vote 18	National Shared Services Office	28	21
Vote 43	Office of the Government Chief Information Officer	43	29
		3,374	4,023

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	360	436
Current assets			
Bank and cash	2.2	346	400
Inventories	2.3	—	25
Prepayments	2.4	389	631
Accrued income	2.5	131	41
Other debit balances	2.6	465	1,215
Total current assets		1,331	2,312
Less current liabilities			
Accrued expenses	2.7	216	170
Other credit balances	2.8	495	451
Net Exchequer funding	2.9	316	1,164
Total current liabilities		1,027	1,785
Net current assets		304	527
Net assets		664	963
Represented by:			
State funding account	2.10	664	963

2.1 Capital assets

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	6,682	375	7,057
Additions	90	—	90
Disposals	(1,649)	(133)	(1,782)
Cost or valuation at 31 December 2022	5,123	242	5,365
Accumulated depreciation			
Opening balance at 1 January 2022	6,427	194	6,621
Depreciation for the year	119	26	145
Depreciation on disposals	(1,640)	(121)	(1,761)
Cumulative depreciation at 31 December 2022	4,906	99	5,005
Net assets at 31 December 2022	217	143	360
Net assets at 31 December 2021	255	181	436

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances	345	356
Commercial bank account balance	—	43
Petty cash	1	1
	346	400

2.3 Inventories

at 31 December	2022 €000	2021 €000
Consumables ^a	—	25
	—	25

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
IT services and supports	367	405
Specific programme costs	5	210
Administration expenses	17	16
	389	631

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Administration expenses	29	—
Due for services	102	41
	131	41

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Salary suspense	256	212
Advances to OPW	95	946
Recoupable travel pass scheme	2	6
Other debit suspense items	112	51
	465	1,215

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and supports	6	116
Specific programme costs	48	32
Administration expenses	162	22
	216	170

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	221	202
Pay related social insurance	140	113
Professional services withholding tax	30	47
Value added tax	31	24
Local property tax	1	—
	<u>423</u>	<u>386</u>
Payroll deductions held in suspense	72	65
	<u>495</u>	<u>451</u>

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	686	1,337
Deferred surrender	—	—
Exchequer grant undrawn	<u>(370)</u>	<u>(173)</u>
Net Exchequer funding	<u>316</u>	<u>1,164</u>
Represented by:		
Debtors		
Bank and cash	346	400
Debit balances: suspense	<u>465</u>	<u>1,215</u>
	811	1,615
Creditors		
Due to the State	(423)	(386)
Credit balances: suspense	<u>(72)</u>	<u>(65)</u>
	(495)	(451)
	<u>316</u>	<u>1,164</u>

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		963	846
Disbursements from the Vote			
Estimate provision	Account	19,963	
Surplus to be surrendered	Account	(686)	
Net vote		19,277	19,164
Expenditure (cash) borne elsewhere	1.1	3,374	4,023
Net programme cost	1	(22,950)	(23,070)
Balance at 31 December		664	963

2.11 Commitments

Global commitments		
at 31 December	2022	2021
	€000	€000
Procurement of goods and services	376	115
Capital projects	—	988
Total of legally enforceable commitments	376	1,103

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 17 Public Appointments Service is classified as administration expenditure applied towards a single programme: civil and public service – redeployment/recruitment/selection.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	11,702		
	<i>Supplementary</i>	60		
			11,762	11,564
				10,011
ii	Travel and subsistence ^a		30	3
iii	Training and development and incidental expenses			
	<i>Original</i>	381		
	<i>Supplementary</i>	59		
			440	416
				458
iv	Postal and telecommunications services			
	<i>Original</i>	100		
	<i>Supplementary</i>	(39)	61	102
				67
v	Office equipment and external IT services			
	<i>Original</i>	2,990		
	<i>Supplementary</i>	(1,319)		
			1,671	1,552
				1,472
vi	Office premises expenses			
	<i>Original</i>	749		
	<i>Supplementary</i>	1,139		
			1,888	1,707
				3,841
vii	Recruitment costs – research and corporate governance			
	<i>Original</i>	80		
	<i>Supplementary</i>	160		
			240	153
				100
viii	Recruitment costs – advertising and testing			
	<i>Original</i>	1,527		
	<i>Supplementary</i>	457		
			1,984	1,830
				1,450

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
ix	Recruitment costs – interview boards			
	<i>Original</i>	2,100		
	<i>Supplementary</i>	57		
		2,157	2,251	2,069
		20,233	19,578	19,525

Note ^a Following a review of Administration non pay expenditure, it was noted that costs relating to couriers and file management had been charged to Travel and Subsistence in error in prior years. In 2022, these costs have been charged to Postal and telecommunications services and Training and development and incidental expenses respectively as appropriate.

Significant variations

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

v Office equipment and external IT services

Estimate provision €2.99 million; outturn €1.552 million

The original estimate for office equipment and external IT services included a capital allocation of €1.5 million for Project Nova, for the replacement of the recruitment system. Due to the procurement process taking longer than expected the main costs of this project were not incurred during 2022, with total project expenditure of €159,000 for the year.

vi Office premises expenses

Estimate provision €749,000; outturn €1.707 million

The original estimate for office premises expenses was based on the assumption that the Chapter House upgrade project would have been completed in 2021, with just the installation of audio video systems funded in 2022 through the allocation of €500,000. However, delays to the project meant that significant construction costs were not charged to PAS during 2021 and were incurred in 2022 instead. The total capital expenditure on the project was €1.516 million in 2022. The supplementary estimate for the year transferred capital allocation from Project Nova to the Chapter House upgrade project to cover these costs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous			
	<i>Original</i>	25		
	<i>Supplementary</i>	70		
			95	178
2	Receipts from additional superannuation contributions on public service remuneration		100	
	<i>Original</i>	150		
	<i>Supplementary</i>	25		
			201	183
		175		
Total		270	301	361

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>272</u>	<u>220</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	10,453	9,052
Higher, special or additional duties allowances	110	98
Overtime	5	12
Employer's PRSI	996	849
Total pay	<u>11,564</u>	<u>10,011</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	32	4	14,413	11,050
Overtime	24	—	389	1,733
Extra remuneration in more than one category	7	2	11,770	12,740

5.4 Public Appointments Service staffing by pay band

The number of Public Appointments Service employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	189	184
60,000	69,999	11	7
70,000	79,999	13	9
80,000	89,999	11	6
100,000	109,999	4	4
110,000	119,999	1	2
150,000	159,999	—	1

5.5 Other remuneration arrangements

122 retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €853,271. The payments were made consistent with the principles of the Public Service (Single Scheme and other Provision) Act 2012.

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2022, as indicated in the following table.

Member	Annual fees	
	2022	2021
	€	€
Shirley Comerford, Chief Executive (to 08 July 2022)	—	—
Margaret McCabe, Chief Executive (from 11 July 2022)	—	—
Tom Moran, Chairman	11,970	11,970
Mary Hurley (to March 2022) ^a	—	—
Dr Eddie Molloy	7,695	7,695
Anne Marie Taylor	7,695	7,695
Mary Connaughton	7,695	7,695
Anne O'Connor ^a (to June 2022)	—	—
Fiona Quinn ^a (from June 2022)	—	—
Yvonne Cooke ^a (from June 2022)	—	—
Colin Menton ^a (from October 2022)	—	—
Anne Marie Hoey ^a (from November 2022)	—	—
Total	35,055	35,055

Note ^a Serving public servants, who do not receive Board membership fees under the 'one person, one salary' principle.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	21	16,251	4,966
Recovery plans in place	5	2,719	1,774

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay		
Shirley Comerford (to 8 July 2022)	102	159
Margaret McCabe (from 11 July 2022)	53	—
	<u>155</u>	<u>159</u>

The Chief Executive Officer (CEO) was succeeded by an interim CEO with effect from 11 July 2022. Following an open recruitment campaign, the interim CEO was appointed to the role on a permanent basis on 1 January 2023.

The value of retirement benefits earned in the period is not included above. The current Chief Executive Officer is a member of the pre-1995 superannuation scheme for established civil servants, and her pension entitlements earned in the year do not extend beyond the terms of that scheme.

Appropriation Account 2022

Vote 18

National Shared Services Office

Introduction

As Accounting Officer for Vote 18, 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 2022 for the salaries and expenses of the National Shared Services Office.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €7.323 million is liable for surrender to the Exchequer.

During the accounting period ending 31 December 2022, the National Shared Services Office operated as a separate civil service office under the aegis of the Department of Public Expenditure, National Development Plan Delivery and Reform.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, except for the following.

Basis of charge for services

The National Shared Services Office applies a service charge for HR services and pensions administration. The service charge for 2022 has distributed a portion of operational costs on a pro-rata basis among each public sector body served, based on their employee headcount. The remainder is borne by the National Shared Services Office.

Capital assets under development

Capital expenditure in respect of the development of a Financial Management Shared Services (FMSS) system by the National Shared Service Office are included as part of note 2.1 – Capital assets. Staff, client service partner and overhead costs incurred as part of the development of the system are not capitalised.

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 National Shared Services Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Accounting Officer. 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.

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 independent Audit and Risk 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.
- The statement on internal financial control for the Department of Finance is also relevant given that the Department of Finance provided finance transaction services on a shared basis to Vote 18 until April 2022.

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 National Shared Services Office
- 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 and Risk Committee

I confirm that the National Shared Services Office has an internal audit function with appropriately trained personnel. The National Shared Services Office internal audit unit operates in accordance with a written charter which I have approved. Its work is informed by analysis of the risks to which the National Shared Services 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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

The Office has provided details of four 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, National Development Plan Delivery and Reform.

Risk and control framework

The National Shared Services Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the National Shared Services Office and these have been evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies. These are communicated to those responsible for taking corrective action and 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 National Shared Services Office has procedures to monitor the effectiveness of its risk management and control procedures. The National Shared Services Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the National Shared Services Office who are responsible for the development and maintenance of the internal financial control framework.

Assurance reports on controls at a service organisation

I have put in place an audit process to provide independent assurance on the operation of controls surrounding the delivery of services by the National Shared Services Office. The audits are conducted by independent auditors in accordance with the International Standards on Assurance Engagements (ISAE 3402) *Assurance Reports on Controls at a Service Organisation*.

HR services and payroll services achieved ISAE Type II certification in 2023 based on testing performed in 2022. This provides me with the assurance that the control objectives were achieved and operated effectively throughout the period under review. Finance Shared Services achieved ISAE Type I certification in 2023 based on testing performed in 2022. This provides me with assurance on the design of controls.

Overpayments

Overpayments to client staff in 2022, in respect of which the root cause was attributable to the National Shared Services Office, were made in 911 cases (2021: 520 cases) with an estimated value of €1,034,151 (2021: €599,337). This amounts to 25% in 2022 (2021: 17%) of the financial value of all overpayments and 20% in 2022 (2021: 15%) of the volume of all overpayment cases.

The National Shared Services Office continues to address the overpayments attributable to the National Shared Services Office through process improvement and automation and improved end to end reporting and monitoring.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

The National Shared Services Office continually reviews and implements recommendations made by the Comptroller and Auditor General and Internal Audit to strengthen the control environment, particularly in the areas of payroll overpayments; information technology; fraud and vulnerability; travel and subsistence; and superannuation and pensions.

Covid-19 control issues

The onset of the Covid-19 pandemic resulted in some changes to the working and control environment, with the majority of staff in the National Shared Services Office (NSSO) pivoting to remote working in line with public health advice. Changes to procedural and internal controls to ensure they continued to function effectively in a remote working environment, which were adopted in early 2020 following a once-off review of the impact of Covid-19, continued in operation for 2022 when the National Shared Services Office transitioned to a blended working model.

Under the National Shared Services Office's risk and control framework, regular risk assessments including the impact of blended working on the control environment continued during 2022 with updates to the Management Board and the Audit and Risk Committee. I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Hilary Murphy-Fagan
Accounting Officer
National Shared Services Office

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 18 National Shared Services Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 18 National Shared Services Office for the year ended 31 December 2022 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 18 National Shared Services Office for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 National Shared Services Office 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.

Progress with Financial Management Shared Services

Chapter 6 of my report on the accounts of the public services for 2022 reviews the progress made by the National Shared Services Office in developing and rolling out the Financial Management Shared Services (FMSS) system to client public service bodies.

Seamus McCarthy

Comptroller and Auditor General

25 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 18 National Shared Services Office

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A NSSO function	39,682	30,757	35,290
B HR Shared Services	10,059	9,909	9,602
C Payroll Shared Services	12,987	13,477	12,821
D Finance Shared Services	10,722	11,060	1,381
Gross expenditure	73,450	65,203	59,094
<i>Deduct</i>			
E Appropriations-in-aid	6,358	6,634	6,438
Net expenditure	67,092	58,569	52,656

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. €1.2 million of unspent allocations in respect of the capital elements of subhead A.3 was carried forward to 2023.

	2022	2021
	€	€
Surplus	8,523,412	4,365,604
Deferred surrender	(1,200,000)	—
Surplus to be surrendered	7,323,412	4,365,604

Hilary Murphy-Fagan

Accounting Officer
National Shared Services Office

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		5,675	15,174
Pay		35,157	30,653
Non pay		24,371	13,267
Gross expenditure		65,203	59,094
<i>Deduct</i>			
Appropriations-in-aid		6,634	6,438
Net expenditure		58,569	52,656
Changes in capital assets			
Purchases cash	(3,827)		
Depreciation	2,603	(1,224)	(5,743)
Changes in net current assets			
Decrease in closing accruals	(370)		
Decrease in inventories	29	(341)	(1,253)
Direct expenditure		57,004	45,660
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(10,224)	(9,368)
Notional rents		1,758	1,758
Net programme cost		48,538	38,050

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere, and costs borne by Vote 18 in respect of other votes.

		2022	2021
		€000	€000
Vote 7	Office of the Minister for Finance	63	150
Vote 9	Office of the Revenue Commissioners	43	30
Vote 12	Superannuation and Retired Allowances	1,077	—
Vote 13	Office of Public Works	2,022	2,270
Vote 43	Office of the Government Chief Information Officer	1,001	928
Apportioned cost of shared services for other Votes		(14,430)	(12,746)
Net cost of shared services provided to other Votes		(10,224)	(9,368)

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	29,454	28,639
Current assets			
Bank and cash	2.2	3,406	9,203
Inventories	2.3	—	29
Prepayments	2.4	5,961	4,824
Other debit balances	2.5	670	601
Net Exchequer funding	2.9	292	1,460
Total current assets		10,329	16,117
Less current liabilities			
Accrued expenses	2.6	1,242	884
Other credit balances	2.7	1,962	1,619
Client funding/advance balances	2.8	2,406	9,645
Total current liabilities		5,610	12,148
Net current assets		4,719	3,969
Net assets		34,173	32,608
Represented by:			
State funding account	2.10	34,173	32,608

2.1 Capital assets

	IT software and equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2022	25,217	31	27,478	52,726
Additions	784	—	2,634	3,418
Assets brought into use ^a	29,040		(29,040)	—
Adjustment ^b	4,615	—	—	4,615
Cost or valuation at 31 December 2022	59,656	31	1,072	60,759
Accumulated depreciation				
Opening balance at 1 January 2022	24,060	27	—	24,087
Depreciation for the year	2,600	3	—	2,603
Adjustment ^b	4,615	—	—	4,615
Cumulative depreciation at 31 December 2022	31,275	30	—	31,305
Net assets at 31 December 2022	28,381	1	1,072	29,454
Net assets at 31 December 2021	1,157	4	27,478	28,639

- Notes ^a The assets brought in to use in the year exclusively relates to the FMSS project.
- ^b The adjustment figure relates to FMSS expenditure in prior years and identified as capital assets in the current year.

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances and cash	1,001	(439)
Client funded bank balances	2,405	9,642
	3,406	9,203

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery	—	22
Promotional consumables	—	7
	<u>—</u>	<u>29</u>

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as inventory items.

2.4 Prepayments

at 31 December	2022	2021 ^a
	€000	€000
IT services and support	4,943	4,670
Finance Shared Services IT services and support	912	—
Other prepayments	106	154
	<u>5,961</u>	<u>4,824</u>

Note ^a 2021 prepayments have been re-categorised.

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable HRMS	585	534
Travel pass scheme expenditure	60	57
Office of Public Works	15	—
Other debit suspense items	10	10
	<u>670</u>	<u>601</u>

2.6 Accrued expenses

at 31 December	2022	2021 ^a
	€000	€000
Finance Shared Services IT services and support	515	—
IT services and support	494	23
Bank charges	75	75
Other accruals	110	99
Facilities	41	92
FMSS project	7	595
	1,242	884

Note ^a 2021 accruals have been re-categorised.

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Professional services withholding tax	679	471
Income tax	418	340
Pay related social insurance	402	332
Pension contributions	121	93
Value added tax	110	61
Universal social charge	86	70
Office of Public Works	—	95
Local property tax	3	3
	1,819	1,465
Payroll deductions held in suspense	143	154
	1,962	1,619

2.8 Client funding/advance balances

The National Shared Services Office provides a payroll shared service function to a number of Government departments, offices and agencies.

The amount of €2.405 million held on behalf of clients as at 31 December 2022 (2021: €9.645 million), consists of €1.291 million (2021: €9.556 million) lodged by clients to cover funding for salaries over the new year period, and €1.114 million (2021: €89,000) representing amounts due to individuals and third party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €6.3 billion in 2022 (2021: €5.9 billion).

2.9 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus to be surrendered	7,323	4,366
Deferred surrender	1,200	—
Exchequer grant undrawn	(8,815)	(5,826)
Net Exchequer funding	(292)	(1,460)
Represented by:		
Debtors		
Bank and cash	3,406	9,203
Debit balances: suspense	670	601
	4,076	9,804
Creditors		
Due to the State	(1,819)	(1,465)
Client funding/advance balances	(2,406)	(9,645)
Credit balances: suspense	(143)	(154)
	(4,368)	(11,264)
	(292)	(1,460)

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		32,608	25,612
Disbursements from the Vote			
Estimate provision	Account	67,092	
Deferred surrender	Account	(1,200)	
Surplus to be surrendered	Account	(7,323)	
Net vote		58,569	52,656
Expenditure (cash) borne elsewhere	1.1	(10,224)	(9,368)
Non cash expenditure – notional rent		1,758	1,758
Net programme cost	1	(48,538)	(38,050)
Balance at 31 December		34,173	32,608

2.11 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	3,277	3,603
Capital projects	10,362	12,048
Total of legally enforceable commitments	13,639	15,651

b) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Project					
Financial	32,405	1,726	10,362	44,493	44,453
Management					
Shared Services					
	32,405	1,726	10,362	44,493	44,453

2.12 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	71	84

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	37,685	35,157	30,653
ii	Travel and subsistence	405	73	17
iii	Training and development	535	722	433
iv	Professional, consultancy and other services	12,824	19,131	7,001
v	Operating expenses	330	763	889
vi	Asset and equipment expenses	2,000	2,831	3,712
vii	Premises and accommodation expenses	820	467	499
viii	Communication and marketing expenses	572	384	716
		55,171	59,528	43,920

Note 2021 Administration expenditure has been re-classified. The changes to the administration subheads are to facilitate the new single cross government chart of accounts for all votes.

Significant variations

The following outlines the reasons for significant variations (more than +/- 25% and €100,000). Overall, administration costs were €4.357 million greater than originally provided. This is mainly due to increased ICT-related expenditure.

ii Travel and subsistence

Estimate provision €405,000; outturn €73,000

The underspend of €332,000 was largely due to more meetings being held on a virtual basis as the ongoing Covid-19 pandemic curtailed travel between locations.

iii Training and development

Estimate provision €535,000; outturn €722,000

The excess of expenditure of €187,000 is primarily driven by additional training for new and existing staff across a range of areas and the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

iv Professional, consultancy and other services

Estimate provision €12.824 million; outturn €19.131 million

The excess of expenditure of €6.307 million is primarily driven by increased spending on enterprise IT costs including additional external IT support and unanticipated post go live support costs for FSS. While this was not included in the revised allocation for 2022, the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

v Operating expenses

Estimate provision €330,000; outturn €763,000

The excess of expenditure of €433,000 relates to higher than expected bank charges and the NSSO HRMS levy which was reclassified during the year. While this was not included in the revised allocation for 2022, the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

vi Asset and equipment expenses

Estimate provision €2 million; outturn €2.831 million

The excess of expenditure of €831,000 over allocation is primarily driven by the purchase of additional ICT hardware required for support of critical systems in a blended working environment. While this was not included in the revised allocation for 2022, the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

vii Premises and accommodation expenses

Estimate provision €820,000; outturn €467,000

The ongoing Covid-19 pandemic reduced running costs, and expenditure on capital works/office fit-outs did not occur as planned leading to the saving of €353,000.

viii Communication and marketing expenses

Estimate provision €572,000; outturn €384,000

The ongoing Covid-19 pandemic reduced events communication costs, leading to an underspend of €188,000. While in person events were recommenced from mid-2022, they did not occur at the scale anticipated.

Programme A National Shared Services Office Function

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	12,060	9,864	9,022
A.2	Administration – non pay	9,343	15,218	11,094
A.3	Financial Management Shared Services project	18,279	5,675	15,174
		39,682	30,757	35,290

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000). Overall, Programme A costs were €8.925 million less than originally provided.

A.1 Administration - pay

Estimate provision €12.06 million; outturn €9.864 million

The 2022 underspend was due to a high vacancy rate in the early part of the year.

A.2 Administration – non pay

Estimate provision €9.343 million; outturn €15.218 million

The excess of expenditure over allocation is primarily driven by costs related to the upgrade of the IT systems and a need to address critical IT risks. While these costs were not included in the revised allocation for 2022, the NSSO was able to cover the required expenditure within its overall total allocation for the year, through a mix of savings on current operations and underspend on FMSS.

A.3 Financial Management Shared Services project

Estimate provision €18.279 million; outturn €5.675 million

The timeline for the deployment of FMSS and the related commencement of Finance Shared Services operations was extended from late Q4 2021 to early Q2 2022 and as a result project expenditure in 2022 was €12.6 million less than initially planned, as payments were aligned with project milestones.

Programme B HR Shared Services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	9,904	9,772	9,434
B.2	Administration – non pay	155	137	168
		10,059	9,909	9,602

Programme C Payroll Shared Services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	12,237	12,292	11,979
C.2	Administration – non pay	750	1,185	842
		12,987	13,477	12,821

Programme D Finance Shared Services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	3,484	3,229	218
D.2	Administration – non pay	7,238	7,831	1,163
		10,722	11,060	1,381

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	HR services levy	5,718	5,718	5,567
2	Miscellaneous	200	342	397
3	Receipts from additional superannuation contributions on remuneration	440	574	474
Total		6,358	6,634	6,438

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €276,000 higher than forecast.

2 Miscellaneous

Estimate €200,000; realised €342,000

Miscellaneous receipts including maternity leave and sick pay receipts were higher than anticipated.

3 Receipts from additional superannuation contributions on remuneration

Estimate €440,000; realised €574,000

Receipts from additional superannuation contributions on public service remuneration were ahead of profile mainly as a result of the Building Momentum agreement and increased staffing.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>829</u>	<u>731</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	31,956	29,445
Higher, special or additional duties allowances	36	39
Other allowances	21	31
Overtime	889	418
Employer's PRSI	3,123	2,788
Total pay	<u>36,025</u>	<u>32,721</u>

Note The increase in overtime expenditure is primarily driven by the high vacancy rates early in 2022 and the additional volume of payroll work relating to the Building Momentum agreement.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	10	—	7,659	6,714
Other allowances	5	—	7,120	23,744
Overtime	404	15	30,837	12,471
Extra remuneration in more than one category	4	—	9,456	9,180

5.4 Office staffing by pay band

The number of NSSO employees whose total employee benefits (including basic pay, allowances, overtime, excluding employer PRSI and employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upward to €189,999 are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	649	690
60,000	69,999	27	17
70,000	79,999	20	20
80,000	89,999	16	12
90,000	99,999	10	3
100,000	109,999	4	5
110,000	119,999	3	—
120,000	129,999	—	—
130,000	139,999	—	—
140,000	149,999	—	1
150,000	159,999	1	1
160,000	169,999	1	1
170,000	179,999	1	1
180,000	189,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2022 €000	2021 €000
Overpayments	26	47	36
Recovery plans in place	9	16	26

Three overpayment recovery plans to the value of €706 were transferred to other departments during 2022 (2021: three individuals to a value of €3,727).

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	183	177

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the superannuation scheme for non-established State employees and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Deferred surrender

	2022	2021
	€000	€000
Description of subhead		
A.3 Financial Management Shared Services project	1,200	—

6.2 EU funding

	2022	2021
	€000	€000
Description of subhead		
E.2 Miscellaneous	—	133

6.3 Write-offs

	2022	2021
	€000	€000
Suspense account balances – net legacy items	—	1

6.4 Financial Management Shared Services programme

The cumulative spend to date on the Financial Management Shared Services (FMSS) programme amounted to €73.037 million (inclusive of VAT) as at 31 December 2022 (2021: €67.362 million). The approved budget for the FMMS project is €115 million.

€36.484 million of the spend to end 2022 is categorised as capital expenditure. This includes €29.040 million on assets brought into use in the year; €4.615 million relating to FMSS expenditure in prior years and identified as capital assets in the current year; and an additional €769,000 on assets capitalised separately. Also included is €2.056 million on office fit out expenditure not capitalised in this account.

The balance of €36.553 million is categorised as current expenditure and relates to staff, client service partner and other operational costs.

Appropriation Account 2022

Vote 19

Office of the Ombudsman

Introduction

As Accounting Officer for Vote 19, 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 2022 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.324 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Depreciation

Software licences are depreciated on a straight line basis at a rate of 33% per annum.

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 of the Ombudsman.

This responsibility is exercised in the context of the resources available to me and my other obligations as Director 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 Office and the National Shared Services Office (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the NSSO that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Office.

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Office and this meant that there were two separate accounting systems in place during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Office to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Office continues to work on addressing the challenges.

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.
- The Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.
- 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 the following.

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office. Risk management is increasingly integral to the Office's strategic and business process. This is brought about through risk registers, strategic and business plans and individual PMDS targets.

- There are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. I am satisfied that our ICT system is fit for purpose and is functioning effectively.
- There are appropriate capital investment control guidelines and formal project management disciplines.

Procurement

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

The Office has provided details of one 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €25,475 (exclusive of VAT).

The contract was in respect of contract cleaning services and cleaning supplies. A contract which had been awarded following a competitive tendering process expired prior to the Office relocating to a new premises in December 2019. In March 2020, due to the onset of the Covid-19 pandemic and the resultant partial and full building closures, a decision was taken to retain the use of the existing cleaning contractors until the period of uncertainty came to an end. A new cleaning contractor was appointed with effect from November 2022 under an OGP framework.

The above contract has been included in the 40/2002 annual return referenced above.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function which is externally outsourced, with appropriately trained personnel. The internal audit unit operates under a charter which was approved in December 2021. 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Team 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 assigned 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 Team, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

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

Internal financial control issue

No weakness in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 19 Office of the Ombudsman

Opinion on the appropriation account

I have audited the appropriation account for Vote 19 Office of the Ombudsman for the year ended 31 December 2022 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 19 Office of the Ombudsman for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Ombudsman 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

31 August 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 19 Office of the Ombudsman

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Ombudsman function/Office of the Commission for Public Service Appointments	7,435	7,473	6,307
B Standards in Public Office Commission	1,992	1,444	1,525
C Office of the Information Commissioner/Office of the Commissioner for Environmental Information	3,366	2,517	2,611
Gross expenditure	12,793	11,434	10,443
<i>Deduct</i>			
D Appropriations-in-aid	505	470	366
Net expenditure	12,288	10,964	10,077

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	1,323,783	2,062,146

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		9,647	8,385
Non pay		1,787	2,058
Gross expenditure		11,434	10,443
<i>Deduct</i>			
Appropriations-in-aid		470	366
Net expenditure		10,964	10,077
Changes in capital assets			
Purchases cash	(118)		
Depreciation	161	43	119
Changes in net current assets			
Decrease in inventories	6		
Decrease in closing accruals	(208)	(202)	(309)
Direct expenditure		10,805	9,887
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,176	3,676
Net programme cost		14,981	13,563

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 19 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	30
Vote 12	Superannuation and Retired Allowances	1,881	1,567
Vote 13	Office of Public Works	2,109	2,066
Vote 18	National Shared Services Office	145	13
		4,176	3,676

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	289	326
Current assets			
Inventories ^a		—	6
Prepayments	2.2	683	472
Bank and cash		97	113
Net Exchequer funding	2.4	258	137
Other debit balances		7	32
Total current assets		1,045	760
Less current liabilities			
Accrued expenses		78	75
Other credit balances	2.3	362	282
Total current liabilities		440	357
Net current assets		605	403
Net assets		894	729
Represented by:			
State funding account	2.5	894	729

Note ^a Following a review of consumables in 2022, low-value and high-volume item categories were removed from the inventories balance.

2.1 Capital assets

	IT equipment	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets cost or value				
At 1 January 2022	2,307	45	102	2,454
Additions ^a	—	—	124	124
Reclassification ^b	45	(45)	—	—
Brought into use	190	—	(190)	—
At 31 December 2022	2,542	—	36	2,578
Accumulated depreciation				
At 1 January 2022	2,083	45	—	2,128
Reclassification ^b	45	(45)	—	—
Depreciation for the year	161	—	—	161
At 31 December 2022	2,289	—	—	2,289
Net assets at 31 December 2022	253	—	36	289
Net assets at 31 December 2021	224	—	102	326

Note ^a Capital assets under development include €29,000 in costs relating to the set-up of the new Office of Protected Disclosures Commissioner established on 1 January 2023.

^b Following a review of the fixed asset register, certain assets previously classified under office equipment were reclassified as IT equipment.

2.2 Prepayments

At 31 December	2022 €000	2021 €000
Software licences	518	245
Other prepayments	165	227
Balance at 31 December	683	472

2.3 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	165	134
Pay related social insurance	90	72
Professional services withholding tax	24	9
Pension contributions	32	24
	<u>311</u>	<u>239</u>
Payroll deductions held in suspense	34	28
Other credit suspense items	17	15
	<u>362</u>	<u>282</u>

2.4 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,324	2,062
Exchequer grant undrawn	<u>(1,582)</u>	<u>(2,199)</u>
Net Exchequer funding	<u>(258)</u>	<u>(137)</u>
Represented by:		
Debtors		
Bank and cash	97	113
Debit balances: suspense	<u>7</u>	<u>32</u>
	104	145
Creditors		
Due to the State	(311)	(239)
Credit balances: suspense	<u>(51)</u>	<u>(43)</u>
	(362)	(282)
	<u>(258)</u>	<u>(137)</u>

2.5 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		729	607
Disbursements from the Vote			
Estimate provision	Account	12,288	
Surplus to be surrendered	Account	(1,324)	
Net vote		10,964	10,077
Expenditure (cash) borne elsewhere	1.1	4,176	3,676
Non-cash items – capital asset adjustment		6	—
Fixed asset adjustments ^a		—	(68)
Net programme cost	1	(14,981)	(13,563)
Balance at 31 December		894	729

Note ^a These adjustments relate to the removal of individual assets with a value under €10,000 from the asset register in 2021 as required by Department of Public Expenditure, National Development Plan Delivery and Reform circular 1/2022.

2.6 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	184	247
Capital projects	208	148
	392	395

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn restated ^a
		€000	€000	€000
i	Salaries, wages and allowances	10,233	9,647	8,385
ii	Travel and subsistence	62	10	4
iii	Training and development	300	106	124
iv	Professional, consultancy and other services	44	68	91
v	Operating expenses	1,319	205	186
vi	Asset and equipment expenses	109	920	1,057
vii	Communication and marketing expenses	36	69	61
viii	Legal fees	680	365	535
ix	Referendum Commission ^b	10	44	—
		12,793	11,434	10,443

Note ^a In 2022, there was a change to the administration subheads to facilitate the new single cross-Government chart of accounts for all votes. Eight client bodies, including this Vote, moved to a new chart of accounts during the year. The comparative figures for 2021 have been restated to correspond with the new subheads.

^b Prior to the establishment of the Electoral Commission on 1 January 2023, this Office incurred costs of €44,000 relating to the procurement of services for future referendums.

Significant variations

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

iii Training and development

Estimate provision €300,000; outturn €106,000

The reduction of €194,000 relates to a saving on training courses which in 2022 had not returned to pre-Covid levels. In addition, as a result of the change in the subheads during the year, some expenditure is now reported under operating expenses.

v Operating expenses

Estimate provision €1.319 million; outturn €205,000

The underspend of €1.114 million relates to an uncorrected error in the published estimates where the figure for operating expenses was overstated. The figure that should have appeared in the estimates was €109,000.

vi Asset and equipment expenses

Estimate provision €109,000; outturn €920,000

The overspend of €811,000 relates to an uncorrected error in the published estimates where the figure for asset and equipment expenses was understated. The figure that should have appeared in the estimates was €1.319 million. The underspend of €399,000 relates to delays in completing some ICT projects due a licencing model change and the availability of relevant external ICT technical resources required to complete the projects.

viii Legal fees

Estimate provision €680,000; outturn €365,000

The underspend of €315,000 is due to a difficulty in estimating exactly when legal fees will require to be paid. There is a right to appeal decisions made under FOI legislation and environmental information legislation to the High Court on a point of law and the number of appeals may vary from year to year. Cases may also be appealed to higher courts.

Programme A Ombudsman function/Office of the Commission for Public Service Appointments

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	6,368	6,530	5,531
A.2	Administration – non pay	1,067	943	776
		7,435	7,473	6,307

Programme B Standards in Public Office Commission

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	1,372	1,065	1,077
B.2	Administration – non pay	620	379	448
		1,992	1,444	1,525

Programme C Office of the Information Commissioner/Office of the Commissioner for Environmental Information

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	2,493	2,052	1,777
C.2	Administration – non pay	873	465	834
		3,366	2,517	2,611

Note 4 Receipts
4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriation in aid	35	73	26
2	Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	60	69	66
3	Receipts from additional superannuation contributions on public service remuneration	410	328	274
Total		505	470	366

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Collected	—	4
Transferred to the Exchequer	—	(4)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>149</u>	<u>134</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	8,865	7,719
Higher, special or additional duties allowances	22	34
Overtime and extra attendance	3	5
Employer's PRSI	<u>757</u>	<u>627</u>
Total pay	<u>9,647</u>	<u>8,385</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties	4	1	12,046	11,514
Overtime and extra attendance	3	—	1,589	3,178
Extra remuneration in more than one category	2	—	6,477	—

5.4 Office staffing by pay band

The number of Office employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	86	90
60,000	69,999	11	11
70,000	79,999	16	16
80,000	89,999	17	13
90,000	99,999	10	1
100,000	109,999	2	4
110,000	119,999	3	1
140,000	149,999	—	1
160,000	169,999	1	—
170,000	179,999	1	—
190,000	199,999	—	1

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	<u>168</u>	<u>145</u>

The Accounting Officer's salary is at Assistant Secretary grade.

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants, and her entitlement to pension benefits do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

In respect of statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings not relating to claims by employees or members of the public.

	2022	2021
	€000	€000
Number of cases	19	27
Office's own legal costs	160	402
Payments to/on behalf of the Office		
Compensation	—	—
Legal costs	99	110
Other costs	—	—
Total	259	512

Cumulative costs of cases completed in 2022

In respect of statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings not relating to claims by employees or members of the public.

Number of cases	21
	€000
Office's own legal costs	396
Payments to/on behalf of the Office	
Compensation	—
Legal costs	77
Other costs	—
Total	473

6.2 Write-offs

	2022	2021
	€000	€000
Suspense account balance re: travel pass	7	—

Appropriation Account 2022

Vote 20

Garda Síochána

Introduction

As Accounting Officer for Vote 20, 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 2022 for the salaries and expenses of the Garda Síochána, including pensions, etc., for the payment of certain witnesses' expenses, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €12.646 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following:

Land and buildings

The Minister for Justice owns eight Garda stations which are included in the appropriation account of the Office of Public Works (Vote 13).

All other property utilised by An Garda Síochána is owned by the Office of Public Works, and is accounted for in the appropriation account of that Office. New builds paid by the Vote are transferred to OPW on completion.

The operating cost statement at Note 1 does not include a computed notional rent amount in respect of properties occupied by An Garda Síochána but owned by the Minister for Justice or by the Office of Public Works. As a result, the full economic cost of the service provided by An Garda Síochána is not reflected in the operating cost statement.

Inventory

Inventory includes certain high-volume, low-value consumable items, given their nature and need for monitoring and security.

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month recorded in the fixed asset register. Depreciation is calculated on a monthly basis.

The standard depreciation rates are applied in respect of office and IT equipment, and furniture and fittings. The following depreciation rates apply to other capital assets.

- aircraft: 5% per annum
- boats: 10% per annum
- vehicles: 25% per annum

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 An Garda Síochána.

This responsibility is exercised in the context of the resources available to me and my other obligations as the Commissioner of An Garda Síochána. 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 An Garda Síochána and the National Shared Services Office for the provision of financial and payroll shared services.

I rely on letters of assurance from the Accounting Officers of the Department of Justice and of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to An Garda Síochána.

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 and Risk 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 An Garda Síochána
- 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 and Risk Committee

I confirm that An Garda Síochána has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter, which I have approved. Its work is informed by analysis of the financial risks to which An Garda Síochána 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

An Garda Síochána 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.

An Garda Síochána has provided details of 111 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

An Garda Síochána complied with the guidelines with the exception of 57 contracts (in excess of €25,000 each), totalling €10,816,917 (exclusive of VAT), as set out below.

- Eighteen cases to a value of €3,793,864 for towing services were contracted without competitive procurement. This service has subsequently been tendered, with a number of contracts in place and others being progressed.
- Two cases to a value of €4,045,511 for translation services were contracted without competitive procurement. This service has subsequently been tendered for and a contract is now in place.
- Nine cases to a value of €613,292 in respect of medical services were contracted. Some of this service has subsequently been tendered.
- Fifteen cases to a value of €1,014,800 in respect of equipment where no contract was in place.
- The other 13 cases with a value of €1,349,450 related a variety of purchases without competitive procurement.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

An Garda Síochána 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. Risk management is supported by a Risk and Policy Governance Board, a dedicated Garda Risk Management Unit and a Risk Champion Network.

A risk register is in place, which identifies the key risks facing An Garda Síochána and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by Risk and Policy Governance Board on at least a quarterly basis.

The register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Outcome of risk assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 Executive, 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.

Work on resolving control failures is ongoing. The following provides an update in relation to those matters.

Garda payroll and pension overpayments

The overpayment of Garda members and staff salaries arises largely from the late notification of sick leave, retirements, resignations, unpaid maternity leave and family friendly application to the Payroll Shared Service Centre. To 31 December 2022, recovery plans have been agreed in respect of 67% of identified overpaid Garda members and staff salaries.

Recovery plans have been agreed in respect of 5% of identified overpaid Garda pensions. The overpayment of Garda pensions is mainly due to the payment of pensions in advance, rather than in arrears which is the public sector norm.

Computer Aided Dispatch (CAD) system

A detailed analysis of incidents on the Garda Computer Aided Dispatch (CAD) system that had been cancelled during 2019 and 2020 was carried out in 2021. The investigation focused on incidents that if not properly investigated could result in ongoing risk to victims. The investigation found that some incidents reported as crimes were not properly recorded at the time. This identified that while all calls were answered, some of the resulting incidents were not transferred to PULSE.

Corrective actions have been implemented to prevent a recurrence of incidents being incorrectly recorded or closed with consequent risk to victims. This includes the phased rollout nationally of the CAD2 system throughout 2023. This commenced in March 2023 and greatly enhances both operator and management decision support information as well as additional controls.

Review of effectiveness

I confirm that An Garda Síochána has procedures to monitor the effectiveness of its risk management and control procedures. An Garda Síochána'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 An Garda Síochána responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues***Travel and subsistence claims***

An Garda Síochána has made a disclosure to the Revenue Commissioners related to some travel and subsistence payments. External services have been procured to assist in reviewing this matter and supporting An Garda Síochána on quantifying any potential tax liability.

Inventory

An Garda Síochána has identified weaknesses in relation to stock issues and receipts not being recorded on the IT system in a timely manner and cyclical stock takes not being undertaken in line with procedures. This was mainly due to lack of availability of personnel. Steps have been taken to address these issues which include additional resources allocated to the management of stores and the enhancement of current processes and procedures, including periodic stock counts which in 2023 have confirmed significant improvements in the accuracy of the stock records. Assurances will be gained from these actions and the continuation of the enhancement of stores management.

No other weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Covid-19 pandemic

An Garda Síochána played an essential role in assisting with the implementation of Covid-19 public health measures and helped to keep people and communities safe during the pandemic from 2019 through 2022. The other work of policing also continued during this time.

Throughout the pandemic several statutory instruments under the Health Act 1947 were published which included elements of guidance and enforcement to be carried out by An Garda Síochána. As an essential service in providing these and other policing services, an emergency Covid-19 roster was introduced to maximise availability of personnel which had a financial impact.

An internal Covid-19 Coordination Unit was set up to support An Garda Síochána personnel with information and advice relating to Covid-19 within the work environment. This unit liaised with the relevant agencies and monitored updates from the Department of Health and/or HSE, the National Public Health Emergency Team and the Cabinet Sub-Committee.

The Senior Leadership Team managed the day to day security, safety, healthcare and operational challenges posed by the pandemic and the associated measures imposed. Where possible work was undertaken remotely, with key financial internal controls maintained and risks mitigated through the provision of secure remote ICT and existing policies/procedures remaining in place. HSE guidelines were and continue to be followed as may be applicable.

Regular meetings were held at multiple levels across the organisation and with key external stakeholders, to respond efficiently and effectively to the dynamic changing environment.

An Garda Síochána will continue to be available to work closely with all relevant agencies and to adopt measures that are in line with public policy should there be a future pandemic.

JA Harris

Accounting Officer
An Garda Síochána

22 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 20 Garda Síochána

Opinion on the appropriation account

I have audited the appropriation account for Vote 20 Garda Síochána for the year ended 31 December 2022 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 20 Garda Síochána for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 An Garda Síochána 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.

Inadequate stock controls

The Accounting Officer has disclosed in the statement on internal financial control that the controls over stocks did not operate effectively in 2022, and that steps have been taken to rectify the matter.

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 2022.

Seamus McCarthy

Comptroller and Auditor General

22 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 20 Garda Síochána

Appropriation Account 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Working with communities to protect and serve				
	<i>Original</i>	2,062,342		
	<i>Supplementary</i>	97,778		
			2,160,120	2,000,881
			2,153,194	
Gross expenditure			2,160,120	2,000,881
<i>Deduct</i>				
B Appropriations-in-aid				
	<i>Original</i>	105,988		
	<i>Supplementary</i>	18,807		
			124,795	122,332
			130,515	
Net expenditure				
	<i>Original</i>	1,956,354		
	<i>Supplementary</i>	78,971		
			2,035,325	1,878,549
			2,022,679	

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	12,646,237	13,276,491

JA Harris

Accounting Officer
An Garda Síochána

29 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		607,416	543,101
Pay		1,320,139	1,252,316
Non pay		225,639	205,464
Gross expenditure		2,153,194	2,000,881
<i>Deduct</i>			
Appropriations-in-aid		130,515	122,332
Net expenditure		2,022,679	1,878,549
Changes in capital assets			
Purchases cash	(66,806)		
Depreciation	28,224		
Loss on disposal	158	(38,424)	(31,332)
Changes in net current assets			
Increase in prepayments	(4,468)		
Increase in accrued expenses	270		
Increase in accrued income	(202)		
Increase in inventories	(6,863)	(11,263)	(12,747)
Direct expenditure		1,972,992	1,834,470
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		23,576	25,368
Net programme cost		1,996,568	1,859,838

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 20 borne elsewhere, net of costs of services provided to other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	21	16
Vote 13	Office of Public Works	20,681	21,277
Vote 18	National Shared Services Office	2,562	2,600
Vote 24	Justice – Financial Shared Services Centre ^a	2,753	2,683
Cost of services provided to other Votes		(2,441)	(1,208)
		23,576	25,368

Note ^a The costs of superannuation payments made to civilian staff are included in Vote 24 Justice and are not recorded in this account as net allied services expenditure.

Other services

An Garda Síochána cooperates with other services in a variety of ways outlined below. The costs involved are not reflected in the table.

- Garda transport was made available as escorts to Prison Service personnel conveying prisoners to court.
- Assistance was rendered to An Garda Síochána by the Defence Forces in the disposal of explosive materials, without payment.
- Garda personnel availed of Air Corps aircraft during 2022 without payment. Air Corps support was also provided without charge in relation to the operation of the Garda fixed-wing aircraft and pilot costs of Garda helicopters.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	67,285	202,395
Current assets			
Bank and cash	2.2	54,762	36,723
Inventories	2.3	28,299	21,436
Prepayments	2.4	25,980	21,511
Accrued income	2.5	1,310	1,108
Other debit balances	2.6	20,974	23,160
Total current assets		131,325	103,938
Less current liabilities			
Accrued expenses	2.7	8,958	8,056
Other credit balances	2.8	75,596	59,731
Net Exchequer funding	2.9	140	152
Total current liabilities		84,694	67,939
Net current assets		46,631	35,999
Net assets		113,916	238,394
Represented by:			
State funding account	2.10	113,916	238,394

2.1 Capital assets

	Buildings	Aircraft and boats	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000	€000
Gross assets (cost or value)							
At 1 January 2022 ^a	92,003	22,134	89,242	224,086	9,195	43,318	479,978
Additions	—	—	16,924	3,617	28	46,868	67,437
Disposals	—	—	(9,309)	(27,369)	(3,249)	—	(39,927)
Transfers out ^b	(92,003)	—	—	—	—	(90,186)	(182,189)
At 31 December 2022	—	22,134	96,857	200,334	5,974	—	325,299
Accumulated depreciation							
Opening balance at 1 January 2022	6,337	16,770	64,804	183,198	6,474	—	277,583
Depreciation for the year	1,687	590	11,423	14,104	420	—	28,224
Depreciation on disposals	—	—	(9,173)	(27,349)	(3,247)	—	(39,769)
Depreciation on transfers out	(8,024)	—	—	—	—	—	(8,024)
Cumulative depreciation at 31 December 2022	—	17,360	67,054	169,953	3,647	—	258,014
Net assets at 31 December 2022	—	4,774	29,803	30,381	2,327	—	67,285
Net assets at 31 December 2021	85,666	5,364	24,438	40,888	2,721	43,318	202,395

Notes ^a The opening balances includes assets valued at €10,000 or less.

^b In 2022, capital expenditure on four buildings – Kevin Street, Wexford and Galway divisional headquarters with a gross value of €92.003 million, and Walter Scott House, Military Road with a gross value of €90.186 million – was transferred to the OPW as assets to be recorded in the appropriation account of Vote 13 Office of Public Works.

2.2 Bank

at 31 December	2022	2021
	€000	€000
PMG balances	47,693	30,900
Commercial bank account balance ^a	7,069	5,823
	54,762	36,723

Note ^a An Garda Síochána maintains 94 divisional/unit imprest commercial bank accounts, which will be reduced in line with the rollout of the operating model. This is the move from a district policing model to a divisional model.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Stationery	462	503
Telecommunications stock	2,048	2,398
Clothing	21,060	12,097
Technical Bureau supplies	114	166
United Nations service stock	198	228
Armoury	3,549	4,791
Miscellaneous	868	1,253
	28,299	21,436

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
National digital radio payments	8,240	7,772
ICT payments	10,861	8,260
Telecoms	6,405	4,660
Other	474	819
	25,980	21,511

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Due for services	1,310	1,108
	1,310	1,108

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Imprests	768	713
Payroll suspense account (Paypath)	19,335	21,409
Cycle to Work scheme	650	779
Other debit suspense items	221	261
	20,974	23,160

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
ICT	1,467	347
Purchase of vehicles	2	—
Specialist equipment	18	20
Travel and subsistence	1,581	1,251
Fuel and maintenance	298	676
Station services	1,563	1,356
Go Safe contract	—	1,225
Storage and training	866	487
Communication and other equipment	883	136
ICT equipment	97	—
Clothing	563	503
College	233	119
Other	1,387	1,936
	8,958	8,056

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	38,230	28,253
Pay related social insurance	15,903	13,297
Professional services withholding tax	1,378	564
Value added tax	308	677
Relevant contracts tax	—	3
Road Traffic Act fines	1,050	1,450
Tax on pension contributions refunds	—	14
An Garda Síochána Superannuation Scheme	1,131	855
Garda division account balances	7,069	5,823
OPW	2,935	2,103
	<u>68,004</u>	<u>53,039</u>
Payroll deductions held in suspense	4,533	4,907
Garda reward fund (note 5.7)	481	479
Other credit suspense items	2,578	1,306
	<u>75,596</u>	<u>59,731</u>

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	12,646	13,276
Exchequer grant undrawn	(12,506)	(13,124)
Net Exchequer funding	<u>140</u>	<u>152</u>
Represented by:		
Debtors		
Bank and cash	54,762	36,723
Debit balances: suspense	20,974	23,160
	<u>75,736</u>	<u>59,883</u>
Creditors		
Due to the State	(68,004)	(53,039)
Credit balances: suspense	(7,592)	(6,692)
	<u>(75,596)</u>	<u>(59,731)</u>
	<u>140</u>	<u>152</u>

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		238,394	194,315
Disbursements from the Vote			
Estimate provision	Account	2,035,325	
Surplus to be surrendered	Account	<u>(12,646)</u>	
Net vote		2,022,679	1,878,549
Expenditure (cash) borne elsewhere	1.1	23,576	25,368
Transfer of assets	2.1	(174,165)	—
Net programme cost	1	<u>(1,996,568)</u>	<u>(1,859,838)</u>
Balance at 31 December		<u>113,916</u>	<u>238,394</u>

2.11 Commitments

a) Global commitments

at 31 December	2022 €000	2021 €000
Procurement of goods and services	17,686	34,235
Capital projects	2,900	43,145
Total of legally enforceable commitments	20,586	77,380

Note The commitments in relation to the procurement of goods and services at the end of 2022 amounted to €17.686 million. The Go Safe Contract commitment was €4.865 million, which consists of a contract in place until April 2023. Other commitments include clothing €6.493 million, telecommunications €2.5 million, ICT €1.795 million, other operational equipment €940,000, vehicles €882,000 and the balance of €211,000 across other subheads.

b) Major capital projects

	Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Walter Scott House, Military Road	43,318	46,868	2,900	93,086	86,505

Significant variation

Walter Scott House, Military Road

Increase in expected total spend: €6.581 million

The increase in expected project spend was due to a required payment under the inflation co-operation framework and additional agreed works.

2.12 Matured liabilities

at 31 December	2022 €000	2021 €000
Estimate of matured liabilities not discharged at year end	3	4
Total	3	4

2.13 Contingent liabilities

An Garda Síochána is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. In addition, disclosures on some travel and subsistence payments has been made to the Revenue Commissioners which may generate liabilities. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	1,280,100		
	<i>Supplementary</i>	<u>44,044</u>		
			1,324,144	1,320,139
ii	Travel and subsistence		19,519	17,733
iii	Vehicle towing and storage and other operational and incidental expenses			14,835
	<i>Original</i>	23,627		
	<i>Supplementary</i>	<u>2,908</u>		
			26,535	28,222
iv	Postal and telecommunications services			24,030
	<i>Original</i>	49,947		
	<i>Supplementary</i>	<u>1,686</u>		
			51,633	52,391
v	Office equipment and external IT services			55,193
	<i>Original</i>	76,753		
	<i>Supplementary</i>	<u>14,580</u>		
			91,333	90,721
vi	Maintenance of Garda premises		5,592	5,878
vii	Consultancy services and value for money and policy reviews			77,184
	<i>Original</i>	436		
	<i>Supplementary</i>	<u>504</u>		
			940	926
				666

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
viii	Station services				
	<i>Original</i>	25,401			
	<i>Supplementary</i>	3,706			
			29,107	29,642	27,380
ix	Garda Reserve				
	<i>Original</i>	1,395			
	<i>Supplementary</i>	(1,254)			
			141	126	109
			1,548,944	1,545,778	1,457,780

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €436,000; outturn €926,000

The increase of €490,000 is in relation to professional fees and technical advice provided to the organisation. €203,000 was expended on the Public Attitudes Survey and €203,000 was expended on communications advice for the Press Office.

ix Garda Reserve

Estimate provision €1.395 million; outturn €126,000

The shortfall in expenditure of €1.27 million on Garda Reserve was due to recruitment targets not being achieved and not all members of the Garda Reserve worked sufficient hours to be eligible for the relevant allowance payment. At 31 December 2022, there were 375 members of the Garda Reserve.

Programme A Working with communities to protect and serve

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	1,280,100		
	<i>Supplementary</i>	44,044		
			1,324,144	1,320,139
A.2	Administration – non pay			
	<i>Original</i>	202,670		
	<i>Supplementary</i>	22,130		
			224,800	225,639
A.3	Clothing and accessories		18,000	21,554
A.4	St. Paul's Garda Medical Aid Society		124	124
A.5	Transport			
	<i>Original</i>	32,554		
	<i>Supplementary</i>	5,263		
			37,817	38,751
A.6	Communications and other equipment		28,940	26,833
A.7	Aircraft		1,600	1,738
A.8	Superannuation, etc.			
	<i>Original</i>	380,838		
	<i>Supplementary</i>	25,774		
			406,612	403,772
A.9	Witnesses' expenses			
	<i>Original</i>	1,805		
	<i>Supplementary</i>	541		
			2,346	2,305
A.10	Compensation		16,620	19,617
A.11	Witness security programme			
	<i>Original</i>	1,198		
	<i>Supplementary</i>	(598)		
			600	600
				400

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.12	Capital building programme				
	<i>Original</i>	61,000			
	<i>Supplementary</i>	6,231			
			67,231	64,720	46,874
A.13	Garda College				
	<i>Original</i>	36,893			
	<i>Supplementary</i>	(5,607)			
			31,286	27,402	25,726
			2,160,120	2,153,194	2,000,881

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €90.852 million higher than originally provided. €63.008 million of this related to administration expenditure and has already been explained and the balance of the variance of €27.844 million was mainly due to the following.

A.3 Clothing and accessories

Estimate provision €18 million; outturn €21.554 million

The increase in expenditure of €3.554 million was due to scheduling and the timing of delivery of new uniform stocks.

A.5 Transport

Estimate provision €32.554 million; outturn €38.751 million

The increase in expenditure of €6.197 million was primarily due to additional capital investment in the Garda fleet and an increase in the cost of the provision of vehicles (€4.8 million) and the increase in fuel costs during 2022 (€1.3 million).

A.6 Communications and other equipment

Estimate provision €28.94 million; outturn €26.833 million

The shortfall in expenditure of €2.107 million was due to lower than anticipated spend on CCTV projects and operational equipment.

A.7 Aircraft

Estimate provision €1.6 million; outturn €1.738 million

The increase in expenditure of €138,000 was due to increased costs of maintenance and repairs of the Garda helicopters.

A.8 Superannuation

Estimate provision €380.838 million; outturn €403.772 million

The increase in expenditure of €22.934 million was due to additional retirements above the level initially anticipated and the impact of pay increases.

A.9 Witnesses' expenses

Estimate provision €1.805 million; outturn €2.305 million

The increase in expenditure of €500,000 was due to the nature of this demand lead operational subhead, which makes it difficult to predict the level and timing of expenditure.

A.10 Compensation

Estimate provision €16.620 million; outturn €19.617 million

The increase in expenditure of €2.997 million was due to the unpredictable nature and amounts of compensation awarded.

A.11 Witness security programme

Estimate provision €1.198 million; outturn €600,000

The shortfall in expenditure of €598,000 was due to the nature of this subhead, which makes it difficult to predict the level and timing of expenditure.

A.12 Capital building programme

Estimate provision €61 million; outturn €64.720 million

The increase in expenditure of €3.72 million was due to a required payment under the Inflation Co-operation Framework.

A.13 Garda College

Estimate provision €36.893 million; outturn €27.402 million

The underspend of €9.491 million was due to savings in pay related costs of €4.545 million and in non-pay items of €4.946 million. The savings reflect the impact on activity in the College of a lower than anticipated intake of recruits in 2022.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Contribution to the Garda Síochána spouses' and children's pension schemes			
	<i>Original</i>	11,278		
	<i>Supplementary</i>	1,033		
			12,311	12,491
2	Contribution to the Garda Síochána pensions scheme			
	<i>Original</i>	21,528		
	<i>Supplementary</i>	2,725		
			24,253	24,565
3	Miscellaneous receipts (note 4.2)			
	<i>Original</i>	11,000		
	<i>Supplementary</i>	4,885		
			15,885	20,770
4	Garda College receipts			
	<i>Original</i>	600		
	<i>Supplementary</i>	(136)		
			464	341
5	Firearm fees			
	<i>Original</i>	10,000		
	<i>Supplementary</i>	1,101		
			11,101	3,466
6	Safety cameras – certain receipts from fixed charges			
	<i>Original</i>	14,200		
	<i>Supplementary</i>	250		
			14,450	14,623
7	Receipts from additional superannuation contributions on public service remuneration			
	<i>Original</i>	37,382		
	<i>Supplementary</i>	8,949		
			46,331	46,076
Total			124,795	122,332

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €24.527 million more than the estimate.

1 Contribution to the Garda Síochána spouses' and children's pension schemes

Estimate €11.278 million; realised €12.862 million

The increase of €1.584 million is linked to the overall increase in 2022 payroll costs which resulted in higher contributions.

2 Contribution to the Garda Síochána pensions scheme

Estimate €21.528 million; realised €25.125 million

The increase of €3.597 million was due to the overall increase in 2022 payroll costs which resulted in higher contributions.

3 Miscellaneous receipts

Estimate €11 million; realised €18.662 million

The increase of €7.662 million was due to the nature of some receipts accounted for within this subhead and the unpredictability of the timing and value of these receipts. See note 4.2.

4 Garda College receipts

Estimate €600,000; realised €441,000

The shortfall of €159,000 was due to the impact of lower activity in the college due to a lower than anticipated intake of recruits in 2022.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €37.382 million; realised €48.726 million

The increase of €11.344 million was due to the higher than anticipated contributions and the increase in payroll expenditure resulting in an increase in additional superannuation contributions.

4.2 Analysis of miscellaneous receipts

	2022	2021
	€000	€000
Payments for non-public duty services rendered by Gardaí	5,482	2,271
Repayments of car advances	2	1
Recovery in respect of damage to official vehicles and other Garda property	6	14
Proceeds of sales of used vehicles, old stores, forfeited and unclaimed property	3,159	8,844
Fees for accident and malicious damage reports	446	541
Contribution for living quarters	48	43
Recoupment of witnesses' expenses	2	3
Recoupment of salaries	13	18
Percentage charge to insurance companies for collection of insurance premiums	126	109
EU receipts	1,365	2,754
Taxi licence fees	248	277
Road Traffic Act – fees charged for motoring offences	3,027	3,297
Fingerprint fees for employment and visa purposes	71	80
Garda masts	1,745	198
Carrier liability	1,104	569
Age cards	117	164
Unclassified items	1,659	1,586
Repayments of overpayments of salary	42	—
	18,662	20,770

4.3 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	1,450	1,730
Collected	4,950	8,550
Transferred to the Exchequer	(5,350)	(8,830)
Balance at 31 December	1,050	1,450

4.4 Fixed charge notice receipts

Total receipts from fixed charge notices in 2022 were €19.704 million (2021: €23.174 million). Of this, €14.754 million (2021: €14.624 million) was retained as appropriations in aid to fund the Go-Safe contract. The balance of €4.95 million was payable to the Exchequer, as indicated in the previous note.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents (FTE) at year end	2022	2021
Garda members	14,091	14,192
Student Gardaí	119	381
Garda staff	3,126	3,168
	17,336	17,741

5.2 Pay ^a

	2022	2021
	€000	€000
Pay	890,452	852,530
Ex gratia payment – note 5.6	—	78
Higher, special or additional duties allowances	429	508
Other allowances	208,677	201,140
Overtime	129,787	113,949
Employer's PRSI	113,080	105,029
Total pay	1,342,425	1,273,234

Note ^a Includes pay for staff employed in the Garda College, charged to subhead A.13.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Higher, special or additional duties allowances	167	10	44,123	36,298
Overtime and extra attendance	15,034	4,789	64,832	61,090
Shift and roster allowances	14,545	10,770	76,301	197,917 ^a
Miscellaneous	14,715	446	35,667	29,560
Foreign service allowances	8	7	77,564	76,938
Extra remuneration in more than one category	14,443	13,171	83,028	210,680 ^a

Note ^a These amounts relate to a payment covering a number of years.

5.4 An Garda Síochána staffing by pay band

The number of an Garda Síochána employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	5,058	5,711
60,000	69,999	2,016	2,752
70,000	79,999	4,595	5,155
80,000	89,999	3,110	2,286
90,000	99,999	1,514	1,020
100,000	109,999	762	472
110,000	119,999	304	157
120,000	129,999	118	66
130,000	139,999	48	8
140,000	149,999	13	9
150,000	159,999	3	2
160,000	169,999	1	7
170,000	179,999	6	—
180,000	189,999	1	—
190,000	199,999	—	1
200,000	209,999	1	1
210,000	259,999	—	—
260,000	269,999	—	1
270,000	279,999	—	1
280,000	289,999	—	—
290,000	299,999	—	1
300,000	309,999	1	—

5.5 Other remuneration arrangements

In 2022, nine retired civil servants in receipt of civil service pensions were re-engaged on various duties at a total cost of €14,224. Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pension (Single Scheme and Other Provisions) Act 2012.

5.6 Payroll overpayments

	Number of recipients	2022 €000	2021 €000
Payroll overpayments	1,199	1,835	1,970
Recovery plans in place	804	1,301	1,317
Pension overpayments	409	880	899
Recovery plans in place	21	155	233

Note The figures above are cumulative and include overpayments still outstanding from previous years.

5.7 An Garda Síochána Reward Fund

The purpose of the Fund is to pay awards for Garda bravery and an annual contribution for Garda chaplaincy services from moneys received in relation to Garda disciplinary fines.

The following statement shows the total receipts proper to the Fund in the year, the amount of payments in the period and the balance of the Fund at year-end.

	2022 €000	2021 €000
Balance brought forward on 1 January	479	486
Receipts	47	66
Payments	(45)	(73)
Balance on 31 December	481	479

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	281	269
Benefit in kind	22	22
Allowances	1	1
	304	292

The benefit in kind amount relates to the provision of accommodation. It is not a paid allowance and does not increase the overall gross pay. The calculated value for the purpose of deducting tax, specified above, is in accordance with Revenue requirements.

The Accounting Officer does not receive any pension benefits as part of his remuneration package.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Disclosures Tribunal ^a	2017	4,938	747	491
			747	491

Notes ^a The Disclosures Tribunal was established to investigate protected disclosures made under the Protected Disclosures Act 2014 and certain other matters. Costs are those incurred for legal representation for serving and retired Garda members. The Tribunal's own costs are incurred by the Vote for Justice.

6.2 Statement of losses (Garda vehicles, etc.)

A total of 516 accidents involving Garda vehicles were reported in 2022 (2021: 594). Damage to official vehicles and other costs amounted to €809,225. Compensation totalling €305,857 was recovered.

6.3 Fraud and suspected fraud

	Number of cases	2022 €000	2021 €000
Suspected fraud	2	—	1

Note There were two detected/alleged fraud instances in 2022, which are currently under Garda investigation (2021: ten).

6.4 Compensation and legal costs

Payments/costs paid by An Garda Síochána in the year

	Claims by employees ^b		Civil claims by members of the public and employees		Total 2022	Total 2021
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty ^c	Arising from actions of Gardai in performance of duties ^d	Arising from accidents involving Garda vehicles ^d		
Number of cases	181	63	256	201	701	614
	€000	€000	€000	€000	€000	€000
An Garda Síochána's own legal costs	—	87	530	102	719	970
Payments by/on behalf of An Garda Síochána						
Compensation	6,490	997	2,709	1,283	11,479	9,205
Legal costs	3,080	252	3,886	296	7,514	5,122
Other costs ^a	—	71	52	79	202	140
2022 Total	9,570	1,407	7,177	1,760	19,914	15,437
2021 Total	7,966	1,089	4,595	1,787	15,437	

- Notes
- ^a Other costs awarded relate to agency fees, investigator fees, medical fees etc.
 - ^b Compensation payments amounting to €77,757 (2021: €75,624) were paid on foot of the Occupational Injuries Benefit Scheme which is administered through the Department of Social Protection. These payments are not included in the table above.
 - ^c These may include part payments over a number of years for individual cases.
 - ^d This includes claims by employees of An Garda Síochána.

At 31 December 2022

- 1,520 claims outstanding under the Garda Síochána Compensation Acts (2021: 1,535).
- 277 civil claims outstanding relating to accidents involving Garda vehicles (2021: 254).
- 4,465 civil claims other than those involving Garda vehicles outstanding (2021: 3,883).

Cumulative costs of cases completed in 2022

	Claims by employees		Civil claims by members of the public and employees		Total
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty	Arising from actions of Gardai in performance of duties	Arising from accidents involving Garda vehicles	
Number of cases	134	22	349	147	652
	€000	€000	€000	€000	€000
An Garda Síochána's own legal costs	—	74	259	108	441
Payments by/on behalf of An Garda Síochána					
Compensation	2,065	687	2,997	897	6,646
Legal costs	3,080	335	4,297	297	8,009
Other costs	—	29	68	63	160
Total	5,145	1,125	7,621	1,365	15,256

6.5 EU funding

Funds were received for four (2021: five) EU funded projects in 2022.
The funds received in the year are as follows.

	2022 €000	2021 €000
Atlas 2020	80	10
Internal Security Fund	2,052	3,280
JUSTISIGNS 2	—	4
ADEP 2.0	—	123
Protector	—	127
Project Inspector	27	—
CEPOL	67	—
	2,226	3,545

Atlas 2020 is a project to support the activities of the transnational law enforcement network.

- Establish a first ATLAS Centre of Excellence in airplane breaching (AIRCRAFT).
- Improved medical support for victims and own forces in hostile areas (MEDIC).
- Improved tactical skills and approaches to counter related incidents in urban areas (BUILDINGS).
- Enhance the capacities of Special Intervention Units (SIUs) for dealing with drone-related risks as well as robots (INOVATION).
- Improve concepts of marksmen deployment in counter-terrorism operations (SNIPER).
- Develop methods of breach objects and buildings (ENTRY).
- Develop best practice methods to integrate negotiation capabilities during Counter Terrorism operations (NEGO).
- Enhance the cooperation between SIUs in cases of operations related to public means of transport (TRANSPORT).

Internal Security Fund (ISF): promote the implementation of an internal security strategy, law enforcement cooperation and the management of the EU's external borders. From 2021 to 2027 the fund is focused on two specific objectives:

- Fight against crime: combating cross-border, serious and organised crime including terrorism and reinforcing coordination and cooperation between law enforcement authorities and other national authorities of EU states, including EUROPOL and relevant non-EU and international organisations.
- Managing risk and crisis: enhancing the capacity of EU states and the union for the effective management of security-related risk and crisis, and preparing for protection of people and critical infrastructure against terrorist attacks and other security related threats.

JUSTSIGNS 2 is a project of research within the deaf community and investigation of the experiences of victims of sexual violence and crime when they interact with the police and the legal process. Builds on the previous JUSTISIGNS project.

ADEP Automated Data Exchange Process: is a project on addressing gaps without placing any great financial, IT development or human resource demands on the Member States.

Protector: will implement a protective security strategy specifically designed for places of worship of all faiths, which will be delivered with protective security plans for 25 places of worship located in 5 EU member states. The Project will also establish and strengthen cooperation between public authorities, faith-based leaders and congregations through the development and implementation of an engagement strategy, underpinned by the design and delivery of a security awareness raising campaign, encouraging the reporting of suspicious behaviour and the promotion of appropriate responses to threats.

Project Inspector: will develop a shared intelligence platform and a novel process for gathering, analysing, prioritising and presenting key data to help in the predication, detection and management of crime in support of multiple agencies at local, national and international level. This data will originate from the outputs of free and commercial digital forensic tools complemented by online resource gathering. Using both structured and unstructured data's as input, the development platform will facilitate the ingestion and homogenisation of this data with increased levels of automation, allowing for interoperability between outputs from multiple data formats.

CEPOL: an agency of the European Union dedicated to develop, implement and coordinate training for law enforcement officials.

6.6 Support for representative associations

Included in subhead A.1 is a total of €263,557 (2021: €219,280) in respect of the remuneration of members of An Garda Síochána on special leave with pay to staff representative bodies or assigned to welfare organisations.

In addition, representative associations received funding during 2022 of €252,706 (2021: €284,575) as follows.

Representative associations	2022 €	2021 €
Grant to Association of Garda Superintendents	58,000	58,000
Grant to Association of Chief Superintendents	58,000	58,000
Contributions towards cost incurred by staff representative bodies and other welfare organisations for the provision of postal, telecommunications and accommodation services.	136,706	168,575

Appropriation Account 2022

Vote 21

Prisons

Introduction

As Accounting Officer for Vote 21, 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 2022 for the salaries and expenses of the Irish Prison Service, and other expenses in connection with prisons, including places of detention and for payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided by capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.604 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

The Minister for Justice owns twelve prisons and places of detention, as well as property at the Irish Prison Service College in Portlaoise, property adjacent to the Headquarters building in Longford, and two sites in Dublin: one small site adjacent to Cloverhill Prison, and lands acquired for prison development at Thornton Hall, Kilsallaghan, County Dublin.

Land is valued at existing use value, or market value (if not in use), in the statement of fixed assets (note 2.1) while prison buildings are valued at average replacement cost per cell. The most recent revaluations took place in 2020 with updated revaluations taking place every five years, while an independent valuation was conducted in 2021 in respect of the lands at Thornton Hall. The availability of that land has been identified to the Land Development Agency as a potential strategic state land asset and other agencies have expressed interest in respect of a possible location for refugee accommodation. The current valuation is based on the existing use and zoning, and takes into account the quality of the agricultural land, location and road frontage and it specifically does not take into account any increased value based on any potential rezoning of the land for an alternative use and so the valuation will be kept under review.

Depreciation

Buildings are not depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

With the exception of land and buildings, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Consumables

Supplies for prisoner meals, cleaning, maintenance and workshops are treated as expensed items and are not counted in stocks.

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 Irish Prison Service.

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

The National Shared Services Office provides payroll processing services to the Irish Prison Service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Irish Prison Service.

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 Irish Prison Service
- 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 of Justice has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Prison Service and the Department are exposed. The annual internal audit plan is approved by the Audit Committee and it takes account of this analysis. The plan aims to cover the key controls on a rolling basis over a reasonable timeframe. A dedicated audit team has been assigned to work on Prison Service audit issues in 2022, and this brings a greater focus to audit work across the Prison Service. The internal audit function is reviewed periodically by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

The Irish Prison Service (IPS) 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 in so far as these are within its control.

The Prison Service reported 20 non-competitive contracts as part of the circular 40/2002 return for 2022, all of which are compliant with the exception of five contracts totalling €277,330 (ex. VAT) due to the contracts being extended beyond their original contract date.

All five supplies have since been procured and valid contracts are now in place. Details of these contracts are included in the annual return in respect of circular 40/2002.

Risk and control framework

The Irish Prison Service 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 for each prison and directorate, and for the Irish Prison Service at a corporate level which identifies the key risks at each level and these are evaluated and graded according to their significance. The corporate risk register is reviewed and updated by the Risk Management Committee (Directors Leadership Team) on a quarterly basis and quarterly reviews also take place at prison/directorate level. The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Risk Management Committee, when appropriate, in a timely fashion. 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 that report any identified deficiencies.

Review of effectiveness

The Irish Prison Service'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 responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Arising from the recommendations in recent audit reports, the Prison Service is continually reviewing and strengthening financial and other controls in processes in areas such as ICT project management, banking, GDPR compliance and the business continuity/disaster recovery processes. The Prison Service is currently implementing integrated accounting and stock control systems in the prison shops to further strengthen the controls in place, the systems are continuing to be in with regular monitoring by the Finance Directorate. The Prison Service has reduced the number of commercial bank accounts from 25 in 2021 to 20 in 2022. There is an ongoing programme of work to implement enhanced reporting and monitoring of these bank accounts.

Covid-19 pandemic

The impact of the Covid-19 pandemic has been a central focus since its onset and it has had a wide ranging and significant impact on prison operations, as prisons are a high risk environment for transmission of such viruses. Infection outbreaks have occurred in all prisons, and coinciding with the arrival of the Omicron variant of the disease, and its associated level of transmissibility, two thirds of all confirmed Covid cases amongst the prisoner population were detected in late 2021/early 2022. The prison service has been extremely challenged during the course of the pandemic, in relation to maintaining adequate staffing levels and managing the large increase in testing required (both for PCR and Antigen) in order to minimise the spread of the virus. As a result of these measures, the prison service has been largely successful in minimising the impact of Covid. There continues to be outbreaks of infections in prisons leading to management and staffing challenges, albeit on a greatly reduced basis.

There has been a major impact on cost with an estimated €3 million being incurred in 2022 (€5 million in 2021) as a direct result of the pandemic for items such as

- staff costs (particularly in relation to additional locum/agency healthcare staff)
- medical PPE
- virus detection measures (Covid testing and temperature monitoring devices)
- deep cleaning and infection control
- industrial cleaning
- bedding, laundry and catering contingencies
- ICT for improved prisoner services and remote working for staff.

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 21 Prisons

Opinion on the appropriation account

I have audited the appropriation account for Vote 21 Prisons for the year ended 31 December 2022 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 21 Prisons for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Justice and of the Irish Prison Service 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 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 21 Prisons

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison			
	<i>Original</i>	401,307		
	<i>Deferred surrender</i>	3,601		
	<i>Supplementary</i>	12,799		
		417,707	412,631	392,389
Gross expenditure		417,707	412,631	392,389
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	9,581		
	<i>Supplementary</i>	828		
		10,409	11,142	10,568
Net expenditure				
	<i>Original</i>	391,726		
	<i>Deferred surrender</i>	3,601		
	<i>Supplementary</i>	11,971		
		407,298	401,489	381,821

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. €3.205 million of unspent allocations in respect of the capital elements of subhead A.3. Buildings and equipment was carried forward to 2023.

	2022	2021
	€	€
Surplus	5,809,263	9,031,130
Deferred surrender	(3,205,000)	(3,601,000)
Surplus to be surrendered	2,604,263	5,430,130

Oonagh McPhillips

Accounting Officer
Prisons

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	103,586	102,286
Pay	289,622	271,455
Non pay	19,423	18,648
Gross expenditure	412,631	392,389
<i>Deduct</i>		
Appropriations-in-aid	11,142	10,568
Net expenditure	401,489	381,821
Changes in capital assets		
Purchases cash	(27,629)	
Depreciation	3,906	
Loss on disposals	6	(25,090)
Changes in net current assets		
Increase in closing accruals	381	
Increase in closing prepayments	(564)	
Decrease in closing accrued income	83	
Decrease in inventories	170	(6,131)
Direct expenditure	377,842	350,600
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	79,734	76,191
Net programme cost	457,576	426,791

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 21 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	369	270
Vote 12 Superannuation and Retired Allowances	78,128	74,707
Vote 13 Office of Public Works	145	145
Vote 18 National Shared Services Office	329	324
Vote 24 Justice (Financial Shared Service Centre)	738	719
Vote 43 Office of the Government Chief Information Officer	25	26
	79,734	76,191

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,410,635	1,386,918
Current assets			
Bank and cash	2.2	20,042	17,083
Inventories	2.3	1,749	1,919
Prepayments	2.4	4,358	3,794
Accrued income	2.5	111	194
Other debit balances	2.6	588	1,617
Total current assets		26,848	24,607
Less current liabilities			
Accrued expenses	2.7	3,711	3,330
Other credit balances	2.8	17,365	15,010
Net Exchequer funding	2.9	3,265	3,690
Total current liabilities		24,341	22,030
Net current assets		2,507	2,577
Net assets		1,413,142	1,389,495
Represented by:			
State funding account	2.10	1,413,142	1,389,495

2.1 Capital assets ^a

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2022	1,321,303	79,417	759	13,326	55,157	1,469,962
Additions	2,560	2,959	—	2,076	20,034	27,629
Brought into use	4,976	—	—	—	(4,976)	—
Disposals	—	(447)	(6)	(1,892)	—	(2,345)
Cost or valuation at 31 December 2022	1,328,839	81,929	753	13,510	70,215	1,495,246
Accumulated depreciation						
Opening balance at 1 January 2022	—	71,381	697	10,966	—	83,044
Depreciation for the year	—	2,622	17	1,267	—	3,906
Depreciation on disposals	—	(443)	(4)	(1,892)	—	(2,339)
Cumulative depreciation at 31 December 2022	—	73,560	710	10,341	—	84,611
Net assets at 31 December 2022	1,328,839	8,369	43	3,169	70,215	1,410,635
Net assets at 31 December 2021	1,321,303	8,036	62	2,360	55,157	1,386,918

Note ^a The Irish Prison Service commenced applying a threshold of €10,000 for the capitalisation of its capital assets for asset additions from 1 January 2021.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	19,880	16,839
Commercial bank account balances	162	244
	20,042	17,083

Non-Vote bank accounts

The Irish Prison Service holds 20 commercial bank accounts. Moneys in these accounts are managed by the Irish Prison Service separately to voted funds and relate to prison shops, a Prisoner Assist Fund and two accounts for prisoners' personal cash. With the exception of gratuity payments to individual prisoners, which originate from the Vote, no moneys due to or paid from the Vote are transmitted through these bank accounts. The amount held at the end of 2022 is €3,949,155 and is not included in the account (2021: €3,478,046). See also note 6.6.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Uniforms and clothing	1,692	1,863
Miscellaneous	57	56
	1,749	1,919

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Department administration (mainly ICT - system maintenance and support including licencing)	2,770	2,713
A.3 Buildings and equipment (includes ICT system maintenance and support and building rental costs)	582	174
A.4 Prisoner services (mainly resettlement services costs)	304	281
A.5 Operational services (mainly communication services provided by Tetra and other security services)	596	576
A.6 Educational services	106	50
	4,358	3,794

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Payroll related receipts	96	155
Work training receipts	15	5
Compensation and legal	—	34
	111	194

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Prison imprest accounts	392	278
Other debit suspense items	196	392
Payroll suspense account (Paypath)	—	947
	588	1,617

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
Prisoner services	1,781	1,555
Buildings and equipment	521	882
Office equipment and external IT services	506	288
Training and development and incidental expenses	435	163
Travel and subsistence	175	139
Postal and telecommunications services	21	118
Operational services	182	103
Educational services	67	82
Compensation	23	—
	3,711	3,330

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	9,012	7,030
Pay related social insurance	4,425	3,698
Professional services withholding tax	105	134
Value added tax	1,331	1,539
Registered contractors tax	17	—
Tax deducted from pension contribution refunds	5	1
	<hr/> 14,895	<hr/> 12,402
 Vote related bank account balances	 162	 244
Payroll deductions held in suspense	935	933
Other credit suspense items	1,373	1,431
	<hr/> 17,365	<hr/> 15,010

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	2,604	5,430
Deferred surrender	3,205	3,601
Exchequer grant undrawn	(2,544)	(5,341)
Net Exchequer funding	<hr/> 3,265	<hr/> 3,690
 Represented by:		
Debtors		
Bank and cash	20,042	17,083
Debit balances: suspense	588	1,617
	<hr/> 20,630	<hr/> 18,700
 Creditors		
Due to the State	(14,895)	(12,402)
Vote related bank account balances	(162)	(244)
Credit balances: suspense	(2,308)	(2,364)
	<hr/> (17,365)	<hr/> (15,010)
	<hr/> 3,265	<hr/> 3,690

2.10 State funding account

	Note		2022	2021
		€000	€000	€000
Balance at 1 January			1,389,495	1,401,064
Disbursements from the Vote				
Estimate provision	Account	407,298		
Deferred surrender	Account	(3,205)		
Surplus to be surrendered	Account	(2,604)		
Net vote			401,489	381,821
Expenditure (cash) borne elsewhere	1.1		79,734	76,191
Asset revaluation (non cash)	2.1		—	(42,790)
Net programme cost	1		(457,576)	(426,791)
Balance at 31 December			1,413,142	1,389,495

2.11 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Capital projects	3,529	14,985
Total of legally enforceable commitments	3,529	14,985

b) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021 ^a
	€000	€000	€000	€000	€000
Limerick Prison ^a	54,254	11,599	2,247	68,100	68,100
	54,254	11,599	2,247	68,100	68,100

Note ^a The redevelopment of Limerick Prison includes an extension to a current wing of the prison, a new female facility and a number of other related works. It also provides a new Probation Service premises which is funded, to the value of €3.4 million, by the Office of Public Works.

2.12 Matured liabilities

There were no matured liabilities un-discharged at year end 2022 or in the previous year.

2.13 Contingent liabilities

The Irish Prison Service is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The contingent liabilities include compensation claims relating to in-cell sanitation which are being dealt with by the State Claims Agency on behalf of the Irish Prisons Service. Any actual amount or timing of potential liabilities is uncertain. See also note 6.2 Compensation and legal costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A expenditure, to provide complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	278,253		
	<i>Supplementary</i>	11,770		
			290,023	289,622
ii	Travel and subsistence			271,455
	<i>Original</i>	2,316		
	<i>Supplementary</i>	139		
			2,455	2,272
iii	Training and development and incidental expenses			1,645
	<i>Original</i>	4,280		
	<i>Supplementary</i>	505		
			4,785	4,084
iv	Postal and telecommunications services			4,020
	<i>Original</i>	1,800		
	<i>Supplementary</i>	(169)		
			1,631	1,600
v	Office equipment and external IT services			1,670
	<i>Original</i>	9,230		
	<i>Supplementary</i>	560		
			9,790	11,467
vi	Consultancy services and value for money and policy reviews			11,313
	<i>Original</i>	100		
	<i>Supplementary</i>	(100)		
			308,684	309,045
				290,103

Significant variations

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

vi Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €nil

The saving of €100,000 compared with the original allocation arose as there was no requirement for consultancy services in the year.

Programme A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	278,253		
	<i>Supplementary</i>	11,770		
			290,023	289,622
A.2	Administration – non pay			271,455
	<i>Original</i>	17,726		
	<i>Supplementary</i>	935		
			18,661	19,423
A.3	Buildings and equipment			18,648
	<i>Original</i>	55,738		
	<i>Deferred surrender</i>	3,601		
	<i>Supplementary</i>	(2,634)		
			56,705	52,293
A.4	Prisoner services			54,419
	<i>Original</i>	31,976		
	<i>Supplementary</i>	2,218		
			34,194	34,838
A.5	Operational services			32,801
	<i>Original</i>	5,250		
	<i>Supplementary</i>	1,535		
			6,785	6,623
A.6	Educational services		1,265	4,726
A.7	Compensation			914
	<i>Original</i>	10,873		
	<i>Supplementary</i>	(1,025)		
			9,848	8,129
A.8	Social disadvantage measures (Dormant accounts funded)		226	9,152
			270	274
		417,707	412,631	392,389

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €7.723 million higher than originally provided (including the deferred capital provision). This included an overspend of €13.066 million in relation to administrative expenditure.

A.3 Buildings and equipment

Estimate provision €59.339 million; outturn €52.293 million

The saving of €7.046 million compared with the original allocation of €59.339 million arose mainly due to the slowdown of construction works in the early part of 2022 following the impact of the omicron variant of the Covid virus. Supply chain disruptions were also experienced due to difficulties associated with access to construction labour, the continuing impact of Brexit and the war in Ukraine. An amount of €3.205 million of this capital underspend was carried over to 2023 under the deferred capital provisions.

A.4 Prisoner services

Estimate provision €31.976 million; outturn €34.838 million

The excess of €2.862 million compared with the original allocation of €31.976 million was primarily due to increased prisoner numbers as well as inflationary increases in relation to prisoner catering and medical costs.

A.5 Operational services

Estimate provision €5.25 million; outturn €6.623 million

The excess of €1.373 million compared with the original allocation of €5.25 million was due to the acceleration of the vehicle replacement programme and inflationary increases in relation to security costs.

A.6 Educational services

Estimate provision €1.265 million; outturn €1.433 million

The excess of €168,000 mainly arose due to increased prisoner numbers and increased costs for the provision of educational materials and services.

A.7 Compensation

Estimate provision €10.873 million; outturn €8.129 million

The saving of €2.744 million compared with the original allocation of €10.873 million arose due to a less than expected throughput of claims in relation to in-cell sanitation cases and other compensation claims. This is a demand led cost item managed by the State Claims Agency and the expenditure varies depending on the final quantum, number and timing of awards.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous			
	<i>Original</i>	305		
	<i>Supplementary</i>	<u>124</u>		
		429	351	443
2	Dormant account receipts	226	270	274
3	Receipts from additional superannuation contributions on public service remuneration			
	<i>Original</i>	9,050		
	<i>Supplementary</i>	<u>704</u>		
		9,754	10,521	9,851
Total		<u>10,409</u>	<u>11,142</u>	<u>10,568</u>

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriations-in-aid were €1.561 million higher than the original estimate provision of €9.581 million. This is mainly due to the following:

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €9.05 million; realised €10.521 million

The excess of €1.471 million in income compared with the original allocation of €9.05 million was directly related to increased salary costs as a result of the extension of the Building Momentum public service pay deal.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>3,493</u>	<u>3,476</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	176,439	167,717
Higher, special or additional duties allowances	415	407
Other allowances	42,417	39,989
Extra attendance and overtime	45,455	40,591
Employer's PRSI	24,896	22,751
Total pay	<u>289,622</u>	<u>271,455</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	82	4	13,870	25,408
Extra attendance and overtime	3,142	2,271	77,138	54,048
Shift and roster allowances	2,973	1,621	30,061	20,237
Miscellaneous	3,203	65	13,560	13,266
Extra remuneration in more than one category	3,183	2,969	96,253	72,660

5.4 Irish Prison Service staffing by pay band

The number of Irish Prison Service employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	845	989
60,000	69,999	411	413
70,000	79,999	486	661
80,000	89,999	864	941
90,000	99,999	578	346
100,000	109,999	217	85
110,000	119,999	51	26
120,000	129,999	24	10
130,000	139,999	9	3
140,000	149,999	4	1
150,000	159,999	2	—
160,000	169,999	—	—
170,000	179,999	—	—
180,000	189,999	1	1
190,000	199,999	1	—

5.5 Other remuneration arrangements

A total of €123,257 was paid to 27 retired civil servants in receipt of civil service pensions who were employed on various duties. Payments ranged from €341 to €33,131. A total of €22,186 was paid to five retired members of An Garda Síochána, who were employed by the Irish Prison Service on specific duties during 2022.

Appropriate procedures were in place with regard to payments to retired staff in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	247	538,571	543,047
Recovery plans in place	131	230,163	272,808

There were no individuals with overpayment recovery plans who transferred to other departments in 2022. The details listed above include a number of preserved pension cases. A number of additional recovery repayment plans have been put in place in the year to date.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 21 Prisons is also the Accounting Officer for Vote 24 Justice. Her remuneration and benefits are disclosed in the appropriation account for Vote 24.

Note 6 Miscellaneous

6.1 Prison population

The estimated daily average number of prisoners in 2022 was 4,120 (2021: 3,794).

6.2 Compensation and legal costs

Payments/costs paid by the Irish Prison Service in the year

	Claims by				Total 2022	Total 2021
	employees	prisoners, arising out of injuries and other actions involving prisoners	members of the public			
	civil claims - injuries while on duty and other issues	Criminal Injuries Compensation Tribunal – prison staff injuries				
Number of cases	95	95	337	24	551	1,382
	€000	€000	€000	€000	€000	€000
Irish Prison Service's own legal costs	200	—	558	24	782	1,011
Payments by/on behalf of the Irish Prison Service						
Compensation	1,065	1,729	1,326	342	4,462	5,992
Legal costs	328	—	1,327	11	1,666	2,009
Other costs	76	—	197	14	287	131
2022 total	1,669	1,729	3,408	391	7,197	9,143
2021 total	1,438	1,505	6,033	167	9,143	

Note At 31 December 2022, the State Claims Agency recorded 1,056 active claims as outstanding (2021: 1,465). Legal costs incurred by the Prison Service in relation to 23 non-compensation cases amounted to €909,969 (2021: €142,813).

The outstanding claims recorded by the State Claims Agency include 600 cases relating to in-cell sanitation. Arising from a related Supreme Court judgement, the State Claims Agency has put in place a scheme to address these claims. The costs of any compensation from this scheme are paid from the Prisons Vote. The amount of €3.408 million paid in compensation and legal costs from the table above, in respect of claims by prisoners includes €1.201 million (2021: €3.735 million) in compensation and €430,805 (2021: €555,000) in legal costs for finalised in-cell sanitation cases. The total costs relating to cell sanitation cases amounted to €11.213 million at the end of 2022 (2021: €9.581 million). It is estimated by the State Claims Agency that the final cost of in-cell sanitation cases is likely to be in the region of €15 million to €20 million.

At 31 December 2022, the Irish Prison Service has no (2021: nil) outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2022

	Claims by			Total
	prison staff	prisoners	members of the public	
Number of cases	45	501	8	554
	€000	€000	€000	€000
Irish Prison Service's own legal costs	210	3,213	6	3,429
Payments by/on behalf of the Irish Prison Service				
Compensation	1,496	1,164	85	2,745
Legal costs	453	1,918	—	2,371
Other costs	95	298	6	399
Total	2,254	6,593	97	8,944

6.3 Prisoner funeral expenses

Ex-gratia payments totalling €21,721 (2021: €8,915) were made towards the funeral expenses of four prisoners who died in prison.

6.4 Cash losses

A number of cash losses totalling €453 (2021: €4,841) were identified across five prisons during 2022.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred by the Irish Prison Service in 2022 was €3,839 (2021: €10,013).

6.6 Other financial operations within the Irish Prison Service

Separate to the expenditure reflected in the appropriation account, a number of other financial operations arise within the Irish Prison Service in order to carry out its functions. The operations in question relate to two bank accounts for prisoner cash, prison shops (including a central prison shop bank account), and a Prisoner Assist Programme Fund. The details are as follows:

- **Main prisoners' personal funds account** - A bank account is maintained centrally specifically for prisoners' personal funds and is managed by the Finance and Estates Directorate. As prisoners leave prison, they receive the balance of their personal funds from this account. The balance in the account at 31 December 2022 was €1,693,517 (2021: €1,430,914). This represents the accumulated prisoner balances at year end but also includes the total prison shop sales for December (typically over €600,000 approx.) that will be transferred, shortly after month end, to the appropriate prison shop bank accounts to facilitate payment to suppliers for December purchases.

- **Prisoner Funds account** - Since 2020, a further bank account is in use for prisoners' personal funds. This account is also managed by the Finance and Estates Directorate. This account allows prisoners' families to transfer funds by EFT or An Post card to their family member in prison. This was necessary arising from the Covid pandemic and also removes some risk associated with cash handling. Similar to the process in place with the prisons, the funds received into this bank account are transferred on a weekly basis into the main prisoners' personal funds account. The balance in the account at 31 December 2022 was €207,930 (2021: €157,841).
- **Prison shops** - Each prison has an internal shop ('tuck shop') where prisoners can purchase items such as confectionary and toiletry products. The items are paid for from individual prisoner funds. All purchasing for the shop is funded from sales to prisoners and since February 2021, any 'net surplus' generated is transferred to a centrally managed prison shop bank account. During 2022, three locally managed prison shop bank accounts were closed. The total bank account balances for the remaining eight prisons shops at 31 December 2022 was €442,779 (2021: €425,954). The value of stock on hand was €402,868 (2021: €351,366).
- **Central Prison Shop Bank account** — From February 2021, a central prison shop bank account is in use, managed by the Finance and Estates Directorate. The funds in this account are generated from the surplus from all prison shops and will fund prisoner hardship through a centrally managed allocation process. The balance in the account at 31 December 2022 was €1,145,139 (2021: €424,022).
- **Prisoner Assist Programme Fund (PAPF)** - The balances remaining in the PAPF bank accounts in each prison are being used to fund prisoner hardship and related projects and, as the balances are cleared, the PAPF bank accounts will be closed. Two locally managed PAPF bank accounts were closed during 2022. The total of the balances in the remaining nine bank accounts at 31 December 2022 was €459,790 (2021: €1,039,315).
- **Voluntary mess committees (VMCs)** - are currently operating in eight prisons to coordinate the administration of the operation of canteen facilities for prison staff provided through prisoner training kitchens. VMCs operate as separate and independent entities from the Irish Prison Service. An independent review of the operation of the VMCs concluded in April 2022 and on foot of the review report's recommendations, an assignment aimed at developing an optimal model for the provision of staff meals was commissioned. This is currently ongoing.

6.7 Deferred surrender

Deferred surrender comprises savings in 2022 of €3.205 million in capital expenditure in the following subhead that was carried over to 2023.

	€000
Description of subhead:	
A.3 Buildings and equipment	3,205
	3,205

Appropriation Account 2022

Vote 22

Courts Service

Introduction

As Accounting Officer for Vote 22, 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 2022 for such of the salaries and expenses of the Courts Service and of the Supreme Court, the Court of Appeal, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain minor services as are not charged to the Central Fund.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €3.404 million is liable for surrender to the Exchequer.

The Service is governed by a Board consisting of a chairperson and 17 other members. In accordance with the Courts Service Act 1998, the term of office of the Board is three years. The current Board was established on 9 November 2020. The Board is responsible for determining policies for the Service and for overseeing their implementation. It performs these functions directly and through the committees of the Board.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

Buildings are valued every five years on the basis of depreciated replacement cost. This is the current cost of replacing the asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Land and buildings not in use but required for future development are valued at market value.

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 Courts Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive Officer. 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 the Courts Service and the Financial Shared Services Centre, Killarney for the provision of financial shared services, and the National Shared Services Office for the provision of human resource services and payroll services.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and from the Financial Shared Service Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Courts Service.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.

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 Courts Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Audit and Risk Committee

The Courts Service has an Audit and Risk Committee which is a sub-committee of the Courts Service Board. The role of the Committee is to oversee, advise and support the Board and the Chief Executive Officer/Accounting Officer by reviewing the assurances on a range of matters including the integrity of internal financial controls, risk management and financial statements. The Committee operates under a written charter and reports to the Courts Service Board. It also reviews and approves the internal audit annual work programme.

Finance Committee

The Courts Service has a Finance Committee which is a sub-committee of the Courts Service Board. The role of the Committee is to provide oversight and scrutiny on financial matters of the Courts Service on behalf of the Board. The Committee is authorised by the Board to investigate any activity within its terms of reference and carry out prescribed duties on behalf of the Board and the Accounting Officer as appropriate. These include the approval and monitoring of the annual budget, approval of contracts above specified thresholds, value for money and financial risks. The Committee is also responsible for reviewing the annual appropriation account.

Internal audit

I confirm that the Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter, which has been approved by the Courts Service Board. Its work is informed by analysis of the financial and operational risks to which the Service 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. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

I confirm that the Courts Service 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 Courts Service has provided details of 13 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Courts Service complied with the guidelines with the exception of 13 contracts (in excess of €25,000), totalling €2,521,736 (exclusive of VAT), as set out below:

- One contract with a value of €1,568,773 relating to interpretation services. This contract could not be re-tendered as the OGP framework is subject to legal challenges.
- Two instances with a value of €544,676 for services relating to the Fines (Payment and Recovery) Act 2014, beyond the expiry of the original contract. The Courts Service is going to tender in 2023 for these services.

- Two contracts with a value of €91,492 relating to the provisions of legal advice and the provision of drafting and legal services to Court Rules. Tender documents are drafted and ready to be published.
- One instance with a value of €79,175 for costs of telephony services. Possible procurement solutions are being investigated in 2023.
- Two instances with a value of €65,666 for services relating to psychological /psychiatric reports and the provision of intermediary services. The demand for these services has increased and a procurement is scheduled for 2023 with a panel/ register of court intermediaries to be established respectively.
- Three instances with a value of €113,166 for a range of services such as graphic design work, franking machines, and file covers. Requirements for these services are being reviewed with a view to carrying out procurements where necessary.
- One instance with a value of €30,807 in relation to costs of judicial accommodation. The requirement for this service is being reviewed.
- One instance with a value of €27,981 being costs for the provision of security / footfall management for the Western Region during Covid-19 restrictions. This service is no longer required.

The above contracts have been included in the 40/2002 annual return referenced above.

Governance

Good governance is fundamental to the effective operation of the Service. The Courts Service's *Corporate Governance Framework* sets out the statutory basis within which we operate, including the governance arrangements in place, functions and organisational structure, accountability and audit assurance arrangements. This framework was published in 2016 and updated in February 2023. The Courts Service also has an oversight agreement in place with the Department of Justice.

The *Governance Framework* reflects and is developed in the context of the Courts Service legislative framework under the Courts Service Act, 1998, in addition to the *Code of Practice for the Governance of State Bodies*, developments in the *Civil Service Renewal Plan* and the *Civil Service Code of Standards and Behaviour*.

Risk and control framework

The Service 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 corporate risk register is in place which identifies the key risks facing the Service. These are evaluated and graded according to their significance. The corporate risk register is reviewed quarterly by the Senior Management Team (SMT) and Audit and Risk Committee. Risk management is a standing item for the Courts Service Board and the Chief Risk Officer reports to the Board on the operations of risk management. 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 planned actions needed to mitigate identified 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 SMT, where relevant, on a timely basis. 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 Service has procedures to monitor the effectiveness of its risk management and control procedures. The 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 Service responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account, or that resulted in, or may result in a material loss.

The Service continually reviews and implemented recommendations arising from the Comptroller and Auditor General and internal audit to strengthen the control environment, particularly in the areas of procurement and contract management, record management and ICT security and infrastructure. This is a continuous process and the system and its effectiveness is kept under ongoing review.

Covid-19 control issues

The changes to the working and control environment with remote and virtual working that came about in 2020 as a result of the impact of the Covid-19 pandemic continued through 2021 and 2022. It is expected that the new hybrid working environment, which has been established, will continue to operate post pandemic. During 2022 and into 2023 these practices have become part of the standard ways of working.

The Covid-19 Response Management Team, which was established to develop and maintain the Covid-19 safety management programme, continued to manage the programme in line with the latest HSE and government advice during 2022. The team communicated the transition protocol and updated the relevant guidance and signage for the safety of all staff and all Court users. A risk assessment of the Courts Service buildings and its operations was conducted and some measures such as plexiglas screens were retained to continue to prevent the spread of infection.

In 2022 a total of €1.7 million was incurred on Covid-19 related expenditure (€4.3 million in 2021). This expenditure related primarily to people management and leases.

Angela Denning
Accounting Officer
Courts Service

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 22 Courts Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 22 Courts Service for the year ended 31 December 2022 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 22 Courts Service for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Courts Service and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2022.

Seamus McCarthy

Comptroller and Auditor General

21 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 22 Courts Service

Appropriation Account 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Manage the courts and support the judiciary				
	<i>Original</i>	163,966		
	<i>Deferred surrender</i>	3,648		
	<i>Supplementary</i>	1,501		
			169,115	163,564
				154,092
Gross expenditure		169,115	163,564	154,092
<i>Deduct</i>				
B Appropriations-in-aid				
	<i>Original</i>	34,633		
	<i>Supplementary</i>	1,500		
			36,133	35,836
				27,011
Net expenditure				
	<i>Original</i>	129,333		
	<i>Deferred surrender</i>	3,648		
	<i>Supplementary</i>	1		
			132,982	127,728
				127,081

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. €1.85 million of unspent allocations in respect of the capital elements of subheads A.2 and A.4 was carried forward to 2023.

	2022	2021
	€	€
Surplus	5,254,040	4,695,710
Deferred surrender	(1,850,000)	(3,648,000)
Surplus to be surrendered	3,404,040	1,047,710

Angela Denning
Accounting Officer
Courts Service

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		43,853	43,014
Pay		62,952	59,425
Non pay		56,759	51,653
Gross expenditure		163,564	154,092
<i>Deduct</i>			
Appropriations-in-aid		35,836	27,011
Net expenditure		127,728	127,081
Changes in capital assets			
Purchases cash	(7,341)		
Depreciation	11,926		
Loss on disposals	896	5,481	3,521
Changes in net current assets			
Decrease in closing accruals	(383)		
Increase in inventories	(44)	(427)	1,424
Direct expenditure		132,782	132,026
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		34,016	33,860
Notional rents ^a		3,605	3,605
Net programme cost		170,403	169,491

Note ^a Notional rents for Office of Public Works (OPW) owned buildings occupied by the Courts Service.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 22 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	270	207
Vote 12	Superannuation and Retired Allowances	20,263	17,330
Vote 13	Office of Public Works	721	1,366
Vote 18	National Shared Services Office	132	120
Vote 20	Garda Síochána	224	149
Vote 24	Justice – Financial Shared Services Centre	341	332
Central Fund – judicial salaries and pensions		12,065	14,356
		34,016	33,860

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	351,471	344,385
Current assets			
Bank and cash	2.2	3,802	4,777
Inventories	2.3	488	444
Prepayments	2.4	3,212	3,229
Accrued income	2.5	875	1,054
Other debit balances	2.6	2,726	3,015
Total current assets		11,103	12,519
Less current liabilities			
Accrued expenses	2.7	2,245	2,954
Other credit balances	2.8	4,820	3,950
Net Exchequer funding	2.9	1,708	3,840
Total current liabilities		8,773	10,744
Net current assets		2,330	1,775
Net assets		353,801	346,160
Represented by:			
State funding account	2.10	353,801	346,160

2.1 Capital assets

	Land and buildings ^{a, b}	IT and office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2022	405,160	60,691	31,553	4,428	501,832
Additions	1,836	983	—	4,391	7,210
Revaluations	17,197	—	—	—	17,197
Brought into use	1,704	1,661	—	(3,365)	—
Disposals	(1,322)	—	(645)	—	(1,967)
Cost or valuation at 31 December 2022	424,575	63,335	30,908	5,454	524,272
Accumulated depreciation					
Opening balance at 1 January 2022	74,916	51,525	31,006	—	157,447
Depreciation for the year	8,097	3,701	128	—	11,926
Depreciation on revaluations	4,499	—	—	—	4,499
Depreciation on disposals	(431)	—	(640)	—	(1,071)
Cumulative depreciation at 31 December 2022	87,081	55,226	30,494	—	172,801
Net assets at 31 December 2022	337,494	8,109	414	5,454	351,471
Net assets at 31 December 2021	330,244	9,166	547	4,428	344,385

Notes ^a Section 26 of the Courts Service Act 1998 provides for the transfer to the Courts Service of legal title in respect of certain land and buildings.

^b The Courts Service currently owns 44 buildings and five sites. All buildings have been valued and are reflected in the capital assets balance in the table above. Of the 49 buildings/sites, 35 have valuations dating within the past five years with 14 having valuations more than five years old. Of the 14, 12 are scheduled to be revalued in 2023 with the remaining two to be transferred to local authorities.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	1,993	2,812
Commercial bank account balance ^a	1,809	1,965
	3,802	4,777

Note ^a Represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

A separate sum of €10.935 million (2021: €11.533 million) is not included in the account balance. This principally consists of non-Exchequer funding relating to lodgements of maintenance payments under family law, bail money lodgements and court poor box receipts.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Stationery	134	136
IT consumables	342	283
Miscellaneous	12	25
	488	444

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
A.2 Administration – non pay	2,674	2,691
A.3 Courthouse (capital works)	538	538
	3,212	3,229

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Fees	873	1,027
Miscellaneous	2	27
	875	1,054

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to OPW	2,504	2,393
Recoupment of salaries	48	190
Other debit suspense items	138	393
Imprests	36	39
	2,726	3,015

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
A.2 Administration – non pay	2,235	2,639
A.3 Courthouse (capital works)	10	—
A.4 PPP costs	—	315
	2,245	2,954

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	996	866
Professional services withholding tax	200	139
Value added tax	95	60
Pay related social insurance	603	506
Fines	836	111
Funds for surrender to the Exchequer ^a	1,809	1,965
	4,539	3,647
Payroll deductions held in suspense	280	298
Other credit suspense items	1	5
	4,820	3,950

Note ^a This balance represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,404	1,048
Deferred surrender	1,850	3,648
Exchequer grant undrawn	(3,546)	(855)
Net Exchequer funding	1,708	3,841
Represented by:		
Debtors		
Bank and cash	3,802	4,777
Debit balances: suspense	2,726	3,014
	6,528	7,791
Creditors		
Due to the State	(4,539)	(3,647)
Credit balances: suspense	(281)	(303)
	(4,820)	(3,950)
	1,708	3,841

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		346,160	207,871
Disbursements from the Vote			
Estimate provision	Account	132,982	
Surplus to be surrendered	Account	(3,404)	
Deferred surrender	Account	(1,850)	
Net vote		127,728	127,081
Expenditure (cash) borne elsewhere	1.1	34,016	33,860
Non cash			
Notional rent	1	3,605	3,605
Non-cash items		(3)	3
Revaluations	2.1	12,698	143,231
Net programme cost	1	(170,403)	(169,491)
Balance at 31 December		353,801	346,160

2.11 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services		
Other goods and services ^a	23,361	12,379
ICT	46,107	47,822
Leases	26,722	31,498
Refurbishment of Roscommon Temporary courthouse	1,068	—
Refurbishment of Washington St courthouse ^b	4,021	5,622
Public private partnership projects	608,672	629,788
Total of legally enforceable commitments	709,951	727,109

Notes ^a The increase in other goods and commitments in 2022 is due to the Service entering into 12 new contracts which included cleaning, electricity, and courier services amongst others.

^b This commitment relates to repayments due to Cork City Council in respect of a loan taken out by the Council to fund the refurbishment of the courthouse at Washington Street, Cork. The principal (capital) element of this loan outstanding at year end, amounting to €3.675 million (2021: €5.055 million) is disclosed under note 2.11(b) – multi-annual capital commitments. The balance of the commitment relates to interest.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Refurbishment of Cork Courthouse	19,945	1,380	3,675	25,000	25,000
	19,945	1,380	3,675	25,000	25,000

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Project total 2022	Project total 2021
	€000	€000	€000	€000	€000
Criminal Courts Complex	277,716	22,277	298,254	598,247	588,709
PPP bundle	85,883	14,739	310,418	411,040	404,679
	363,599	37,016	608,672	1,009,287	993,388

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2021 to 2022.

Criminal Courts Complex

Increase in projected total spend: €9.538 million

The main movement in the project's total costs is due to the update of inflation for the current year, which also impacts future years.

PPP Bundle

Increase in projected total spend: €6.361 million

The main movement in the project's total costs is due to the update of inflation for the current year, which also impacts future years.

2.12 Matured liabilities

There were no matured liabilities not discharged at year end (2021: nil).

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances		63,316	62,952
ii	Travel and subsistence			59,425
	<i>Original</i>	3,013		
	<i>Supplementary</i>	<u>182</u>		
			3,195	3,027
iii	Training and development and incidental expenses			2,433
	<i>Original</i>	11,541		
	<i>Supplementary</i>	<u>2,272</u>		
			13,813	13,493
iv	Postal and telecommunications services		3,353	3,451
v	Office equipment and external IT services			3,408
	<i>Original</i>	16,192		
	<i>Deferred surrender</i>	750		
	<i>Supplementary</i>	<u>1,607</u>		
			18,549	18,850
vi	Office premises expenses			15,195
	<i>Original</i>	22,076		
	<i>Supplementary</i>	<u>(1,140)</u>		
			20,936	17,806
vii	Consultancy services and value for money and policy reviews			18,436
	<i>Original</i>	100		
	<i>Supplementary</i>	<u>152</u>		
			252	132
		123,414	119,711	111,078

Programme A Manage the Courts and Support the Judiciary

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		62,952	59,425
A.2	Administration – non pay			
	Original	56,275		
	Deferred surrender	750		
	Supplementary	3,073		
			56,759	51,653
A.3	Courthouse (capital works)			
	Estimate provision	5,635		
	Deferred surrender	2,898		
			6,837	6,058
A.4	PPP costs			
	Original	38,740		
	Supplementary	(1,572)		
			37,016	36,956
		37,168		
		169,115	163,564	154,092

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

A.3 Courthouse (capital works)

Estimate provision €8.533 million; outturn €6.837 million

The underspend of €1.696 million relative to the estimate provision was due to the delay in the completion of courthouse projects scheduled for 2022 in addition to the timing of payments regarding site purchases in Tralee.

A.4 PPP costs

Estimate provision €38.74 million; outturn €37.016 million

The underspend of €1.724 million was due to the funding requirements provided by the NDFA funding model for the Criminal Courts of Justice being in excess of what was required in 2023.

The estimate provision was in excess of what was required, and the surplus was used to meet budgetary commitments in other subheads.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees			
	Original	31,693		
	Supplementary	2,400		
			34,093	24,770
2	Miscellaneous			
	Original	1,442		
	Supplementary	(900)		
			542	658
3	Receipts from additional superannuation contributions on public service remuneration		1,498	1,583
	Total		36,133	27,011

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €1.203 million (3%) higher than the estimate.

1 Fees

Estimate €31.693 million; realised €33.476 million

2022 fee income was higher than the original estimate by €1.783 million (6%) due to the lifting of level 5 Covid restrictions in the second quarter of 2022.

2 Miscellaneous

Estimate €1.442 million; realised €694,000

2022 miscellaneous receipts were lower than the original estimate by €748,000 (52%) due a decrease in net receipts from the General Solicitor's Office. The net receipts comprise fees charged to wards of court less expenses incurred in managing the service. In 2022 the volume of work for wards with no funds to meet the fees increased, resulting in lower net receipts.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate: €1.498 million, realised: €1.666 million

2022 receipts were higher than the original estimate by €168,000 (11%), due to the difficulty in forecasting staff movement, including age related retirements, early retirements, and the recruitment of staff to fill a number of these vacancies.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Road Traffic Act fines ^a	5,593	3,958
Other fines ^a	3,783	3,159
Refunds ^b	(26)	(10)
Other receipts ^c	691	145
Transferred to the Exchequer	(10,041)	(7,252)
Balance at 31 December	—	—

Notes ^a The increase in Road Traffic Act fines and other fines receipts is due to the increase in court cases following the ending of Covid restrictions

^b Refunds relates to refunds of fines due to successful appeals

^c The Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are due to be paid over to the Department of Finance. The 2022 receipts relate to funds lodged in 2015, when there were two large lodgements for two separate companies amounting to approx. €600,000, being the reason for the high value payment in 2022. The balance of these funds as at the 31 December 2021 is €5.451 million.

4.3 Fines and fees collected on behalf of other Departments

Direct payments were made to the following government departments/agencies in respect of fines and fees collected by the Court Service on their behalf in 2022.

	2022 €000	2021 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines ^a	556	456
Excise duty ^b	2,380	—
Department of Environment, Climate and Communications	29	23
Department of Agriculture, Food and the Marine ^c	—	171
Total transferred	(2,965)	(650)
Balance at 31 December	—	—

- Notes
- ^a Monies collected relate to court fines imposed where the prosecutor is the Revenue Commissioners.
 - ^b Monies collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Courts Service on behalf of the Revenue Commissioners. There was no excise duty collected in 2021 due to the Government Covid restrictions in place which closed pubs and nightclubs, resulting in no licensing applications being lodged in 2021. As the Government Covid restrictions eased in early 2022, and licensing applications increased, payments to Revenue for excise duty were reintroduced.
 - ^c The large value of fines for the Department of Agriculture, Food and the Marine in 2021 was due to a number of high value Circuit Court fines received in 2021.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>1,224</u>	<u>1,120</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	56,771	53,767
Higher, special or additional duties allowances	315	313
Other allowances	809	797
Overtime	311	237
Employer's PRSI	4,746	4,311
Total pay	<u>62,952</u>	<u>59,425</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	98	7	25,868	16,273
Other allowances	195	15	22,782	22,171
Overtime	142	8	31,589	22,227
Extra remuneration in more than one category	75	15	35,555	26,672

5.4 Courts Service staffing by pay band

The number of Court Service employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	866	886
60,000	69,999	65	57
70,000	79,999	61	60
80,000	89,999	41	42
90,000	99,999	36	16
100,000	109,999	14	10
110,000	119,999	5	6
120,000	129,999	1	1
130,000	139,999	3	4
140,000	149,999	1	13
150,000	159,999	12	3
160,000	169,999	4	2
170,000	179,999	1	1
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Salary costs of €66,358 were recouped from tribunals and government departments in respect of staff on secondment. There is no recoupment outstanding for 2022.

5.6 Salary overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	120	260,298	241,315
Recovery plans in place	20	49,711	42,256

There were seven new cases of overpayments in 2022, with a value of €4,666. Included in the 120 overpayments for 2022 is 49 cases with a total value of €70,034, where the overpayment has been fully recouped and marked complete.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>212</u>	<u>200</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Court Service in the year

	Claims by				Total 2022	Total 2021
	employees		members of the public			
	Slips, trips and falls	Other	Slips, trips and falls	Other		
Number of cases	1	6	3	36	46	36
	€000	€000	€000	€000	€000	€000
Court Service's own legal costs	—	122	—	111	233	95
Payments by/on behalf of the Courts Service						
Compensation	—	—	—	71	71	198
Legal costs	1	11	57	391	460	229
Other costs	—	—	—	—	—	—
2022 Total	1	133	57	573	764	522
2021 Total	11	9	102	400	522	

Cumulative costs of cases completed in 2022

	Claims by				Total
	employees		members of the public		
	Slips, trips and falls	Other	Slips, trips and falls	Other	
Number of cases	—	3	—	14	17
	€000	€000	€000	€000	€000
Court Service's own legal costs	—	95	—	33	128
Payments by/on behalf of the Courts Service					
Compensation	—	9	—	—	9
Legal costs	—	—	—	210	210
Other costs	—	—	—	—	—
2022 Total	—	104	—	243	347

6.2 Fraud and suspected fraud

	Number of cases	2022 €000	2021 €000
Fraud	—	—	2
Suspected fraud	—	—	—

The Courts Service has nil instances of fraud or suspected fraud in 2022.

6.3 Prompt payment interest

The amount of prompt payment interest and compensation incurred in 2022 was €16,786.

6.4 Deferred surrender

Deferred surrender comprises savings in 2022 of €1.85 million in capital expenditure in the following subheads that were carried over to 2023.

	€000
Description of subhead:	
A.3 Courthouse (capital works)	1,630
A.4 PPP costs	220
	<u>1,850</u>

Appropriation Account 2022

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Tailte Éireann, I am required to prepare the appropriation account for Vote 23, 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 2022 for the salaries and expenses of the Property Registration Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.168 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.

Dissolution of the PRA

The 2022 appropriation account is the final appropriation account for the PRA. The Tailte Éireann Act 2022, which was enacted in December 2022 led to the establishment of Tailte Éireann on 1 March 2023. The Property Registration Authority was dissolved on that date and all assets, rights, obligations and staff were transferred to Tailte Éireann. Up to the date of dissolution, the Accounting Officer of the Property Registration Authority was responsible for ensuring that an effective system of internal control was maintained and operated.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit in the Property Registration Authority was as follows until its dissolution on 28 February 2023.

Shared services

Payroll and human resources were provided on a shared service basis by the National Shared Service Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of shared services.

I have relied on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls were exercised in the provision of shared services to this Office.

In addition, I have relied on a letter of assurance from the Accounting Officer of the Department of Justice that the appropriate controls are exercised in the provision of financial shared services to this Office. I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Office and the Department of Justice for the provision of financial shared services.

Financial control environment

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

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

Compensations claims

The Property Registration Authority (PRA) operated a title system that conferred a State guarantee on the title holder. The State is bound to indemnify any person who suffers loss through reliance on the register. In the normal course of its business, the Authority received compensation claims under Section 120 of the Registration of Deeds and Title Act 1964. Claims may arise due to error, forgery or fraud in relation to registration of title.

A counter fraud framework was implemented, the aim of which was to minimise exposure to and losses from fraud against the registers. This framework guided the implementation of strategy in maintaining the integrity of the registers, safeguarding registered property rights and protecting public resources.

A summary of payments made under Section 120 of the Registration of Deeds and Title Act 1964 is set out in Note 6.1 to the accounts.

Administrative controls and management reporting

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

- there was an appropriate budgeting system with an annual budget which was kept under review by senior management
- there were regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operated within the Authority
- there were systems aimed at ensuring the security of the ICT systems
- there were appropriate capital investment control guidelines and formal project management disciplines

Internal audit and Audit Committee

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

Procurement

I confirm that the Authority ensured that there was an appropriate focus on good practice in purchasing and that procedures were in place to ensure compliance with all relevant guidelines.

The Authority has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Authority complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €144,000 (exclusive of VAT), which was extended pending the putting in place of a new contract. I can confirm that a new contract is now in place.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

The PRA implemented a risk management system which identified and reported key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register identified the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register was reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments were used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register detailed the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

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

Review of effectiveness

I confirm that the PRA had procedures to monitor the effectiveness of its risk management and control procedures. The PRA's monitoring and review of the effectiveness of the system of internal financial control was informed by the work of the internal and external auditors and the management within the PRA responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss.

Liam O'Sullivan
Accounting Officer
Property Registration Authority

13 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 Property Registration Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 23 Property Registration Authority for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

18 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 23 Property Registration Authority

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds			
	<i>Estimate provision</i>	35,131		
	<i>Deferred surrender</i>	100		
		35,231	32,095	31,108
Gross expenditure		35,231	32,095	31,108
	<i>Deduct</i>			
B	Appropriations-in-aid	660	692	660
	<i>Estimate provision</i>	34,471		
	<i>Deferred surrender</i>	100		
Net expenditure		34,571	31,403	30,448

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital services may be carried over for spending in the following year.

	2022	2021
	€	€
Surplus	3,167,626	2,033,146
Deferred surrender	—	(100,000)
Surplus to be surrendered	3,167,626	1,933,146

Liam O'Sullivan
Accounting Officer
Property Registration Authority

13 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Pay	27,537	26,747
Non pay	4,558	4,361
Gross expenditure	32,095	31,108
<i>Deduct</i>		
Appropriations-in-aid	692	660
Net expenditure	31,403	30,448
Changes in capital assets		
Purchases cash	(132)	
Depreciation	876	
	744	(215)
Changes in net current assets		
Increase in closing accruals	121	
Decrease in inventories	139	
	260	(144)
Direct expenditure	32,407	30,089
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	11,144	9,046
Notional rents	2,279	2,279
Net programme cost	45,830	41,414

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 23 borne elsewhere.

	2022	2021
	€000	€000
Vote 12 Superannuation and Retired Allowances	9,900	8,060
Vote 13 Office of Public Works	1,092	841
Vote 18 National Shared Services Office	55	51
Vote 24 Justice – Financial Shared Services Centre	97	94
	11,144	9,046

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	2,625	3,382
Current assets			
Bank and cash	2.2	1,258	1,514
Inventories	2.3	—	139
Prepayments	2.4	692	680
Accrued income		1	7
Other debit balance	2.5	162	79
Total current assets		2,113	2,419
Less current liabilities			
Accrued expenses	2.6	356	242
Other credit balances	2.7	1,315	1,462
Net Exchequer funding	2.8	105	131
Total current liabilities		1,776	1,835
Net current assets		337	584
Net assets		2,962	3,966
Represented by:			
State funding account	2.9	2,962	3,966

2.1 Capital assets

	Office and IT equipment €000	Furniture and fittings €000	Assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2022	34,152	3,734	2,181	40,067
Additions	106	—	13	119
Assets brought into use	2,194	—	(2,194)	—
Disposals	—	(25)	—	(25)
Cost or valuation at 31 December 2022	36,452	3,709	—	40,161
Accumulated depreciation				
Opening balance at 1 January 2022	33,041	3,644	—	36,685
Depreciation for the year	855	21	—	876
Depreciation on disposals	—	(25)	—	(25)
Cumulative depreciation at 31 December 2022	33,896	3,640	—	37,536
Net assets at 31 December 2022	2,556	69	—	2,625
Net assets at 31 December 2021	1,111	90	2,181	3,382

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances and cash	793	877
Other commercial bank balances ^a	465	637
	1,258	1,514

Note ^a Included in other commercial bank balances is €453,000 owing to the Exchequer on 31 December 2022 in respect of registration fees collected. The remaining €12,000 is in an account used for the receipt of Department of Social Protection benefit payments. Not included are non-Exchequer balances held at the Central Bank (€6.28 million: 2021 €6 million) and Danske Bank (€25,968: 2021: €30,577) in respect of Ground Rent Scheme purchase moneys.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery	—	96
Miscellaneous supplies	—	40
IT consumables	—	3
	—	139

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software support	642	561
Estate management	2	16
Administration	48	103
	692	680

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Building charges recoupable	91	29
Payroll deductions held in suspense	33	50
Other debit balances	38	—
	162	79

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration expenses	184	64
ICT and telecommunications	59	87
Building expenses	113	91
	356	242

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	405	374
Pay related social insurance	251	217
Value added tax	38	47
Professional services withholding tax	—	4
Extra receipts payable to the Exchequer	453	637
	<hr/> 1,147	<hr/> 1,279
Payroll deductions held in suspense	168	183
	<hr/> 1,315	<hr/> 1,462

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,168	1,933
Deferred surrender	—	100
Exchequer grant undrawn	(3,063)	(1,902)
Net Exchequer funding	<hr/> 105	<hr/> 131
Represented by:		
Debtors		
Bank and cash	1,258	1,514
Debit balances: suspense	162	79
	<hr/> 1,420	<hr/> 1,593
Creditors		
Due to the State	(1,147)	(1,279)
Credit balances: suspense	(168)	(183)
	<hr/> (1,315)	<hr/> (1,462)
	<hr/> 105	<hr/> 131

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		3,966	3,607
Disbursements from the Vote			
Estimate provision	Account	34,471	
Deferred surrender	Account	100	
Surplus to be surrendered	Account	(3,168)	
Net vote		31,403	30,448
Expenditure (cash) borne elsewhere	1.1	11,144	9,046
Non cash expenditure – notional rent	1	2,279	2,279
Net programme cost	1	(45,830)	(41,414)
Balance at 31 December		2,962	3,966

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	478	594

2.11 Contingent liabilities

The Authority was involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

A payment of €325,000 was made in March 2023 as a result of loss suffered by reliance on the Register.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 23 Property Registration Authority is classified as administration expenditure applied towards a single programme: manage the Land Registry and the Register of Deeds.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,963	27,537	26,747
ii	Travel and subsistence	110	34	6
iii	Training and development and incidental expenses	1,570	1,237	1,227
iv	Postal and telecommunications services	900	800	825
v	Office equipment and external IT services			
	<i>Estimate provision</i>	2,951		
	<i>Deferred surrender</i>	100		
		3,051	1,946	1,956
vi	Office premises expenses	612	541	339
vii	Consultancy services and value for money and policy reviews	25	—	8
		35,231	32,095	31,108

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.57 million; outturn €1.237 million

The under-spend on this subhead arose as a result of a low level of section 120 compensation payments made in the year. See note 6.2.

v Office equipment and external IT services

Estimate provision €3.051 million; outturn €1.946 million

The ICT capital allocation was not utilised due to a deferral of certain expenditure and a change in software licencing arrangements from a multi annual to an annual basis.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
Receipts from additional superannuation contributions on public service remuneration	660	692	660
Total	660	692	660

4.2 Extra receipts payable to the Exchequer

	2022 €000	2021 €000
Opening balance at 1 January	637	1,037
Land Registry and Registry of Deeds fees	75,252	70,934
Ground rent fees	57	53
Paid over to Exchequer ^a	(75,493)	(71,387)
Closing balance at 31 December	453	637

Note ^a Fees collected in respect of registration fees are remitted to the Exchequer on a weekly basis. At end December 2022, there were 117,276 applications for registration on hand (2021: 110,073 applications). The related fees received, estimated at €49 million (2021: €44.6 million) have been paid over to the Exchequer. Legal rights are protected from the date of lodgement of an application, rather than on completion of registration.

An online portal www.landdirect.ie is used by many PRA customers for lodging applications and conducting searches. (Of the fees remitted to the Exchequer in 2022, almost one third was lodged through customer landdirect accounts.) Customers lodge moneys to their landdirect accounts in advance. There were credit balances of €503,090 on the landdirect accounts at the end of the year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>505</u>	<u>492</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	24,646	24,628
Higher, special or additional duties allowances	11	13
Other allowances	93	69
Overtime	732	125
Employer's PRSI	2,055	1,912
Total pay	<u>27,537</u>	<u>26,747</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	5	—	8,755	8,302
Other allowances	26	1	10,282	5,047
Overtime	172	20	20,330	12,062
Extra remuneration in more than one category	17	5	22,380	14,651

5.4 Property Registration Authority staffing by pay bands

The number of Authority employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	469	434
60,000	69,999	39	26
70,000	79,999	14	24
80,000	89,999	27	15
90,000	99,000	10	7
100,000	109,999	5	7
110,000	119,999	8	5
120,000	129,999	1	1
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	1
160,000	169,999	1	—

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	162	155

The value of retirement benefits earned in the period is not included above. The Accounting Officer was a member of the pre-1995 superannuation scheme for established civil servants and her entitlements to retirement benefits did not extend beyond the standard terms of that scheme.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	59	178,611	166,193
Recovery plans in place	20	81,766	89,541

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the PRA in the year

	Claims by employees (personal injury)	Section 120 and other related claims	Total 2022	Total 2021
Number of cases	4	15	19	5
	€000	€000	€000	€000
PRA's own legal costs	11	—	11	18
Payments by/on behalf of the PRA				
Compensation	42	142	184	97
Legal costs	13	—	13	68
Other costs	—	—	—	7
2022 total	66	142	208	190
2021 total	176	14	190	

Cumulative costs of cases completed in 2022

	Claims by employees (personal injury)	Section 120 and other related claims	Total
Number of cases	2	15	17
	€000	€000	€000
PRA's own legal costs	1	—	1
Payments by/on behalf of the PRA			
Compensation	42	142	184
Legal costs	13	—	13
Other costs	—	—	—
Total	56	142	198

6.2 Fraud and suspected fraud

The Office continues to manage a small number of cases of suspected fraudulent applications for registration. These cases remain under investigation. The cases may result in a payment under Section 120 of the Registration of Title Act 1964.

6.3 Dissolution of PRA and establishment of Tailte Éireann

As part of the Public Service Reform Programme, a Government decision was made to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority.

The Tailte Éireann Act 2022 provided for the dissolution of the PRA and OSI and the transfer of the functions of those bodies, along with the functions of the Commissioner of Valuation and the Boundary Surveyor, to Tailte Éireann. The dissolution and transfer took effect on 1 March 2023.

The core business of Tailte Éireann is to provide a system of registration of ownership to land in Ireland, to deliver to stakeholders accurate, up-to-date valuations of commercial and industrial properties and to create and maintain the definitive mapping records and physical infrastructure of the State.

Appropriation Account 2022

Vote 24

Justice

Introduction

As Accounting Officer for Vote 24, 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 2022 for the salaries and expenses of the Office of the Minister for Justice, Probation Service staff and of certain other services, including payments under cash-limited schemes administered by that Office, and payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €29.658 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except the following.

Group accounting for fixed assets

Notes 1 and 2 to the appropriation account include the fixed asset values and related depreciation charges for assets owned by the Department and by a number of the bodies under the aegis of the Department whose accounting records are maintained through the Department's financial shared services centre.

Group accounting for bank and cash

Notes 1 and 2 to the appropriation account include bank and cash values held by a number of bodies under the aegis of the Department who also prepare separate financial statements.

Inventory

Note 2.3 to the Appropriation Account re valuation of inventories includes high-volume, low-value consumable items given their nature and need for monitoring and security.

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

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

I have provided a letter of assurance to Accounting Officers in receipt of financial shared services from the Department's financial shared services (FSS) centre in Killarney regarding the controls in place.

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. Its work is informed by analysis of the financial risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of 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

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 has provided details of 52 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 20 contracts (in excess of €25,000), totalling €5,617,741 (ex. VAT) in 2022 as set out below.

- Sixteen of these contracts are considered as non-compliant on the basis that it has been necessary to roll-over beyond the original contract date, while updated procurement arrangements are being put in place.
Four such contracts have been awarded and are now in place (2022 value €519,327),
A further two contracts have been awarded and the Department will migrate over to these on a phased basis in the coming months (2022 value €399,491).
Two contracts are currently at evaluation stage (2022 value €137,240), while tender specifications are being prepared in eight cases (2022 value €3,303,464).
- One contract with a value of €661,456 was a direct award in order to meet increased demand for essential translation services arising from a significant increase in International Protection applications in 2022.
- Two contracts with a value of €530,951 were extended to allow for transition to new systems.
- One contract with a value of €65,812 was extended to facilitate a move to a new site.

The above contracts have been included in the 40/2002 annual return and referenced above.

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. There is a Risk Committee in place to oversee the management of risk across the Department.

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 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 assign responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the appropriate level of management, 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

Cyber security

Following increased cyber and ransomware attacks in recent years, a cyber-resilience programme was established. The aim of this broad ranging programme is to put in place the appropriate software, hardware, facilities and measures to protect the infrastructure and information of the Department on its shared service, from intentional or unintentional breach into the future. The primary activity of this programme to date has been procurement of equipment and security services which will include innovative training for staff in cyber security matters in order to promote cyber security awareness and reinforce a culture of best practice.

ICT modernisation

The Department has established modernisation and migration programmes to carefully govern and manage the move off legacy platforms to modern digital solutions. Delivering digital transformation has also meant that the Department must adopt newer technologies such as cloud, machine learning and robotic process automation. The use of such technologies required the Department to establish the governance, policies and procedures, which follow best practice in these areas.

Covid-19 control issues

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practical and appropriate, having regard to the nature of the work in the Department. As a result, the Department has introduced a number of procedural and control changes. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. The controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Oonagh McPhillips

Accounting Officer
Department of Justice

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 24 Justice

Opinion on the appropriation account

I have audited the appropriation account for Vote 24 Justice for the year ended 31 December 2022 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 24 Justice for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Justice and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2022.

Seamus McCarthy

Comptroller and Auditor General

5 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 24 Justice

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Criminal justice pillar			
	<i>Original</i>	324,093		
	<i>Deferred surrender</i>	5,122		
	<i>Supplementary</i>	19,634		
			348,849	332,925
				316,117
B	Civil justice pillar			
	<i>Original</i>	174,629		
	<i>Supplementary</i>	4,981		
			179,610	168,915
				150,911
Gross expenditure				
	<i>Original</i>	498,722		
	<i>Deferred surrender</i>	5,122		
	<i>Supplementary</i>	24,615		
			528,459	501,840
				467,028
	<i>Deduct</i>			
C	Appropriations-in-aid			
	<i>Original</i>	75,832		
	<i>Supplementary</i>	24,614		
			100,446	103,485
				90,513
Net expenditure				
	<i>Original</i>	422,890		
	<i>Deferred surrender</i>	5,122		
	<i>Supplementary</i>	1		
			428,013	398,355
				376,515

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.

	2022	2021
	€	€
Surplus	29,658,052	26,894,827
Deferred surrender	—	(5,122,000)
Surplus to be surrendered	<u>29,658,052</u>	<u>21,772,827</u>

Oonagh McPhillips
Accounting Officer
Department of Justice

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		356,685	339,446
Pay		89,708	78,797
Non pay		55,447	48,785
Gross expenditure		501,840	467,028
<i>Deduct</i>			
Appropriations-in-aid		103,485	90,513
Net expenditure		398,355	376,515
Changes in capital assets			
Purchases cash	(38,800)		
Depreciation	5,622		
Disposals cash	1		
Loss on disposals	1	(33,176)	(48,144)
Changes in net current assets			
Decrease in closing accrual	(4,720)		
Decrease in inventories	194	(4,526)	(1,261)
Direct expenditure		360,653	327,110
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		57,275	50,401
Notional rents		5,122	4,860
Net programme cost		423,050	382,371

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 24 borne elsewhere, net of costs of shared services provided to other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	400	373
Vote 12	Superannuation and Retired Allowances	52,285	45,791
Vote 13	Office of Public Works	8,600	8,418
Vote 18	National Shared Services Office	241	247
Vote 20	Garda Síochána	234	160
Vote 43	Office of the Government Chief Information Officer	308	70
	Central Fund – ministerial pensions	199	205
	Cost of shared services provided to other Votes	(4,992)	(4,863)
		57,275	50,401

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	123,820	90,645
Current assets			
Bank and cash	2.2	22,903	19,875
Inventories	2.3	1,626	1,820
Prepayments	2.4	10,926	5,376
Accrued income	2.5	3,025	3,974
Other debit balances	2.6	523	4,129
Total current assets		39,003	35,174
Less current liabilities			
Accrued expenses	2.7	7,331	7,477
Deferred income	2.8	214	187
Other credit balances	2.9	23,850	18,949
Net Exchequer funding	2.10	(424)	5,055
Total current liabilities		30,971	31,668
Net current assets		8,032	3,506
Net assets		131,852	94,151
Represented by:			
State funding account	2.11	131,852	94,151

2.1 Capital assets ^a

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2022 ^b	6,901	2,303	114,915	2,734	68,515	195,368
Additions	—	320	5,400	11	33,069	38,800
Transfer out ^c	—	(110)	(22)	—	—	(132)
Disposals	—	—	(839)	(1)	—	(840)
Cost or valuation at 31 December 2022	6,901	2,513	119,454	2,744	101,584	233,196
Accumulated depreciation						
Opening balance at 1 January 2022	1,860	1,672	98,718	2,473	—	104,723
Depreciation for the year	138	265	5,153	66	—	5,622
Depreciations on transfer out ^b	—	(110)	(21)	—	—	(131)
Depreciation on disposals	—	—	(837)	(1)	—	(838)
Cumulative depreciation at 31 December 2022	1,998	1,827	103,013	2,538	—	109,376
Net assets at 31 December 2022	4,903	686	16,441	206	101,584	123,820
Net assets at 31 December 2021	5,041	631	16,197	261	68,515	90,645

Notes ^a The statement of capital assets reflects assets for the entire Department including a number of agencies in Vote 24 who also prepare separate financial statements.

^b Valuation of capital assets: a threshold of €10,000 for the capitalisation of capital assets for asset additions from 1 January 2021 has been applied.

^c Motor vehicles with an original cost of €110,142 were transferred from the Department to An Garda Síochána. Office and IT equipment with an original cost of €22,236 was transferred from the Department to the Policing Authority.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	12,771	11,888
Commercial bank account balances	10,132	7,987
	22,903	19,875

The commercial bank account balances include bank balances with a value of €1.574 million for a number of agencies in Vote 24 who also prepare separate financial statements.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Stationery	—	120
Forensic consumables	732	713
IT consumables	99	57
Residence permits/travel documents	677	796
Miscellaneous	62	90
Equipment/clothing	56	44
	1,626	1,820

2.4 Prepayments

at 31 December	2022 €000	2021 €000
Department administration (mainly ICT system maintenance and support including licencing)	6,237	2,854
A.4 Garda Síochána Ombudsman Commission	454	458
A.6 Criminal Asset Bureau	259	207
A.11 Youth justice interventions (2023 boundary extension payments made in Q4 2022)	1,305	—
A.19 Private Security Authority (various administrative costs including targeted media campaigns)	13	98
A.21 Forensic Science Ireland (maintenance of scientific equipment etc.)	2,074	997
B.5 Property Services Regulatory Authority (various administrative costs including ICT systems maintenance and support including licencing)	120	124
B.6 Insolvency Service of Ireland (mainly ICT system maintenance and media awareness campaign)	370	614
Other subheads (various costs including ICT support and maintenance)	94	24
	10,926	5,376

2.5 Accrued income

at 31 December	2022 €000	2021 €000
Immigration registration fees	1,675	2,806
Visa fees	498	457
Private Security Authority fees	283	285
Legal Services Regulatory Authority levy on professional bodies	200	—
Other accrued income	369	426
	3,025	3,974

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to the Office of Public Works	—	3,414
Imprests	53	52
Recoupable travel pass scheme expenditure	204	233
Criminal Assets Bureau receivership	195	105
Payroll suspense account (Paypath)	—	200
Other debit suspense items	71	125
	523	4,129

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
Criminal legal aid schemes (subheads A.15 and A.16)	4,990	5,102
Training and development and incidental expenses (various expenses including legal costs)	335	470
Forensic Science Ireland (various expenses including consumables, chemicals and equipment)	330	154
Office equipment and external IT services	285	274
Postal and telecommunications services	278	198
Coroners Service (various expenses including legal costs)	239	592
Probation Service – operating expenses	125	134
Criminal Assets Bureau - (various expenses included software licencing)	106	18
Immigration and international protection (various travel and translation costs)	97	29
Office premises expenses (various expenses including office cleaning costs)	88	59
Other subheads	458	447
	7,331	7,477

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
Film censorship fees	207	187
Miscellaneous receipts	7	—
	214	187

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	2,466	2,224
Pay related social insurance	1,535	1,280
Professional services withholding tax	2,160	2,308
Value added tax	578	330
Balances in departmental accounts	10,132	7,987
	<u>16,871</u>	<u>14,129</u>
Payroll deductions held in suspense	687	686
ESF advance of social inclusion project funding 2014–2020	1,374	1,374
Asylum, Migration and Integration Fund 2014–2020 advance payments	—	2,700
Extra receipts payable to the Exchequer	37	37
Advances to the Office of Public Works	4,672	—
Other credit suspense items	209	23
	<u>23,850</u>	<u>18,949</u>

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	29,658	21,773
Deferred surrender	—	5,122
Exchequer grant undrawn	(30,082)	(21,840)
Net Exchequer funding	<u>(424)</u>	<u>5,055</u>
Represented by:		
Debtors		
Bank and cash	22,903	19,875
Debit balances: suspense	523	4,129
	<u>23,426</u>	<u>24,004</u>
Creditors		
Due to the State	(16,871)	(14,129)
Credit balances: suspense	(6,979)	(4,820)
	<u>(23,850)</u>	<u>(18,949)</u>
	<u>(424)</u>	<u>5,055</u>

2.11 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		94,151	44,746
Disbursements from the Vote			
Estimate provision	Account	428,013	
Surplus to surrender	Account	(29,658)	
Net vote		398,355	376,515
Expenditure (cash) borne elsewhere	1.1	57,275	50,401
Non cash expenditure – notional rent	1	5,122	4,860
Net programme cost	1	(423,050)	(382,371)
Capital asset transfer	2.1	(1)	—
Balance at 31 December		131,852	94,151

2.12 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	14,290	11,356
Capital projects	6,453	31,687
Total of legally enforceable commitments	20,743	43,043

b) Major capital projects

	Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Forensic Science Ireland	68,514	32,577	5,509	106,600	99,518

The overall project budget for the new FSI laboratory was €99.5 million. Expenditure is within budget with the exception of non-controllable external factors in 2022 of construction inflation (€6.9 million) and Covid-19 expenditure (€200,000), some of which will be covered by the project contingency budget.

2.13 Matured liabilities

There were no matured liabilities un-discharged at year end 2022 or in the previous year.

2.14 Contingent liabilities

Please refer to Note 6.1 in relation to committees, commissions and special inquiries.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	76,618		
	<i>Supplementary</i>	9,480		
			86,098	84,908
ii	Travel and subsistence			74,356
	<i>Original</i>	985		
	<i>Supplementary</i>	188		
			1,173	1,052
iii	Training and development and incidental expenses			513
	<i>Original</i>	9,154		
	<i>Supplementary</i>	8,753		
			17,907	17,295
iv	Postal and telecommunications services			17,572
	<i>Original</i>	2,096		
	<i>Supplementary</i>	1,992		
			4,088	3,951
v	Office equipment and external IT services			2,615
	<i>Original</i>	27,666		
	<i>Supplementary</i>	(3,570)		
			24,096	20,389
vi	Office premises expenses			16,132
	<i>Original</i>	3,055		
	<i>Supplementary</i>	2,008		
			5,063	4,288
vii	Consultancy services and value for money and policy reviews		68	126
				4,501
viii	Research		1,786	1,485
ix	Financial shared services ^a		6,861	6,805
x	Justice and policing transformation programme			6,693
	<i>Original</i>	10,000		
	<i>Supplementary</i>	(3,000)		
			7,000	4,856
			154,140	145,155
				4,227
				127,582

- Note ^a Financial shared services centre pay costs of €4,800,331 (2021: €4,440,667) are included in the costs of financial shared services. This cost is charged to Programme A – Criminal Justice Pillar, sub-head A.1 Administration – pay.

Significant variations

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

iii **Training and development and incidental expenses**

Estimate provision €9.154 million; outturn €17.295 million

The excess expenditure of €8.141 million compared with the original allocation of €9.154 million was mainly due to higher legal expense (€3.36 million) and other administrative costs and fees (€5.22 million) including contracted services which is partly offset by an underspend in other areas within the subhead such as staff training and development (€390,000).

iv **Postal and telecommunications services**

Estimate provision €2.096 million; outturn €3.951million

The excess expenditure of €1.855 million compared with the original allocation of €2.096 million is partly due to the national increase in postal charges in February 2022 in addition to increased volumes relating to immigration matters.

v **Office equipment and external IT services**

Estimate provision €27.666 million; outturn €20.389 million

The saving of €7.277 million compared with the original allocation of €27.666 million was mainly attributable to a reduction in planned expenditure due to the redeployment of resources to support the processing of temporary permissions for Ukrainian nationals. As a result a number of IT projects did not proceed as planned.

vi **Office premises expenses**

Estimate provision €3.055 million; outturn €4.288 million

The excess expenditure of €1.233 million compared with the original allocation of €3.055 million is mainly due to the higher than anticipated costs of rental/lease accommodation, including the Ukrainian response, as well as costs related to the Covid-19 pandemic.

x **Justice and policing transformation programme**

Estimate provision €10 million; outturn €4.856 million

The saving of €5.144 million compared with the original allocation was mainly due to less expenditure than expected in relation to the Justice aspect of the programme. This includes projects such as the Immigration Service Delivery Modernisation Programme which incurred less expenditure as the focus of the Organisation moved to the Ukraine crisis, diverting resources away from the Modernisation Programme to the immediate humanitarian priority in 2022.

Programme A Criminal Justice Pillar

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
				Outturn
				€000
A.1	Administration – pay			
	<i>Original</i>	30,041		
	<i>Supplementary</i>	3,128		
			33,169	32,820
				28,978
A.2	Administration – non pay			
	<i>Original</i>	20,191		
	<i>Supplementary</i>	2,102		
			22,293	19,641
				17,608
A.3	Office of the Inspector of Prisons			
	<i>Original</i>	2,348		
	<i>Supplementary</i>	(728)		
			1,620	1,289
				1,349
A.4	Garda Síochána Ombudsman Commission			
	<i>Original</i>	13,406		
	<i>Supplementary</i>	273		
			13,679	13,449
				11,583
A.5	Garda Síochána Inspectorate		1,326	1,118
				1,010
A.6	Criminal Asset Bureau		10,858	9,830
				10,111
A.7	Probation Service – salaries, wages and allowances		24,855	24,330
				23,308
A.8	Probation Service – operating expenses		4,885	4,305
				4,141
A.9	Probation Service – services to offenders		17,532	17,503
				17,529
A.10	Community Service Order Scheme		3,105	2,524
				2,527
A.11	Youth justice interventions		21,314	22,817
				15,110
A.12	Victims of crime including sexual crimes and domestic abuse			
	<i>Original</i>	4,889		
	<i>Supplementary</i>	725		
			5,614	5,421
				3,744
A.13	Mental Health (Criminal Law) Review Board			
	<i>Original</i>	439		
	<i>Supplementary</i>	(155)		
			284	265
				289
A.14	Compensation for personal injuries criminally inflicted		11,016	6,319
				2,301

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.15	Legal aid – criminal				
	<i>Original</i>	70,200			
	<i>Supplementary</i>	<u>6,630</u>			
			76,830	76,653	73,466
A.16	Legal aid – custody issues				
	<i>Original</i>	4,000			
	<i>Supplementary</i>	<u>1,000</u>			
			5,000	4,716	6,031
A.17	Parole Board				
	<i>Original</i>	1,742			
	<i>Supplementary</i>	<u>(303)</u>			
			1,439	1,470	589
A.18	Crime prevention measures		1,197	1,071	1,049
A.19	Private Security Authority		3,886	4,012	3,744
A.20	Domestic, sexual and gender based violence - awareness raising and training		5,348	4,109	2,700
A.21	Forensic Science Ireland				
	<i>Original</i>	51,382			
	<i>Deferred surrender</i>	5,122			
	<i>Supplementary</i>	<u>3,290</u>			
			59,794	56,920	72,384
A.22	Office of the State Pathologist				
	<i>Original</i>	1,127			
	<i>Supplementary</i>	<u>393</u>			
			1,520	1,499	1,119
A.23	Commissions and special inquiries				
	<i>Original</i>	7,332			
	<i>Supplementary</i>	<u>3,979</u>			
			11,311	10,096	6,658
A.24	Social disadvantage measure (dormant accounts funded)				
	<i>Original</i>	9,674			
	<i>Supplementary</i>	<u>(700)</u>			
			8,974	9,125	8,789
A.25	Community Safety Innovation Fund		2,000	1,623	—
			348,849	332,925	316,117

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 €3.71 million higher than originally provided, including an overspend of €2.229 million in relation to administrative expenditure. This has been offset by savings in programme subheads and the variation in expenditure is mainly due to the following.

A.3 Office of the Inspector of Prisons

Estimate provision €2.348 million; outturn €1.289 million

The savings of €1.059 million compared with the original estimate provision was primarily due to the planned recruitment of a Researcher and additional Inspectors, not progressing in 2022. In addition, the development of a case management system and ad hoc consultancy services did not materialise during the year.

A.5 Garda Síochána Inspectorate

Estimate provision €1.326 million; outturn €1.118 million

The saving of €208,000 was mainly attributable to the deferral of consultancy services in respect of implementation of the ongoing Policing Reform programme.

A.6 Criminal Assets Bureau

Estimate provision €10.858 million; outturn €9.83 million

The saving of €1.028 million arose primarily due to time delays encountered in filling staff vacancies at various grades resulting in a saving in the pay budget.

A.8 Probation Service – operating expenses

Estimate provision €4.885 million; outturn €4.305 million

The saving of €580,000 arose in part due to less expenditure on ICT and training coupled with reduced travel and subsistence expenditure as a result of Covid-19.

A.10 Community Service Order Scheme

Estimate provision €3.105 million; outturn €2.524 million

The saving of €581,000 arose from delays in filling Community Service Supervisory posts which are critical to the delivery of the community service order scheme.

A.11 Youth justice interventions

Estimate provision €21.314 million; outturn €22.817 million

The excess expenditure of €1.503 million reflects the implementation of Youth Justice Strategy priorities and includes a number of once-off grants to youth diversion projects.

A.12 Victims of crime including sexual crimes and domestic abuse*Estimate provision €4.889 million; outturn €5.421 million*

The excess expenditure of €532,000 compared with the original estimate provision of €4.889 million reflects the return of in-person Court hearings. This has resulted in increased court accompaniment supports and various ancillary victims of crime supports.

A.13 Mental Health (Criminal Law) Review Board*Estimate provision €439,000; outturn €265,000*

The saving of €174,000 arose due to an anticipated increase in workload not materialising in 2022 due to a delay in the transition of the Central Mental Hospital to its new location at the National Forensic Mental Health Service campus in Portrane, Co Dublin.

A.14 Compensation for personal injuries criminally inflicted*Estimate provision €11.016 million; outturn €6.319 million*

The saving of €4.697 million compared with the original estimate was mainly due to three large awards, which have been made by the Tribunal totalling approximately €6.2 million not being accepted by the applicants before end 2022.

In all of these cases the Tribunal has indicated that due to the nature of the injuries experienced by the applicants concerned and its effect on their mental capacity, they should first be made a ward of court before the funds are disbursed. The timing of this is not within the Tribunal's control. Once awards are accepted and ward of court proceedings are finalised in the cases payments will issue to the applicants concerned.

A.15 Legal aid – criminal*Estimate provision €70.2 million; outturn €76.653 million*

The excess in expenditure of €6.453 million compared with the original allocation of €70.2 million arose due to the increased volume of payments. As set out under the Criminal Justice (Legal Aid) Act 1962, the Courts are responsible for the granting of legal aid. As a demand led scheme, the timing and quantum of costs can be difficult to predict with accuracy.

A.16 Legal aid – custody issues*Estimate provision €4 million; outturn €4.716 million*

The excess in expenditure of €716,000 compared with the original allocation of €4 million is reflective of the increase in the number and cost of claims, including High and Supreme Court Bail Motions, Extradition and European Arrest Warrant Applications.

A.17 Parole Board

Estimate provision €1.742 million; outturn €1.470 million

The saving of €272,000 compared with the original allocation of €1.742 million arose primarily due to time delays encountered in filling vacancies. Additionally, operational case processing challenges pertaining to victim engagement were encountered in the absence of a national register of victims. It is expected that additional staff and other structures will continue to be put in place in 2023, thus increasing expenditure in this subhead.

A.18 Crime prevention measures

Estimate provision €1.197 million; outturn €1.071 million

The saving of €126,000 arose due to some crime prevention measures not proceeding as planned during 2022.

A.20 Domestic, sexual and gender based violence - awareness raising and training

Estimate provision €5.348 million; outturn €4.109 million

The saving of €1.239 million arose primarily due to the delayed roll out of some of the public awareness raising campaigns.

A.22 Office of the State Pathologist

Estimate provision €1.127 million; outturn €1.499 million

The excess expenditure of €372,000 compared with the original allocation of €1.127 million primarily arose as newly sanctioned pathologist posts were appointed during 2022.

A.23 Commissions and special inquiries

Estimate provision €7.332 million; outturn €10.096 million

The excess expenditure of €2.764 million compared with the original allocation of €7.332 million is mainly due to third party legal costs, the timing and quantum of which can be difficult to predict with accuracy.

A.24 Social disadvantage measure (dormant accounts funded)

Estimate provision €9.674 million; outturn €9.125 million

The saving of €549,000 compared with the original allocation of €9.674 million mainly arose in relation to the Social Enterprise Funding Kickstart project. The scheme was launched later in the year than originally expected.

A.25 Community Safety Innovation Fund

Estimate provision €2 million; outturn €1.623 million

The saving of €377,000 is mainly attributable to timing issues relating to stage payments. Typically the final payment is held-over until the relevant project reaches an agreed milestone.

Programme B Civil Justice Pillar

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
				Outturn
				€000
B.1	Administration – pay			
	<i>Original</i>	51,334		
	<i>Supplementary</i>	6,352		
			57,686	56,888
				49,819
B.2	Administration – non pay			
	<i>Original</i>	36,723		
	<i>Supplementary</i>	4,269		
			40,992	35,806
				31,177
B.3	Central Authority		135	90
				40
B.4	Legal Services Regulatory Authority		1,001	1,000
				1,000
B.5	Property Services Regulatory Authority		3,138	3,282
				2,994
B.6	Insolvency Service of Ireland			
	<i>Original</i>	7,649		
	<i>Supplementary</i>	(737)		
			6,912	6,586
				7,340
B.7	Gambling Regulatory Authority			
	<i>Original</i>	700		
	<i>Supplementary</i>	(360)		
			340	161
				—
B.8	Judicial Appointments Commission			
	<i>Original</i>	254		
	<i>Supplementary</i>	(183)		
			71	—
				—
B.9	Judicial Council			
	<i>Original</i>	1,754		
	<i>Supplementary</i>	(1,104)		
			650	833
				379
B.10	Coroner Service			
	<i>Original</i>	13,085		
	<i>Supplementary</i>	(4,185)		
			8,900	7,712
				6,904
B.11	Legal Aid Board		47,917	45,212
				44,575
B.12	Free Legal Advice Centres		294	294
				294
B.13	Immigration and international protection programmes			
	<i>Original</i>	4,982		
	<i>Supplementary</i>	2,314		
			7,296	7,419
				2,524

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.14	International Protection Appeals Tribunal			
	<i>Original</i>	4,950		
	<i>Supplementary</i>	(1,385)		
		3,565	3,255	3,369
B.15	Irish Film Classification Office	713	377	496
		179,610	168,915	150,911

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 €5.714 million lower than originally provided, notwithstanding an overspend of €4.637 million in relation to administrative expenditure. This has been offset by savings in programme subheads and the variation in expenditure is mainly due to the following.

B.5 Property Services Regulatory Authority

Estimate provision €3.138 million; outturn €3.282 million

The excess expenditure of €144,000 compared with the original allocation of €3.138 million arose due to undertaking additional audit compliance inspections for 2022, funding a public awareness media campaign and regulatory training.

B.6 Insolvency Service of Ireland

Estimate provision €7.649 million; outturn €6.586 million

The savings of €1.063 million compared to the original estimate provision arose due to time delays encountered in filling staff vacancies and resultant timing challenges with progressing the new Bankruptcy case management system.

B.7 Gambling Regulatory Authority

Estimate provision €700,000; outturn €161,000

The saving of €539,000 arose due to timing delays in filling staff vacancies which had a resultant impact on the Authority's capacity. The new Chief Executive Officer (CEO) Designate was appointed in September 2022 and it is expected that additional staff and other structures will continue to be put in place in 2023, thus increasing expenditure in this subhead.

B.8 Judicial Appointments Commission

Estimate provision €254,000; outturn €nil

The saving arose as legislation proposing the establishment of the Judicial Appointments Commission has yet to be enacted.

B.9 Judicial Council

Estimate provision €1.754 million; outturn €833,000

The saving of €921,000 arose due to ongoing delays in recruiting staff and consequential delays in putting other logistical supports in place during 2022. It is expected that additional staff and other structures will continue to be put in place in 2023, thus increasing expenditure in this subhead.

B.10 Coroner Service

Estimate provision €13.085 million; outturn €7.712 million

The saving of €5.373 million compared with the original allocation of €13.085 million is mainly due to the public facing elements of the new Stardust Inquest not commencing in 2022 as planned. While the scheduling of the inquests is entirely a matter for the Senior Dublin Coroner, it is expected that the public facing elements of the inquests will commence in April 2023, once the necessary preliminary hearings which have been ongoing throughout 2022, conclude.

B.11 Legal Aid Board

Estimate provision €47.917 million; outturn €45.212 million

The saving of €2.705 million arose due to a number of factors including the delay in the commencement of (i) the provision of additional legal services to victims of sexual offences and (ii) the provision of legal services in respect of the Assisted Decision-Making (Capacity) (Amendment) Act, both of which require primary legislation. In addition staff recruitment challenges were encountered by the Board.

B.13 Immigration and international protection programmes

Estimate provision €4.982 million; outturn €7.419 million

The excess expenditure of €2.437 million compared to the original budget allocation was due to the unexpected costs incurred in implementing a cohesive response to the Ukraine crisis (temporary protection). In addition an unprecedented number of applications were received for international protection in 2022. It is expected that additional staff and other structures will continue to be put in place in 2023, thus increasing expenditure in this subhead.

B.14 International Protection Appeals Tribunal

Estimate provision €4.95 million; outturn €3.255 million

The saving of €1.695 million compared to the original estimate of €4.95 million arose due to the reduced number of cases processed as a result of Covid-19 restrictions during 2022. This also impacted on Tribunal member fees and on other non-pay related expenditure.

B.15 Irish Film Classification Office

Estimate provision €713,000; outturn €377,000

The saving of €336,000 reflect a combination of lower volumes of submissions for home entertainment classifications, coupled with time delays encountered in filling staff vacancies.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Film censorship fees		850	941
2	EU receipts		1	1
3	Miscellaneous receipts		673	588
4	Immigration registration fees			
	Original	38,550		
	Supplementary	20,450		
			59,000	60,686
5	Visa fees			
	Original	3,385		
	Supplementary	3,215		
			6,600	7,913
6	Dormant accounts receipts			
	Original	9,674		
	Supplementary	(700)		
			8,974	9,061
7	Private Security Authority fees			
	Original	2,564		
	Supplementary	564		
			3,128	3,424
8	Nationality and citizenship certificates fees			
	Original	12,000		
	Supplementary	1,540		
			13,540	13,215
9	Legal Services Regulatory Authority levy on professional bodies			
	Original	1,500		
	Supplementary	(1,000)		
			500	—
10	Property Services Regulatory Authority fees			
	Original	2,000		
	Supplementary	250		
			2,250	2,210
				2,250

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
11	Insolvency Service of Ireland fees		680	499
12	Receipts from additional superannuation contributions on public service remuneration			
	<i>Original</i>	3,955		
	<i>Supplementary</i>	295		
		4,250	4,747	4,416
		100,446	103,485	90,513

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/-5% and €100,000). Overall, appropriations-in-aid were €27.653 million higher than originally provided. The surplus in receipts is mainly due to the net effect of the following variances.

3 Miscellaneous receipts

Estimate €673,000; realised €588,000

The shortfall in receipts of €85,000 was mainly due to a reduction in the recoupment of salaries of officers on secondment and lower income relating to explosive fees.

4 Immigration registration fees

Estimate €38.55 million; realised €60.686 million

A surplus in receipts of €22.136 million arose compared with the original estimate provision of €38.55 million. The primary driver of the surplus receipts related to Immigration Registration Fees and once off fees related to the Undocumented Migrant Registration Scheme.

5 Visa fees

Estimate €3.385 million; realised €7.913 million

A surplus in receipts of €4.528 million arose compared with the original estimate provision of €3.385 million. The easing of travel restrictions which were introduced due to Covid-19 had a significant positive impact on visa fees. This resulted in increased demand for both long-term and short stay visas in 2022 leading to an overall increase of circa 175% in visa decisions.

6 Dormant accounts receipts

Estimate €9.674 million; realised €9.061 million

The shortfall in receipts of €613,000 compared with the original allocation of €9.674 million mainly arose in relation to the Social Enterprise Funding Kickstart project. The scheme was launched later in the year than originally expected.

7 Private Security Authority fees*Estimate €2.564 million; realised €3.424 million*

A surplus of €860,000 arose compared with the original estimate provision of €2.564 million and reflects increased fees driven by a strong demand for security services across the economy.

8 Nationality and citizenship certificates fees*Estimate €12 million; realised €13.215 million.*

A surplus in receipts of €1.215 million arose compared with the original estimate provision of €12 million. This was primarily attributable to the introduction of a modified citizenship process and the resumption of in person citizenship ceremonies in the latter half of 2022.

9 Legal Services Regulatory Authority levy on professional bodies*Estimate €1.5 million; realised €nil*

The shortfall in receipts of €1.5 million arose compared with the original estimate provision. The LSRA (and the Legal Practitioners Disciplinary Tribunal (LPDT)) is primarily funded by way of a levy of the legal profession (solicitors and barristers) set out in Part 7 of the Legal Services Regulation Act 2015 (the 2015 Act). The existing levy model is retrospective and based on the expenditure of the LSRA in the previous financial year. In 2022 the LSRA continued to increase in workload and functionality, while the LPDT engaged in establishment activities. As a result, the levy income in 2022 (based on 2021 expenditure) was not sufficient to meet all operating costs and repay amounts provided by Government. The levy model is currently being revised to a model to calculate a levy based on the budget for the year ahead and repayments of advances received.

10 Property Services Regulatory Authority fees*Estimate €2 million; realised €2.21 million*

The surplus in receipts of €210,000 compared to the original estimate reflected the bounce back in the wider economy post Covid-19 resulting in higher fees than anticipated.

12 Receipts from additional superannuation contributions on public service remuneration*Estimate provision €3.955 million; outturn €4.747million.*

The surplus in receipts of €792,000 compared with the original allocation of €3.955 million was primarily related to increased salary costs as a result of the extension of the Building Momentum Public Service pay deal.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	37	26
Collected	37	37
Transferred to the Exchequer	(37)	(26)
Balance at 31 December	37	37

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Department	1,594	1,578
Agencies ^a	1,555	1,472
Total	3,149	3,050

Note ^a Comprises staff of the agencies funded from the following subheads: A.3, A.4, A.5, A.6, A.7, A.10, A.17, A.19, A.21, A.22, B.5, B.6, B.7, B.10, B.11, B.14 and B.15.

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	78,680	70,935
Higher, special or additional duties allowances	291	182
Other allowances	3,167	2,433
Overtime and extra attendances	1,795	568
Employer's PRSI	7,281	6,199
Total pay ^a	91,214	80,317

Note ^a The total pay figure is distributed across the relevant subheads A.1, A.23 and B.1

Remuneration of Agency staff

	2022	2021
	€000	€000
Pay	87,896	83,911
Higher, special or additional duties allowances	83	111
Other allowances	3,107	2,993
Overtime and extra attendance	1,776	1,644
Employer's PRSI	6,302	5,689
Total pay	99,164	94,348

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Department staff				
Higher, special or additional duties allowances	38	11	41,852	39,739
Overtime and extra attendance	476	45	41,057	23,379
Shift and roster allowances	262	26	16,831	13,440
Foreign service allowances	9	4	45,125	54,005
Miscellaneous	286	10	51,596	23,657
Extra remuneration in more than one category	288	158	49,655	30,512
Agency staff				
Higher, special or additional duties allowances	20	2	28,563	24,291
Overtime and extra attendance	87	6	20,639	19,273
Shift and roster allowances	—	—	—	—
Miscellaneous	271	66	34,576	23,845
Extra remuneration in more than one category	26	8	21,758	33,430

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	2,089	2,108
60,000	69,999	266	298
70,000	79,999	266	208
80,000	89,999	126	127
90,000	99,999	84	59
100,000	109,999	41	40
110,000	119,999	25	12
120,000	129,999	13	2
130,000	139,999	3	2
140,000	149,999	2	4
150,000	159,999	4	5
160,000	169,999	4	2
170,000	179,999	4	1
180,000	189,999	1	1
190,000	199,999	1	—
200,000	209,999	2	1
210,000	219,999	1	—
220,000	229,999	—	—
230,000	239,000	—	1
240,000	249,999	—	—
250,000	259,999	1	1
260,000	269,999	1	—

5.5 Other remuneration arrangements

Payments totalling €121,798 were paid to 17 retired civil servants who were in receipt of civil service pensions in 2022. In addition, an amount of €178,452 was paid to 11 former public servants and €21,119 to a former judiciary member who were engaged in various roles in 2022.

A total of €3,191,778 was paid through payroll to 160 individuals in respect of duties performed in relation to various boards, committees and commissions, etc.

The account includes expenditure of approximately €450,955 in respect of seven officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

The account does not include expenditure in respect of the salaries of eleven officers who were serving outside the Department for all or part of 2022 in other Government departments/offices.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments ^a	182	549,052	554,435
Recovery plans in place	65	304,231	347,703

Eleven overpayment recovery plans in respect of eleven individuals to the value of €9,549 were transferred to eight government departments/offices in 2022.

Note ^a The overpayments figure excludes overpayment amounts for nine employees (2021: 15 employees) where the amount due is pending calculation.

5.7 Severance/redundancy

There were no severance/redundancy payments to staff during 2022.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Gross salary	212	203

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2022	2022 €000	2021 €000
Permanent commissions				
Criminal Injuries Compensation Tribunal ^a	1974		421	298
Fixed purpose commissions				
Morris Tribunal ^b	2002	68,785	1	4
Location of Victims Remains ^c	2007	8,334	185	79
Independent Review Mechanism and five inquiries established during 2017 under Section 42 of the Garda Síochána Act 2005 ^d	2014	2,239	200	319
Disclosures Tribunal ^e	2017	22,549	7,997	4,926
Independent Reporting Commission ^f	2017	155	24	24
South East Commission of Investigation ^g	2018	2,741	999	660
Study on Familicide and Domestic Homicide Reviews ^h	2019	686	182	194
Scoping review of circumstances leading to death of Shane O' Farrell ⁱ	2019	510	87	154
		105,999	10,096	6,658

- Notes
- ^a The costs in relation to the Criminal Injuries Compensation Tribunal will continue as the work of the Tribunal is ongoing, with a significant number of applications under the scheme to be considered.
- ^b The Morris Tribunal was established in 2002 and it published its final report in 2008. The cost of the Tribunal to date is almost €68.8 million with expenditure in 2022 amounting to circa €1,000 with regards to minor administrative costs.
- ^c The work of the Independent Commission for the Location of Victims Remains is ongoing, with four victims' remains still to be recovered (the fourth victim was added in 2022). Substantial costs can arise with regard to excavations for remains where sites can be identified. The Commission's activity and associated costs are largely dependent on the information made available to it with regard to the victims whose remains it is seeking to locate. Expenditure in 2022 of approximately €185,000 was incurred, almost two thirds was discharged for ongoing administrative expenses (which includes payments to the investigators), the remainder associated with searches. This brings the total spend to date to just over €8.3 million and further payments are anticipated.

- ^d Following the work of the Independent Review Mechanism, the Minister for Justice set up five inquiries under section 42 of the Garda Síochána Act 2005 in 2017 to inquire into five separate Garda investigations. Since their inception, the five inquiries have shared accommodation and administrative support. Two of these inquiries were concluded in April 2018, one concluded in October 2020, one concluded in October 2021 and the remaining one is ongoing. Expenditure of circa €200,000 was incurred in 2022.
- ^e The Disclosures Tribunal was established in February 2017 with Mr Justice Peter Charleton, a judge of the Supreme Court, as the sole member. The Tribunal was established following a review by Mr Justice Iarfhliath O'Neill of two protected disclosures made to the then Tánaiste alleging a campaign at the highest level in the Garda Síochána to discredit the whistleblower, Sgt Maurice McCabe, who made allegations of wrongdoing in the Gardaí. Judge Charleton laid his 3rd interim report before the Dáil in October 2018. Expenditure of €487,000 was incurred in relation to this module in 2022 in respect of third party legal costs.
- Mr Justice Seán Ryan took up his appointment in December 2018 to conduct the inquiry into the remaining terms of reference as provided for in the instrument establishing the Tribunal. Justice Ryan finalised the 4th interim report regarding Garda Nicholas Keogh in July 2021. It is expected that the fifth and final report of the Tribunal concerning retired Sergeants Paul Barry and William Hughes will be laid before the Houses of the Oireachtas in the first half of 2023.
- Expenditure of circa €7.51 million was incurred in relation to this module in 2022.
- ^f The Independent Reporting Commission (IRC) was established in 2017 with the intention to run for a period of five years to 2021. It is a four member cross border body established under the 2015 Fresh Start Agreement engaging in wide ranging consultations in order to report annually on the progress in Northern Ireland on implementing the agreed initiatives to counter all forms of paramilitarism. The third report from the IRC was presented to the Irish and UK Governments in November 2020. Expenditure in the region of €24,000 was incurred in 2022 with regards to administrative costs.
- ^g The South East Commission of Investigation (formerly known as the Hickson Commission and subsequently the White Commission) was established in November 2018 in response to complaints or allegations of child sexual abuse made against Bill Kenneally and related matters. This Commission was to establish what, if any, level of knowledge of the offences committed by Bill Kenneally was held by a number of organisations including An Garda Síochána, the Roman Catholic Diocese of Waterford, the South Eastern Health Board, Basketball Ireland and certain political figures in the relevant time period. While it was initially expected that the Commission would run for one year with an approximate cost of €1.3 million, initial preparatory work was more significant than expected. Hearings commenced in 2019 but were suspended pending consultations with parties. Mr Justice Barry Hickson, stepped down from his role in the Commission with effect from 30 June 2021 and has been replaced by Mr Justice Michael White. Justice White provided a comprehensive update to the Minister in September 2022 setting out the progress made by the Commission which is subject to pending related criminal trials. Expenditure in the region of €1 million was incurred in relation to the module in 2022 for staff costs, administration and legal expenses.

- ^h The then Minister for Justice established a group to carry out a Study on Familicide and Domestic Homicide Reviews in May 2019. It has conducted research and held consultations with a wide range of stakeholders including State agencies, family members of victims and Non-Governmental Organisations (NGOs). The final report was presented to the Minister for Justice in early 2023.
- ⁱ In January 2019, the then Minister for Justice appointed retired District Court Judge Gerard Haughton to carry out a scoping exercise into a number of matters surrounding the circumstances leading to the death of Shane O'Farrell. On 1 June 2022, Judge Haughton submitted his report to the Minister. Since receipt of the final report, the advice of the Attorney General was sought and received in relation to the issue of publication and other matters arising. Minister McEntee wrote to each Department/Agency responsible for issues giving rise to recommendations in the Report and on 27 July 2022 Minister McEntee provided the O'Farrell family with a copy of the report on a strictly confidential basis. A decision has not yet been taken on how to proceed regarding this report.

6.2 Ex-gratia payments

Ex-gratia payments amounting to €42,245 (2021: €407,245) were made in respect of the non-statutory legal aid scheme for Criminal Assets Bureau type actions. This scheme is applicable to persons who are respondents and/or defendants in any court proceedings brought by, or in the name of, the Criminal Assets Bureau, including court proceedings under the Proceeds of Crime Act 1996, the Revenue Acts and the Social Welfare Acts and applications made by the Director of Public Prosecutions under Section 39 of the Criminal Justice Act 1994.

Ex-gratia payments amounting to €1,434,744 (2021: €1,924,800) were made in respect of the non-statutory Garda Station Legal Aid Advice Scheme. This scheme provides that where a person is detained in a Garda station for the purpose of the investigation of an offence and s/he has a legal entitlement to consult with a solicitor and the person's means are insufficient to enable him/her to pay for such consultation, that consultations with solicitors will be paid for by the State.

Ex-gratia payments amounting to €152,782 (2021: €489,426) were made in respect of eight other cases related to other legal proceedings.

6.3 Drugs Initiative Fund

An amount of €489,571 (2021: €350,183) was received from the Drugs Initiative Fund and is accounted for through a suspense account. The funding is provided under the National Drugs Strategy 2009 – 2016 and relates to a number of Local Drug Task Force owned projects which are Probation Service supported initiatives.

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2022	2021
Number of cases	1	482	483	555
	€000	€000	€000	€000
Department's own legal costs	—	563	563	311
Payments by/on behalf of Department				
Compensation	—	453	453	491
Legal costs	26	9,751	9,777	11,677
Other costs	—	340	340	44
2022 total	26	11,107	11,133^a	12,523
2021 total	108	12,415	12,523	

- Notes
- ^a Of the total of €11.133 million, €9.19 million (82.6%) relates to the Immigration areas of the Department. The remaining legal costs were incurred across a number of areas including the Departments Criminal Legislation Division, Youth Justice Community Projects (GYDP), Property Services Regulatory Authority and International Protection Appeals Tribunal.
 - ^b At 31 December 2022, it is estimated that there are 932 cases outstanding. The comparative figure for 2021 is 629.
 - ^c Costs are reimbursed to the State Claims Agency on receipt of periodic invoices and any costs for cases settled near the end of the prior year are reimbursed on receipt of invoices in the new financial year. Details of any outstanding costs at year end are not readily available.

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
Number of cases	1	443	444
	€000	€000	€000
Department's own legal costs	—	179	179
Payments by/on behalf of Department			
Compensation	—	533	533
Legal costs	26	10,240	10,266
Other costs	—	7	7
Total	26	10,959	10,985

- Note
- ^a Generally the total cost impacts at the time and year of settlement. This is particularly the position in relation to immigration cases which account for the majority of expenditure in this area.

6.5 EU funding ^a

The outturns shown in Subheads A.9, A.11 and B.13 include payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns were as follows.

	2022		2021
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead description:			
ESF - Programme for Employability, Inclusion and Learning (PEIL) 2014 – 2020 (ESF)	1	—	21,000
Asylum, Migration and Integration Fund (AMIF) 2014 – 2020	—	—	2,700
Other EU receipts	—	—	—
	1	—	23,700

Note ^a The European Social Fund is the European Union (EU)'s main instrument for investing in people, a new ESF programme called the ESF+ 2021 -2027 has commenced.

6.6 Deferred surrender

The Vote does not have a deferred surrender balance in 2022 (2021: €5.122 million).

Appendix A Accounts of bodies under the aegis of the Department of Justice

The following table lists the bodies under the aegis of the Department. It indicates, as at end March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/ Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Criminal Assets Bureau	2021	19 Dec 2022	30 Jan 2023	28 Feb 2023
Garda Síochána Ombudsman Commission	2021	20 Sep 2022	26 Sep 2022	23 Nov 2022
Insolvency Service of Ireland	2021	22 Dec 2022	16 Jan 2023	2 Mar 2023
Legal Aid Board	2021	15 Dec 2022	8 Mar 2023	29 Mar 2023
Private Security Authority	2021	2 Jun 2022	4 Jul 2022	2 Sep 2022
Property Services Regulatory Authority	2021	6 Dec 2022	9 Dec 2022	26 Jan 2023
Legal Services Regulatory Authority	2021	20 Dec 2022	21 Dec 2022	2 Feb 2023
Parole Board	2021	5 Dec 2022	19 Dec 2022	17 Feb 2023
Judicial Council	2021	21 Dec 2022	22 Dec 2022	2 Feb 2023

Appropriation Account 2022

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required 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 2022 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €24,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Commission

The Irish Human Rights and Equality Commission is an independent statutory body, established on 1 November 2014 under the Irish Human Rights and Equality Commission Act 2014. The statutory mandate of the Commission is to protect and promote human rights and equality in Ireland and to build a culture of respect for human rights, equality and intercultural understanding. The Commission is Ireland's National Human Rights Institution and National Equality Body. It is also Ireland's National Rapporteur on Anti Human Trafficking.

The Commission has fifteen members, one of whom is the Chief Commissioner. The provisions of the Act are designed to ensure the independence of the Commission in its work. Members of the Commission are appointed by the President of Ireland, following a resolution by both Houses of the Oireachtas. The Commission is a body corporate. It accounts directly to the Oireachtas for its statutory functions and the members independently determine its policy and activities. The executive, led by the Director as Accounting Officer, implements the strategy and policies of the Commission.

The Commission must prepare every three years a strategy statement which must be laid before the Houses of the Oireachtas. The Commission's Strategy Statement 2022-2024 was laid before the Oireachtas in December 2021. The Commission must also, no later than six months after the end of each financial year, prepare an annual report on its activities which is laid before the Houses of the Oireachtas and is subsequently published.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account with the following additions.

Depreciation rate for leasehold improvements

Leasehold premises improvements are 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 Irish Human Rights and Equality Commission.

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

Shared services

Payroll and human resources services are provided to the Irish Human Rights and Equality Commission on a shared services basis by the National Shared Services Office. I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of payroll and human resources shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Commission.

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 and Risk 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 and the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Irish Human Rights and Equality Commission
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Irish Human Rights and Equality Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal audit and Audit and Risk Committee

I confirm that the Irish Human Rights and Equality Commission has an internal audit function (currently outsourced) with appropriately trained personnel. Its work is informed by analysis of the financial risks to which the Irish Human Rights and Equality Commission is exposed and its annual internal audit plans, approved by me and the Audit and Risk Committee, 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 and Risk Committee.

I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

I confirm that the Commission 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 Commission has provided details of fourteen 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Commission complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €37,706 (exclusive of VAT). The contract for graphic design and print services was extended beyond its expiry date to meet the increased needs of the Irish Human Rights and Equality Commission awareness campaign. The value of the services obtained after the expiry date of the contract was €37,706. A detailed annual procurement plan has been developed which will assist in capturing effectively the Irish Human Rights and Equality Commission procurement requirements.

The above contract has been included in the 40/2002 annual return referenced above.

Risk and control framework

The Irish Human Rights and Equality Commission 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 Irish Human Rights and Equality Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by senior management, the Audit and Risk Committee and the Irish Human Rights and Equality Commission regularly. 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, the Audit and Risk Committee and the Commission, where relevant, in a timely manner. 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 Irish Human Rights and Equality Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Irish Human Rights and Equality Commission'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, the Audit and Risk Committee and the senior management within the Irish Human Rights and Equality Commission responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

I took up responsibility as Accounting Officer on 19 September 2022 following the retirement of the former Accounting Officer, Mr. Laurence Bond.

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Éimear Fisher

Accounting Officer

Irish Human Rights and Equality Commission

28 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 25 Irish Human Rights and Equality Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2022 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 25 Irish Human Rights and Equality Commission for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Irish Human Rights and Equality Commission 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

25 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2022

		<u>2022</u>	<u>2021</u>
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Irish Human Rights and Equality Commission function	7,614	7,610	6,817
Gross expenditure	<u>7,614</u>	<u>7,610</u>	<u>6,817</u>
<i>Deduct</i>			
B Appropriations-in-aid	<u>81</u>	<u>101</u>	<u>76</u>
Net expenditure	<u><u>7,533</u></u>	<u><u>7,509</u></u>	<u><u>6,741</u></u>

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	<u>2022</u>	<u>2021</u>
	€	€
Surplus to be surrendered	<u><u>24,118</u></u>	<u><u>192,105</u></u>

Éimear Fisher

Accounting Officer

Irish Human Rights and Equality Commission

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		4,474	3,642
Non pay		3,136	3,175
Gross expenditure		7,610	6,817
<i>Deduct</i>			
Appropriations-in-aid		101	76
Net expenditure		7,509	6,741
Changes in capital assets			
Depreciation	170	170	38
Changes in net current assets			
Increase in closing prepayments	(199)		
Increase / decrease in closing accruals	273	74	(286)
Direct expenditure		7,753	6,493
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		106	88
Net programme cost		7,859	6,581

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

		2022	2021
		€000	€000
Vote 18	National Shared Services Office	9	9
Vote 43	Office of the Government Chief Information Officer	97	79
		106	88

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,473	1,643
Current assets			
Bank and cash		59	83
Prepayments	2.2	664	465
Net Exchequer funding	2.6	164	75
Other debit balances	2.3	9	1
Total current assets		896	624
Less current liabilities			
Accrued expenses	2.4	296	23
Other credit balances	2.5	232	159
Total current liabilities		528	182
Net current assets		368	442
Net assets		1,841	2,085
Represented by:			
State funding account	2.7	1,841	2,085

2.1 Capital assets

	Leasehold improvements	Furniture and fittings	IT and office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022 ^a	1,746	360	476	2,582
Additions	—	—	—	—
Cost or valuation at 31 December 2022	1,746	360	476	2,582
Accumulated depreciation				
Opening balance at 1 January 2022	508	205	226	939
Depreciation for the year	87	36	47	170
Cumulative depreciation at 31 December 2022	595	241	273	1,109
Net assets at 31 December 2022	1,151	119	203	1,473
Net assets at 31 December 2021	1,238	155	250	1,643

Note ^a A threshold of €10,000 for the capitalisation of capital assets for asset additions has been applied from 1 January 2021. The opening balance asset valuation, based on historic cost, included assets valued at less than €10,000.

2.2 Prepayments

at 31 December	2022	2021
	€000	€000
Training and development and incidental expenses	500	341
Office premises expenses	114	98
Office equipment and external IT services	47	21
Travel and subsistence	2	—
Postal and telecommunications services	1	—
Consultancy and VFM and policy reviews	—	5
	664	465

2.3 Other debit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Tax saver ticket	4	—
Payroll debtors	3	—
Cycle to work scheme	2	1
	9	1

2.4 Accrued expenses

at 31 December	2022	2021
	€000	€000
Consultancy and VFM and policy reviews	145	—
Office premises expenses	82	5
Training and development and incidental expenses	44	6
Office equipment and external IT services	19	10
Postal and telecommunications services	3	2
Travel and subsistence	3	—
	296	23

2.5 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Professional services withholding tax	88	47
Income tax	71	52
Pay related social insurance	53	40
Universal social charge	14	10
Value added tax	5	8
Salaries	1	1
Tax saver ticket	—	1
	232	159

2.6 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	24	192
Exchequer grant undrawn	(188)	(267)
Net Exchequer funding	(164)	(75)
Represented by:		
Debtors		
Bank and cash	59	83
Debit balances	9	1
	68	84
Creditors		
Due to the State	(232)	(159)
	(232)	(159)
	(164)	(75)

2.7 State funding account

	Note	2022	2021
		€000	€000
Net assets at 1 January		2,085	1,837
Disbursements from the Vote			
Estimate provision	Account	7,533	
Surplus to be surrendered	Account	24	
Net vote		7,509	6,741
Expenditure (cash) borne elsewhere	1.1	106	88
Net programme cost	1	(7,859)	(6,581)
Balance at 31 December		1,841	2,085

2.8 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services ^a	1,306	1,740
Non-capital grant programmes	284	101
Legal and other projects	35	138
Total of legally enforceable commitments	1,625	1,979

Note ^a Lease of premises commitment is €393,897 per year up to 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 25 Irish Human Rights and Equality Commission is classified as administration expenditure applied towards a single programme: Irish Human Rights and Equality Commission function.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	4,356	4,474	3,642
ii	Travel and subsistence	30	35	4
iii	Training and development and incidental expenses	1,887	1,571	1,638
iv	Postal and telecommunications services	47	71	75
v	Office equipment and external IT services	244	289	320
vi	Office premises expenses	600	515	511
vii	Consultancy services and value for money and policy reviews	450	655	627
		7,614	7,610	6,817

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €450,000; outturn €655,000

The increase on expenditure of €205,000 on consultancy services and policy review was due to increased specialist legal assistance required to support our increased human rights and equality litigation activity pursued by IHREC in accordance with its statutory functions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	81	88	73
2	Miscellaneous	—	13	3
Total		81	101	76

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>82</u>	<u>73</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	4,031	3,288
Higher, special or additional duties allowances	22	13
Overtime	—	1
Employer's PRSI	421	340
Total pay	<u>4,474</u>	<u>3,642</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	3	1	13,176	12,740
Overtime	—	—	—	934

5.4 Other remuneration arrangements

In 2022, one retired civil servant in receipt of a civil service pension was re-engaged at a total cost of €33,600. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Commission staffing by pay band

The number of Commission employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	56	49
60,000	69,999	4	3
70,000	79,999	6	4
80,000	89,999	3	1
90,000	99,999	1	3
100,000	109,999	2	—
110,000	119,999	—	2
120,000	129,999	2	—
130,000	139,999	—	—
140,000	149,999	—	1
150,000	159,999	1	—

5.6 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	8	12,087	4,225
Overpayments with recoupment plans in place.	3	3374	4,225

The Irish Human Rights and Equality Commission is engaging with the National Shared Services Office to implement the recoupment plans in place.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay		
Laurence Bond (retired 31 December 2022)	112	101
Éimear Fisher (appointed 19 September 2022)	30	—
Allowances	17	25
	159	126

Éimear Fisher was appointed as an interim Accounting Officer for a period of nine months.

The value of retirement benefits earned in the period are not included above. Laurence Bond was a member of the pre-2004 superannuation scheme for non-established State employees, and his entitlements to retirement benefits did not extend beyond the terms of that scheme.

Éimear Fisher is a member of the post 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that scheme.

Appropriation Account 2022

Vote 26

Education

Introduction

As Accounting Officer for Vote 26, 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 2022 for the salaries and expenses of the Office of the Minister for Education, for certain services administered by that Office, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €48.889 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, National Development Plan Delivery and Reform in circular 22 of 2022 have been applied in the preparation of the account.

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

National Shared Services Office

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 human resources and payroll shared services. I rely on a letter of assurance from the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

Department of Further and Higher Education, Research, Innovation and Science

The Department is providing a shared service to the Department of Further and Higher Education, Research, Innovation and Science across a number of business and corporate areas. A notional charge has been applied under Note 1.1 Net allied services to reflect the use of assets and costs attributable to the shared service.

The detailed arrangements governing these shared services are subject to a process of on-going joint development and documentation. This includes memorandums of understanding between the two Departments setting out the ICT provision and shared services delivery to the tertiary sector; capital planning; and finance and governance of aegis bodies. Agreements covering other shared service functions are still being progressed.

Department of Children, Equality, Disability, Integration and Youth

Tusla is an aegis body of the Department of Children, Equality, Disability, Integration and Youth. Functions under section 10 of the Education (Welfare) Act 2000, performed by Tusla, and the administration of the School Completion Programme and the Home School Community Liaison scheme, are under the remit the Minister for Education with effect from 1 January 2021. The Department's arrangements for governing these services are set out in the Child and Family Agency (Amendment) Act 2021, and in agreements agreed between both Departments and between the Department of Education and Tusla.

Education Shared Business Services

In 2022, the Department continued the roll out of its shared services plan, investigating the opportunities for shared service initiatives across the education sector and actively participating in the roll out of traditional shared services across the Civil Service. This included the continued roll out of payroll and financial shared services for the ETB sector; development of schools' employee payroll shared services; procurement reforms through the work of the Education Procurement Programme Board and establishing a reporting and data analytics hub for the sector.

A Project Management Office was also established in 2022 and will oversee and set priorities for the work on the major shared services and IT programmes.

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
- 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.

Internal audit, European Social Fund 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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit plan is reviewed periodically by the Accounting Officer and by the Audit Committee. Procedures are in place to ensure that recommendations included in internal audit reports are tracked for implementation by management.

The ESF Audit Authority is a section within the Internal and EU Audit Unit and is functionally independent. It operates with the direct authority of the Minister for Public Expenditure National Development Plan Delivery and Reform in line with the terms of SI No.188/2017 and in accordance with its own written charter. It reports to the European Commission on the conduct of its audit programme in respect of compliance with the regulatory requirements of the European Union in relation to the management, control and audit of European Social Fund (ESF) funds in Ireland. As the European Social Fund is managed by a unit within the Department of Further and Higher Education, Research, Innovation and Science (Vote 45), the ESF Audit Authority reports to that Department's Audit Committee in accordance with its Charter.

Procurement

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 has provided details of 32 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of eighteen contracts (in excess of €25,000), totalling €3,588,315 (exclusive of VAT), as set out below.

- Ten contracts with a value of €1,432,766 were awarded for IT and project support that relied on a non-compliant framework agreement.
- Five contracts with a value of €2,018,484 were extended for business continuity reasons.
- Two contracts with a value of €103,336 were awarded on an urgent basis where services were required immediately.
- A further contract was awarded for €33,729 where there was limited availability of the service required.

The above contracts have been included in the 40/2002 annual return referenced above.

Of the eighteen contracts

- Ten will continue until their expiration.
- Four are in a tender process or have had contracts awarded.
- One will continue through 2023 as preparations are made to approach the market with an appropriate tender.
- One will cease in 2023 and the service will not be required.
- Two are licences, whose usage is embedded within the education system and for which long term sourcing strategies are being developed.

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 risks are signed off at head of business unit level and noted by the Management Board member responsible for that business area. The register details the controls and actions needed to mitigate risks and the register is used, along with other relevant processes, to ensure that risks are managed or mitigated.

In addition, the Department has a Risk Committee, which assists me and the Management Board to fulfil our risk management responsibilities. The risk committee has a number of functions including

- defining and maintaining risk management policy and standards for the management of corporate risks
- ensuring that roles and responsibilities for risk management are clearly defined and communicated across the Department
- reviewing new risks which carry a medium (amber) or high (red) risk rating and the proposed mitigations
- presenting periodic reports to the Management Board summarising the status of the risk management programme and
- highlighting major areas of risk (if any).

The Department's governance framework sets out the governance procedures, processes and principles that underpin the work of the Department. It is kept under ongoing review.

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. In 2022, the IPA was commissioned to carry out a review of risk management policy and practices in the Department. This process is still ongoing and is expected to be concluded in 2023.

ICT security

The Department has a strong commitment to the security of its ICT systems and has developed a cyber security readiness framework based on the National Cyber Security Centre (NCSC) baseline standards. The ICT unit also work closely with the National Computer Security Incident Response Team (CSIRT), which provide assistance in detecting counteracting, or remediating security risks for the Department's information, computer systems, physical property and other assets.

The Department's cyber security protocols are supported by the work of NCSC and CSIRT, which provide, early warnings, alerts, announcements and dissemination of information about risk and incidents. This is complemented by additional security expertise provided for by multiple third party security organisations.

The Department continues to focus on recruiting ICT staff members that have security qualifications and all ICT security arrangements are subject to review by the internal audit unit.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2022 that resulted in losses that require disclosure in the appropriation account.

Education sector corporate governance

The state bodies under the aegis of the Department of Education are overseen by relevant policy divisions within the Department, who are supported by other relevant divisions across the Department, including the Department's Sectoral Governance Unit. With effect from 31 August 2022, the National Centre for Guidance in Education ceased to operate, leaving the Department with ten bodies under its aegis.

Responsibility for delivery on the mandate and functions of the Department's aegis bodies rests in the first instance with each board and the chairperson of the respective board. The relationship between the Department and each of the bodies under the aegis is typically governed by

- the legislative underpinning of the body, and
- Department of Public Expenditure, National Development Plan Delivery and Reform's *Code of Practice for the Governance of State Bodies* in conjunction with the supporting annexes to that code.

During 2022, the Department continued to roll out a formal review process, the Compliance Assurance Return (CAR) to aid the Department in being assured as to the extent to which its in-scope aegis bodies adhere to the core components of the Code of Practice. This review process also provided assurance on the extent to which the aegis bodies are complying with evolving governance and statutory requirements.

The governance material gathered from the assurance return process is utilised to enable the Department to further consider appropriate governance work programmes to roll out in future years. It is intended that the assurance return will remain as a feature of the governance oversight work programme in 2023. The Department continues to work with its aegis bodies to ensure, where appropriate, that the oversight conditions laid out in the Code of Practice are satisfied and that robust performance delivery agreements or equivalent are in place for each body. As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the Code have been agreed and documented in order to satisfy the code's "comply or explain" requirements.

Within the wider education sector, a sectoral code of practice aligned to the Code of Practice and the specific regulatory frameworks of the Education and Training Boards (ETBs) is in place.

The Department continues to avail of membership of a Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance and aids the Department with the supply of timely advice and information supports to enhance good governance and to aid in the continuing professional development of the Department's staff.

Bernie McNally
Accounting Officer
Department of Education

25 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 26 Education

Opinion on the appropriation account

I have audited the appropriation account for Vote 26 Education for the year ended 31 December 2022 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 26 Education for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Education and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2022.

Seamus McCarthy

Comptroller and Auditor General

26 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 26 Education

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	First, second and early years education			
	<i>Original</i>	9,282,551		
	<i>Supplementary</i>	<u>925,000</u>		
	Gross expenditure	10,207,551	10,176,293	9,263,008
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	318,216		
	<i>Supplementary</i>	<u>73,000</u>		
		391,216	408,847	380,141
Net expenditure				
	<i>Original</i>	8,964,335		
	<i>Supplementary</i>	<u>852,000</u>		
		9,816,335	9,767,446	8,882,867

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	<u>48,889,202</u>	<u>27,843,162</u>

Bernie McNally
Accounting Officer
Department of Education

25 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		10,056,262	9,160,015
Pay		100,607	85,207
Non pay		19,424	17,786
Gross expenditure		10,176,293	9,263,008
<i>Deduct</i>			
Appropriations-in-aid		408,847	380,141
Net expenditure		9,767,446	8,882,867
Changes in capital assets			
Purchases cash	(201,411)		
Depreciation	1,755		
		(199,656)	(122,451)
Changes in net current assets			
Increase in closing accruals	26,037		
Decrease in inventories	83		
		26,120	14,273
Direct expenditure		9,593,910	8,774,689
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		25,697	27,428
Notional rents		3,221	3,196
Net programme cost		9,622,828	8,805,313

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 26 borne elsewhere, less the cost of services provided to Vote 45.

		2022 ^a	2021 ^a
		€000	€000
Vote 9	Office of the Revenue Commissioners	184	146
Vote 12	Superannuation and Retired Allowances	26,106	25,122
Vote 13	Office of Public Works	1,895	2,886
Vote 18	National Shared Services Office	166	171
Vote 43	Office of the Government Chief Information Officer	130	239
	Central Fund - ministerial pensions	282	274
	Apportioned cost of shared services for Vote 45	(3,066)	(1,410)
		25,697	27,428

Note ^a The net allied services expenditure figures do not include figures related to aegis bodies or agencies of the Department. The net allied services expenditure has been assigned directly to the Vote and where this was not appropriate it was apportioned based on an agreed allocation of costs between Vote 26 and Vote 45.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	537,858	409,372
Current assets			
Bank and cash	2.2	192,062	171,819
Inventories ^a		—	83
Prepayments	2.3	28,711	18,519
Overpayments for recoupment	5.6	7,576	7,060
Secondment costs for recoupment		965	482
Amounts due from the EU		10	10
Accrued income	2.4	1,299	2,362
Other debit balances	2.5	591	1,898
Total current assets		231,214	202,233
Less current liabilities			
Accrued expenses	2.6	84,291	51,582
Salary recoupment to other departments and agencies		64	—
EU moneys for distribution		8,508	8,508
Other credit balances	2.7	181,863	162,290
Net Exchequer funding	2.8	2,292	2,929
Total current liabilities		277,018	225,309
Net current assets		(45,804)	(23,076)
Net assets		492,054	386,296
Represented by:			
State funding account	2.9	492,054	386,296

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as inventory.

2.1 Capital assets

	Land and buildings	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2022	247,860	7,040	27,200	155,871	437,971
Additions ^a	22,413	—	195	175,803	198,411
Assets brought into use	47,923	—	238	(48,161)	—
Disposals	(70,356)	(10)	(141)	—	(70,507)
Adjustment ^b	—	(1,321)	(4,023)	2,186	(3,158)
Cost or valuation at 31 December 2022	247,840	5,709	23,469	285,699	562,717
Accumulated depreciation					
Opening balance at 1 January 2022	—	6,754	21,845	—	28,599
Depreciation for the year	—	38	1,717	—	1,755
Depreciation on disposals	—	(10)	(141)	—	(151)
Adjustments	—	(1,321)	(4,023)	—	(5,344)
Cumulative depreciation at 31 December 2022	—	5,461	19,398	—	24,859
Net assets at 31 December 2022	247,840	248	4,071	285,699	537,858
Net assets at 31 December 2021	247,860	286	5,355	155,871	409,372

- Notes
- ^a The land and buildings additions of €22.413 million include
- a site transferred to the Department from SOLAS at a nil cost in line with Department of Public Expenditure, National Development Plan Delivery and Reform circulars, included in the land register at a valuation of €250,000
 - a site transferred to the Department under the redress indemnity agreement, included at a valuation of €120,000
- ^b The adjustment of €3.158 million includes
- (€5.344 million) relating to the removal from the furniture and fittings and office equipment registers of fully depreciated assets with a cost below the €10,000 asset threshold.
 - €2.186 million relating to the restatement of pre-2022 expenditure.

General information note

There are no State-owned lands or buildings controlled by the Department of Education without a valuation except for some education centres for which a valuation is currently outstanding. Land and buildings owned by the Department are controlled and managed as follows.

1 Transfer of school properties 2022

The Department treats the transfer of the control of an asset to a school authority as a disposal for accounting purposes in this account. Ownership is not transferred. The school properties, or parts thereof, which transferred during 2022 are included in the table below.

Name of school	Valuation ^a
	€000
Malahide Portmarnock ETSS, Swords, Co. Dublin	49,919
St. Patrick's National School, Castleknock, Co. Dublin	20,312
Coláiste Treasa, Kanturk, Co. Cork	125
	70,356

Note ^a The total figure included for technical disposals comprises the cost of the site on which the school is built and the actual costs incurred in bringing the school to its present condition including an accrual for works completed in 2022 not paid for at 31 December 2022.

2 Primary level

There were 3,231 national schools in operation on 31 December 2022. The majority of these schools are denominational and are owned by the relevant diocesan authority. The exceptions are as follows.

- Sites for 67 first-level schools are owned and controlled/managed by the Minister for Education.
- In the case of 173 schools, the schools are operating on sites or buildings owned or leased by the Department but the school is controlled/managed by the Board of Management. 17 are operating in temporary or permanent accommodation on sites not owned by the Department.

3 Post-primary level

There are a total of 727 post primary schools. 357 schools are privately owned. The remainder are operating as follows.

- Fourteen comprehensive schools, 82 community schools and 27 secondary schools owned by the Minister for Education are controlled/managed by Boards of Management.
- There are 247 post primary schools which are primarily vested in Education and Training Boards under the Education and Training Board Act 2013. 28 of these schools are in the ownership of the Minister for Education.
- Sites for 36 second-level schools are owned and controlled/managed by the Minister for Education.

4 Other

Following the enactment of the Children Act 2001, the only outstanding matter relating to one children's detention centre is the notification to the Property Registration Authority by the Office of the Chief State Solicitor (CSSO) of the change of ownership of the school property from the Minister for Education to Tusla (the Child and Family Agency). The CSSO was instructed by the Department to notify the Property Registration Authority of the change of ownership and this is in progress. This property is not included as an asset in Note 2.1 above as the property is not in the control of the Minister, rather it is in the control of the institution's own authority.

The Minister is one of two guarantors of the Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh which is used for the Middletown Centre for Autism.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	191,030	170,939
Commercial bank account balances	1,029	877
Petty cash	3	3
	192,062	171,819

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Advance to Bus Éireann – school transport	13,244	8,990
Advance to State Examinations Commission	831	182
ICT support and licensing contracts	1,499	1,790
Pre-funding of school building projects	8,736	5,728
Rental of temporary school accommodation	1,344	47
Shared services implementation	526	342
School broadband contracts	571	498
Other administration	502	138
Other programme	1,458	804
	28,711	18,519

2.4 Accrued income

at 31 December	2022	2021
	€000	€000
Additional superannuation contributions	27	160
School salary grant	1,102	1,454
Miscellaneous	170	748
	1,299	2,362

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Agency payments OPW	330	124
Payroll suspense	—	1,444
Cycle to work scheme	44	66
Travel pass scheme	132	187
Recoupable salaries	36	22
Shared offices' costs recoupment	46	52
Superannuation related payovers	3	3
	591	1,898

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Schools capital programme	66,436	39,856
Schools PPP unitary charges	4,811	4,560
Bus Éireann	8,402	4,166
Other programme	4,228	2,188
Other administration	414	812
	84,291	51,582

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	86,827	79,902
Pay related social insurance	60,364	54,990
Universal social charge	16,857	15,175
Local property tax	365	327
Professional services withholding tax	1,072	973
Value added tax	8,152	4,598
Pension contributions	110	42
	<u>173,747</u>	<u>156,007</u>
Transfer of functions	257	195
Agency payments to OPW	—	393
Travel pass scheme	1	—
Energy Building Programme	6,477	4,794
Payroll suspense	822	773
Miscellaneous	529	128
Exchequer extra receipts	30	—
	<u>181,863</u>	<u>162,290</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	48,889	27,843
Exchequer grant undrawn	(46,597)	(24,914)
Net Exchequer funding	<u>2,292</u>	<u>2,929</u>
Represented by:		
Debtors		
Bank and cash	192,062	171,819
Other debit balances	591	1,898
Amounts due from the EU	10	10
	<u>192,663</u>	<u>173,727</u>
Creditors		
Due to the State	(173,747)	(156,007)
EU moneys for distribution	(8,508)	(8,508)
Other credit balances	(8,116)	(6,283)
	<u>(190,371)</u>	<u>(170,798)</u>
	<u>2,292</u>	<u>2,929</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		386,296	279,158
Disbursements from the Vote Estimate provision	Account	9,816,335	
Surplus to be surrendered	Account	<u>(48,889)</u>	
Net vote		9,767,446	8,882,867
Expenditure (cash) borne elsewhere	1.1	25,697	27,428
Non cash expenditure – capital assets ^a	1	(67,778)	(1,040)
Non cash expenditure – notional rent	1	3,221	3,196
Net programme cost		<u>(9,622,828)</u>	<u>(8,805,313)</u>
Balance at 31 December		<u>492,054</u>	<u>386,296</u>
Note ^a The non-cash items comprise			€000
• Accounting treatment for the disposal of construction assets			(70,356)
• Year on year net increase in capital accruals			(59)
• Restatement of the capital assets under development expenditure to include pre-2022 expenditure			2,186
• Accrued CAUD costs 2022			81
• Property transferred to the Department from SOLAS and under the redress indemnity agreement			370
			<u>(67,778)</u>

2.10 Commitments

at 31 December	2022	2021
	€000	€000
Global commitments		
Procurement of goods and services	6,457	6,126
Non-capital grant programmes ^{a, b}	2,319,159	2,159,779
Capital grant programmes ^c	35,500	22,800
Capital projects ^d	699,388	590,553
Public private partnership projects	1,025,368	1,055,903
Total of legally enforceable commitments	4,085,872	3,835,161

- Note ^a Non-capital grant programmes include grants that will be made to aegis bodies and other organisations including schools to fund current expenditure including pay.
- ^b The 2021 non-capital grant programmes commitments figure has been restated to remove other funding that was previously reported as non-capital grant commitments.
- ^c Capital grant programmes relate to grants that will be made to aegis bodies for all capital projects, including education and training boards.
- ^d Capital projects are those managed and overseen by the Department itself.

Major capital projects

Capital projects involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2021 ^b	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of projects 2022	Expected total spend lifetime of projects 2021 ^b
	€000	€000	€000	€000	€000
Primary and post primary schools (subhead A.15) ^{a, b}	868,894	335,795	513,505	1,718,194	1,229,599

- Note ^a A breakdown of the above table is presented in Appendix B
- ^b The cumulative expenditure to 31 December 2021 and the expected total spend 2021 lifetime spend have been restated primarily due to the following.
- For 19 new school projects contractually committed in 2022 and three projects which reached the €10 million threshold in 2022, pre-2022 expenditure has now been included.
 - 14 projects have been removed as they are finalised, or the total project cost is now under the €10 million threshold or the outstanding commitment is less than €10,000.

Unitary payments of public private partnership projects

The Department has to date entered into six separate contracts to design, build, finance, maintain and operate bundles of schools under the public private partnership (PPP) model. PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed. In addition to the table below, a brief summary of each PPP project is provided at Appendix C.

Name of PPP project	Cumulative expenditure to 31 December 2021	Expenditure in 2022 ^a	Legally enforceable commitments to be met in subsequent years	Project total 2022	Project total 2021
	€000	€000	€000	€000	€000
Five pilot schools	215,517	11,050	57,134	283,701	282,616
1 st bundle	109,282	9,451	129,822	248,555	243,583
2 nd bundle	136,200	12,443	190,914	339,557	330,016
3 rd bundle	129,838	15,181	271,851	416,870	409,257
4 th bundle	51,582	7,714	154,703	213,999	209,094
5 th bundle	32,161	8,179	220,944	261,284	255,917
	674,580	64,018	1,025,368	1,763,966	1,730,483

Note ^a The expenditure reflected at the end of 2022 relates specifically to capital payments. The expenditure in the table above is included in the overall outturn of €64.169 million on subhead A.16. The subhead also includes certain grant payments to PPP provided schools.

Significant variations in PPP project costs

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2021 to 2022.

Indexation

The Department makes monthly unitary charge payments to the relevant PPP company on all operational PPP projects. The unitary charge payment is made up of two elements – a fixed cost element, and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI). An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

Five pilot schools bundle

The increase in costs from 2021 to 2022 of €1.085 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 1

The increase in costs from 2021 to 2022 of €4.972 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 2

The increase in costs from 2021 to 2022 of €9.541 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 3

The increase in costs from 2021 to 2022 of €7.613 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 4

The increase in costs from 2021 to 2022 of €4.905 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 5

The increase in costs from 2021 to 2022 of €5.367 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Expenditure on rental of temporary school premises

During 2022, expenditure under subhead A.15 included amounts totalling €41.5 million in respect of the rental of temporary school premises (2021: €29.5 million).

2.11 Matured liabilities

at 31 December	2022 €000	2021 ^a €000
Estimate of matured liabilities not discharged at year end	825	2,807

Note ^a The 2021 matured liabilities figure has been restated in line with the 2022 appropriation account circular.

2.12 Contingent liabilities

Middletown Centre for Autism

A pension liability in the region of €1,800,000 as at the end of 2022 (2021: €1,800,000) may arise in relation to an agreement between the Department of Education for Northern Ireland Local Government Pension Scheme and the Department of Education. In the agreement, dated 16 November 2007, the Departments guaranteed payment in full of any pension liabilities of Middletown Centre for Autism Ltd in the event that the Centre ceases to exist or is otherwise unable to discharge its pension liabilities. The Centre continues to operate and this liability is not expected to arise in the immediate future.

Schools remediation programme

The Department continues to pursue legal proceedings in relation to defects discovered in 40 schools built by Western Building Systems. The Department has paid for remediation works in these schools. The costs of remediation is met from a contingency provision within the capital budget.

40 schools were assessed as requiring remediation work due to the identification of structural defects. Remediation work has taken place on these schools, and the Department is continuing to complete the required remediation as part of a wider remediation/refurbishment/retrofit programme of works that will also future proof the schools from a climate perspective. The recovery of costs to the Exchequer of the remediation is subject to ongoing legal proceedings outlined above.

Legal cases

The Department is involved in a number of legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of the potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure has been allocated to Programme A to present a complete programme costing.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	81,728	79,784	65,665
ii	Travel and subsistence	1,659	1,185	498
iii	Training and development and incidental expenses	1,670	1,718	1,493
iv	Postal and telecommunications services	2,249	3,498	2,737
v	Office equipment and external IT services	14,251	8,685	9,333
vi	Office premises expenses	1,535	1,533	1,136
vii	Consultancy and other services	126	22	—
viii	National Educational Psychological Service ^a	24,627	23,606	22,131
		127,845	120,031	102,993

Note ^a The National Educational Psychological Service subhead is primarily a pay subhead. Pay expenditure is allocated to A.1 Administration pay subhead and non-pay expenditure is allocated to A.2 Administration non-pay under Programme A.

Significant variations

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

ii Travel and subsistence

Estimate provision €1.659 million; outturn €1.185 million

The decrease in expenditure of €474,000 relative to the estimate provision was due to foreign and domestic travel on official business not returning to pre-pandemic levels during 2022.

iv Postal and telecommunications services

Estimate provision €2.249 million; outturn €3.498 million

The increase in expenditure of €1.249 million is due to actual postage costs exceeding the estimate provision. This was partly due to additional cost of providing employees with benefit statements as required under the Single Pension Scheme Act 2012 and a general increase in postage service costs.

v Office equipment and external IT services

Estimate provision €14.251 million; outturn €8.685 million

The decrease in expenditure of €5.566 million relative to the estimate is primarily due to

- delays in the roll-out of planned IT projects due to difficulties in recruiting staff with expertise required (€6.386 million)
- additional expenditure arising from legal costs associated with the Calculated Grades Executive Office (€1.035 million).

vii Consultancy and other services

Estimate provision €126,000, outturn €22,000

This allocation is intended to cover the cost of consultancy for business units that do not have their own budget for this type of expenditure. In 2022, the requirement to draw from this subhead was lower than anticipated.

Programme A First, Second and Early Years Education

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
			Outturn	Outturn
			€000	€000
A.1	Administration – pay			
	<i>Original</i>	100,637		
	<i>Supplementary</i>	<u>2,706</u>		
			103,343	100,607
				85,207
A.2	Administration – non pay		24,502	19,424
				17,786
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers			
	<i>Original</i>	2,835,078		
	<i>Supplementary</i>	<u>142,978</u>		
			2,978,056	2,981,779
				2,781,360
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers			
	<i>Original</i>	1,526,251		
	<i>Supplementary</i>	<u>78,004</u>		
			1,604,255	1,578,789
				1,460,743
A.5	Grants to education and training boards in respect of ETB teachers' salaries			
	<i>Original</i>	696,326		
	<i>Supplementary</i>	<u>35,588</u>		
			731,914	738,719
				667,343
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools			
	<i>Original</i>	712,076		
	<i>Supplementary</i>	<u>36,393</u>		
			748,469	745,844
				669,113

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	<i>Original</i> 106,837			
		<i>Supplementary</i> 7,068			
			113,905	108,109	104,999
A.8	Superannuation etc. in respect of teaching and non-teaching staff	<i>Original</i> 1,365,926			
		<i>Supplementary</i> 36,731			
			1,402,657	1,406,032	1,310,197
A.9	School transport services	<i>Original</i> 269,669			
		<i>Supplementary</i> 69,000			
			338,669	338,904	289,511
A.10	Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions	<i>Original</i> 586,222			
		<i>Supplementary</i> 188,058			
			774,280	767,212	626,347
A.11	Grants to education bodies working in the primary and post primary sectors	<i>Original</i> 163,511			
		<i>Supplementary</i> 16,318			
			179,829	175,460	142,077
A.12	Teacher education	<i>Original</i> 37,986			
		<i>Supplementary</i> 33			
			38,019	34,965	30,748

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission			
	<i>Original</i>	2,561		
	<i>Supplementary</i>	15		
			2,576	1,210
				1,641
A.14	Miscellaneous grants and services			
	<i>Original</i>	63,094		
	<i>Supplementary</i>	108		
			63,202	43,335
				161,354
A.15	Primary and post primary infrastructure			
	<i>Original</i>	723,875		
	<i>Supplementary</i>	312,000		
			1,035,875	1,071,735
				851,086
A.16	Public private partnership costs			
			68,000	64,169
				63,496
			10,207,551	10,176,293
				9,263,008

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 €893.742 million higher than originally provided.

A.3 Salaries, wages and allowances (including incidental payments) of primary school teachers

Estimate provision €2,835.078 million; outturn €2,981.779 million

The increase in expenditure of €146.701 million relative to the estimate provision was primarily due to cost associated with the:

- Extension to the Building Momentum public sector pay agreement (€75.243 million).
- Continued delivery of the enhanced Summer Education Programme that was not originally provided for in 2023 allocations (€21.8 million).
- Additional teaching hours under the Covid Learning and Support Scheme (CLASS) and extra teacher substitution cover needed due to Covid related absences (€43.921 million). This expenditure is additional to €30.592 million included for Covid measures in the original 2022 allocation for this subhead.
- Additional teacher posts due to the number of Ukrainian pupils enrolled in primary schools (€10.248 million).
- A range of other payroll related costs and savings resulting in some net offsets against the above expenditure pressures.

A.5 Grants to education and training boards in respect of ETB teachers' salaries

Estimate provision €696.326 million; outturn €738.719 million

The increase in expenditure of €42.393 million relative to the estimate provision was primarily due to cost associated with the following.

- Extension to the Building Momentum public sector pay agreement (€20.904 million).
- Continued delivery of Covid related measures including increased level of post primary teaching posts for the 2021/22 school year, additional teaching hours under the CLASS programme and teacher substitution cover needed due to Covid related absences (€7.71 million) This expenditure is additional to €16.029 million included for Covid measures in the original 2022 allocation for this subhead.
- Additional teacher posts due to the number of Ukrainian pupils enrolled in post primary schools (€2.551 million).
- Other expenditure pressures arising from core ETB payroll services.

A.9 School transport services

Estimate provision €269.669 million; outturn €338.904 million

The increase in expenditure of €69.235 million relative to the estimate provision was primarily due to cost associated with the following.

- Cost of living measures that provided for a waiver of school transport fees for pupils and a fuel contribution grant to transport service providers (€49.3 million).
- Enhanced cleaning of school transport vehicles (€6 million).
- Additional school transport services provided for Ukrainian pupils enrolled in schools (€2.4 million).
- A range of existing expenditure pressures on the core services of the school transport scheme.

A.10 Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions

Estimate provision €586.222 million; outturn €767.212 million

The increase in expenditure of €180.99 million relative to the estimate provision was primarily due to the following.

- Covid-19 grants for term 3 of the 2021/2022 and term 1 of the 2022/2023 school year that were paid to schools for PPE, hand sanitiser, cleaning and supervision that were not included in the original estimate provision (€96.208 million).
- A once-off cost of living measure was paid to schools assist with school running costs (€89.941 million).
- Savings due to delays in the delivery of National Recovery and Resilience Programme and ICT school projects (€4.86 million).
- Savings due to School Completion Programme funds being allocated to this subhead that was subsequently paid through Tusla from the A11 subhead (€5.41 million).
- A range of other school capitation expenditure pressures due to pupil enrolled in schools being greater than the profiled funding along with some other spending pressures.

A.11 Grants to education bodies working in the primary and post primary sectors

Estimate provision €163.511 million; outturn €175.46 million

The increase in expenditure of €11.949 million relative to the estimate provision was primarily due to

- Additional funding provided to the State Examinations Commission mainly for the waiver of Leaving Certificate and Junior Cycle examinations fees and increased rates of payment for examiners (€15.529 million).
- The payment of School Completion Programme funding allocated to the A.10 subhead that was subsequently paid through Tusla from this subhead (€5.4 million).
- The National Council for Special Education (NCSE) recorded savings across a number of areas including slower than planned recruitment and savings under the School Inclusion Model and In-School Therapy projects (€7.463 million).
- Planned activities under the Music Generation programme did not fully operate as a result of Covid-19 (€992,000).
- Activities planned by the National Council for Curriculum and Assessment (NCCA) and An Chomhairle um Oideachas Gaeltachta agus Gaelscolaíochta (COGG) continued to be impacted by Covid-19 (€504,000).

A.12 Teacher education

Estimate provision €37.986 million; outturn €34.965 million

The decrease in expenditure of €3.021 million relative to the estimate provision was primarily due to

- Savings from continuing professional development courses being held online and outside of class contact time rather than face-to-face (€1.63 million).
- Saving from lower than anticipated spend in other teacher education areas including post-primary upskilling programmes and the Gaeltacht strategy (€1.85 million).
- Savings in payments to education support centres (ESCs) whereby funding retained by ESCs at the end of 2021 was offset against 2022 grant payments in compliance with Circular 13/14 (€920,000).
- Savings being offset by increased expenditure in other areas including Gaeltacht Placement where courses postponed due to Covid-19 were held during 2022 (€950,000) and a once-off grant to Marino Institute of Education to compensate for the reduction in student contribution fees (€608,000).

A supplementary of €33,000 was approved for this subhead to provide for costs arising from the extension to the Building Momentum pay agreement.

A.13 Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission

Estimate provision €2.561 million; outturn €1.210 million

The decrease in expenditure of €1.351 million relative to the estimate provision was primarily due to the following.

- Lower than anticipated running costs of the Redress Board and Commission to Inquire into Child Abuse (€786,000).
- Capital expenditure allocated for the victims of institutional abuse not being carried out (€500,000).

A.14 Other grants and services

Estimate provision €63.094 million; outturn €43.335 million

The decrease in expenditure of €19.759 million relative to the estimate provision was primarily due to

- Expenditure on the ex-gratia scheme arising from the implementation of the European Court of Human Rights Judgement in O'Keeffe v Ireland was lower than anticipated. (€12.770 million).
- Delays in the roll out of certain projects in education shared services programmes (€2.763 million).
- Funding to primary and post-primary school management bodies was lower than anticipated and was mainly attributable to slower than planned recruitment in the Financial Support Services Unit (FSSU) (€1.405 million).
- Delays in the roll out of Science, Technology, Engineering and Maths (STEM) projects (€1.393 million).
- Lower than anticipated level of activity on Dormant Account funded and other strategic Department projects (€625,000).

- Expenditure on post-primary language initiatives was lower than anticipated due to slower than planned recruitment and the continued impact of Covid-19 whereby planned in-person events were not fully restored to pre-pandemic levels until late in 2022 (€341,000).

A supplementary of €108,000 was approved for this subhead to provide for costs arising from the extension to the Building Momentum pay agreement.

A.15 Primary and post primary infrastructure

Estimate provision €723.875 million; outturn €1,071.735 million

The increase in expenditure of €347.86 million relative to the estimate provision was primarily due to managing significant budgetary pressures arising from strong delivery on the School Building Programme, the impact of high construction inflation, the need for accelerated delivery of accommodation for children with special education needs and providing accommodation for Ukrainian students.

A supplementary of €312 million (€300 million capital expenditure and €12 million current expenditure) along with a virement of €30 million from current expenditure savings was approved for this subhead to provide for the increases in expenditure in this subhead. The remaining increases in capital expenditure were provided from capital expenditure savings arising across a range of other subheads within the Vote.

A.16 Public private partnership costs

Estimate provision €68 million; outturn €64.169 million

The decrease in expenditure of €3.831 million relative to the estimate provision was primarily due to

- Works on a project to provide permanent SEN accommodation at St. Caiman's Community School, Shannon, Co. Clare did not commence in 2022 (€2 million).
- Lower than anticipated costs in respect of minor works and operational costs across the schools bundles (€940,000).
- Reduced unitary charges in respect of agreed service and availability failures across all school bundles (€533,000).
- Lower than anticipated drawdown of the ICT and % for Art grants (€340,000).

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
B.1	Superannuation contributions			
	<i>Original</i>	147,438		
	<i>Supplementary</i>	<u>23,370</u>		
		170,808	173,903	170,097
B.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts ^a	325	1,488	1,478
B.3	Receipts from additional superannuation contributions on public service remuneration			
	<i>Original</i>	161,946		
	<i>Supplementary</i>	<u>26,173</u>		
		188,119	194,262	175,886
B.4	Secondments/overpayments	3,824	5,704	5,480
B.5	Miscellaneous			
	<i>Original</i>	4,683		
	<i>Supplementary</i>	<u>23,457</u>		
		28,140	33,490	27,200
Total		<u>391,216</u>	<u>408,847</u>	<u>380,141</u>

Note ^a A breakdown of EU receipts of €1.488 million under B.2 is provided in the table under Note 6.5 EU funding.

Significant variations

The following outlines the reasons for significant variations in appropriations in aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €90.631 million higher than the estimate forecast. Explanations for variances are set out below:

B.1 Superannuation contributions

Estimate €147.438 million; realised €173.903 million

The increase of €26.465 million relative to the estimate provision was due to receipts being higher than the provision allocated. This increase includes contributions being received as a result of higher payroll spend. This is arising from additional teaching and SNA posts recruited in the education sector and from an increase in salaries arising from the Building Momentum Agreement.

B.2 Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts*Estimate €325,000; realised €1.488 million*

The increase of €1.163 million relative to the estimate provision was primarily due to Peace IV programme receipts allocated under subhead B.5 miscellaneous subsequently being accounted for under this subhead.

B.3 Receipts from additional superannuation contributions on public service remuneration*Estimate €161.946 million; realised €194.262 million*

The increase of €32.316 million relative to the estimate provision was due to receipts being higher than the provision allocated. This is arising from additional teaching and SNA posts recruited in the education sector and from an increase in salaries arising from the Building Momentum agreement.

B.4 Secondments/overpayments*Estimate €3.824 million; realised €5.704 million*

The increase of €1.88 million relative to the estimate provision was primarily due to overpayment recovery receipts (€394,000) and secondment recoupments (€1.486 million) being higher than anticipated.

B.5 Miscellaneous*Estimate €4.683 million; realised €33.490 million*

The increase of €28.807 million relative to the estimate provision was primarily due to

- receipt of refunds made by schools of unspent Covid-19 related capitation grants provided for the 2021/22 school year (€27.04 million)
- the varied nature of receipts in this category – it is difficult to predict with any degree of certainty the level of receipts that may fall to be collected in a particular year.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Disposal of assets ^a	30	—
Transferred to the Exchequer	—	—
Balance at 31 December	30	—

Note ^a During 2022, the Department disposed of a piece of land, the proceeds of which were remitted to the Exchequer in 2023.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Department	1,571	1,453
First and second level	96,130	92,180
Agencies	652	466
Total	98,353	94,099

5.2 Pay costs

Departmental staff	2022	2021
	€000	€000
Pay	91,112	81,140
Higher, special or additional duties allowances	374	528
Other allowances	25	32
Overtime	1,186	876
Employer's PRSI	7,910	6,747
Total pay	100,607	89,323

Note ^a The financial details in this table relate solely to salaries and allowances paid to employees of the Department and staff in the National Educational Psychological Service.

^b The total pay figure is reflected under A.1 (€100.607 million).

First and second level education staff	2022	2021
	€000	€000
Pay	5,585,023	5,186,622
Allowances	6,041	6,270
Overtime	775	596
Employer's PRSI	541,009	487,373
Total pay ^a	6,132,848	5,680,861

Note ^a The total pay figure for 2021 to include the costs of some non-teaching staff which were not reported under Note 5.2 in the published 2021 accounts. In addition, two ETBs submitted amended returns for 2021.

Agencies' staff	2022	2021
	€000	€000
Pay	34,510	23,771
Higher, special or additional duties allowances	163	213
Other allowances	68	74
Overtime	2,278	1,930
Employer's PRSI	3,377	2,181
Total pay^{a, b}	40,396	28,169

Note ^a Total pay for 2022 includes pay costs for agencies that are under the remit of this Vote and is primarily based on returns from the agencies.

- ^b Total pay for 2021 has been restated.
- The cost of agency staff included under Note 5.1 above whose pay is not funded by the Department was removed.
 - Pay costs in respect of another agency have been revised. Costs included in the published 2021 accounts were based on pay funding provided to the agency by the Department, rather than the actual pay.
 - Costs associated with one agency post have now been included.

5.3 Allowances and overtime payments — Departmental staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Higher, special or additional duties allowances	112	9	22,755	22,002
Other allowances	10	—	9,670	5,509
Overtime and extra attendance	355	16	26,369	16,215
Extra remuneration in more than one category	34	12	14,040	15,434

5.3 Allowances and overtime payments — first and second level

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Allowances	3,691	4	11,388	26,540
Overtime	289	21	23,660	21,803
Extra remuneration in more than one category	109	27	28,310	—

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 ^a €
Higher, special or additional duties allowances	77	1	13,833	14,606
Other allowances	28	—	—	13,272
Overtime	250	83	54,543	37,219
Extra remuneration in more than one category	66	36	55,084	38,650

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime, and excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	1,015	947
60,000	69,999	153	141
70,000	79,999	110	108
80,000	89,999	96	107
90,000	99,999	132	113
100,000	109,999	70	37
110,000	119,999	18	10
120,000	129,999	3	2
130,000	139,999	4	—
140,000	149,999	—	2
150,000	159,999	1	4
160,000	169,999	5	3
170,000	179,999	3	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1

5.5 Other remuneration arrangements

Thirty seven retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €106,000 (2021: €85,000) which included travel and subsistence costs of €8,000 (2021: €1,000). The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
----------------	----------------------	-----------	-----------

Administration staff salary overpayments

Overpayments	101	223,559	230,865
Recovery plans in place	25	47,932	70,370

No overpayment recovery plans were transferred in the year to another department.

Teacher/non-teacher and retired personnel overpayments

Overpayments	4,783	6,486,283	6,003,349
Recovery plans in place	471	1,177,294	1,040,603

During the course of 2022, a total of 1,236 overpayment cases were repaid in full.

Supplementary pension overpayments

Overpayments	81	760,443	825,924
Recovery plans in place	67	590,771	655,233

Overpayments as a result of an under-deduction of the Public Service Pension Reduction

Some 89 pension overpayment cases were identified in 2018, where an insufficient public service pension reduction had occurred. The Department is currently engaging with the Department of Public Expenditure, National Development Plan Delivery and Reform with a view to bringing the matter to a conclusion. It is now estimated the value of the overpayment is in the region of €1 million gross.

Overpayments/underpayment as a result of a coding error

An overpayment of pensions benefits arose in 2022 whereby 140 retirees were overpaid due to an incorrect coding of a pensionable allowance. The total value of the overpayment was €106,037. The Department of Education contacted each retiree in November 2022 and to date, of the 140 impacted by the error, 132 have either repaid in full or have a repayment plan in place. The Department will follow up with the remaining eight cases. A total of €99,764 has been repaid to date.

5.7 Severance/redundancy

During 2022, three special needs assistants were paid redundancy via the Department's School Payrolls, in the Department's capacity as paymaster for certain schools. The total redundancy payment was €44,830 and included payment for both statutory and non-statutory redundancy sums as appropriate. One individual received a redundancy payment to the value of €35,000. There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any of the three individuals.

During 2022, there were no redundancy payments to individuals via the Department's administrative payrolls.

Grade	Severance payment	Added years of notional service	Early payment of pension with no actuarial reduction
	€		
Special needs assistant	44,830	—	—
Total	44,830	—	—

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay		
Sean Ó Foghlú	27	201
Bernie McNally	169	—
	196	201

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre-1995 superannuation scheme for established civil servants and their entitlements to retirement benefits in respect of their service do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to 31 December 2022 €000	Expenditure in 2022 €000	Expenditure in 2021 €000
Commission to Inquire into Child Abuse	1999	85,212	412	533
Residential Institutions Redress Scheme ^{a, b}	2002	1,246,050	654	900
		1,331,262	1,066	1,433

Note ^a In addition to the overall expenditure of €1.246 billion on the Residential Institutions Redress Scheme at the end of 2022, a further €10 million expenditure was incurred in respect of court settlements pursuant to the 2002 indemnity agreement, whereby religious congregations are not liable for any cases settled in court and outside of the redress scheme.

^b At the end of 2022, the cumulative administration costs for the Residential Institutions Redress Board was €65.11 million and €10.07 million for the Residential Institutions Review Committee.

Total contributed by religious congregations

Contributions from the 18 religious congregations that managed most of the children's residential institutions have been made under two distinct rounds. They are:

- the legally binding 2002 indemnity agreement that provided for contributions of €128 million, and
- the additional voluntary offers made in the aftermath of the publication of the Ryan Report in 2009, including cash and properties, which at the time were valued by the congregations at €352.61 million.

The table below summarises the total amounts offered under the two rounds and the amounts received to date. These amounts comprise both cash contributions and the value of property transfers.

	Offered €million	Realised €million
2002 indemnity agreement	128.00	124.94
2009 voluntary offers	352.61 ^a	120.30
Total	480.61	245.24

Note ^a The €352.61 million figure is as valued by the congregations.

Total amount outstanding from religious congregations

All cash offered under the 2002 indemnity agreement, amounting to €65 million, has been received. Two properties have yet to fully transfer under the terms of the agreement.

By the end of 2022, voluntary cash contributions offered in 2009 or subsequent years, amounting to €111.48 million have been received. This included an additional cash contribution of €1 million towards the development of the National Children's Hospital as provided for in Section 43 of the Residential Institutions Statutory Fund (RISF) Act 2012. A further contribution may also be received, arising from the disposal of a certain property which was not accepted for transfer to the State, but the amount involved is not yet known.

A total of 17 of the properties offered voluntarily in 2009 have fully transferred and significant progress has been made in relation to the remaining property. The Department continues to engage with the Congregation of the Christian Brothers to progress their offer which involved an arrangement relating to a number of playing fields.

The full 2009 value of the voluntary offers is unlikely to be achieved because certain offers were not accepted and because the value of the properties transferred, or disposed of, was in most cases lower than the value placed on them by the congregations. This position may change as remaining property transfers are finalised.

Total future commitments

The Redress Board and the Commission to inquire into Child Abuse are expected to close over the coming period. It is expected that the additional expenditure will be in the order of €2 million.

The legislation establishing the Commission to Inquire into Child Abuse and the Residential Institutions Redress Board provided that the records of individuals would be kept confidential and destroyed on the dissolution of the bodies. However, the Government subsequently decided that the records were of such potential historical significance that they should be retained and sealed in the National Archives. As a result, the Redress bodies cannot be dissolved until the matter of the final destiny of their records is resolved. In October 2020, the Government announced that a National Centre of Research and Remembrance would be established, which would be given responsibility for records relating to institutional abuse, and the future of the records of the redress bodies is being considered in that context.

Special account established under Section 43 of the RISF Act 2012

Section 43 of the 2012 Act provides that contributions from congregations that are in excess of the €110 million limit set down in Section 29 of that Act are to be placed in a special account in the name of the Minister for Health to be used only for purposes related to the development of a new national paediatric hospital. The total lodged to the account to date is €1.479 million.

6.2 Compensation and legal costs

6.2 (A) Payments/costs incurred during the year

	Claims by		Total	Total
	Employees	Members of the public	2022	2021
Number of cases	—	186	186	158
	€000	€000	€000	€000
Department's own legal costs	—	1,686	1,686	848
Payments by/on behalf of Department				
Compensation	—	4,618	4,618	4,904
Legal costs	—	1,245	1,245	895
Other costs ^b	—	754	754	985
2022 Total	—	8,303	8,303	7,632
2021 Total	120	7,512	7,632	

Note ^a At 31 December 2022, the following claims are outstanding

- personal injuries 125
- other 35

^b Costs for 2021 have been reclassified to include net costs of €711,000 not included in the 2021 account.

6.2 (B) Cumulative costs of cases completed in 2022

	Claims by		Total
	Employees	Members of the public	2022
Number of cases	5	102	107
	€000	€000	€000
Department's own legal costs	—	1,855	1,855
Payments by/on behalf of Department			
Compensation	—	4,759	4,759
Legal costs	—	982	982
Other costs	—	56	56
Total	—	7,652	7,652

6.3 Fraud and suspected fraud

During 2022, no cases of fraud or suspected fraud were identified within the Department. In addition, no cases which were material in nature or of significant public interest were identified in any agencies under the remit of the Department. Four cases of fraud or suspected fraud with an estimated value of €87,000 were reported in the published 2021 appropriation account, none of which were identified within the Department.

6.4 Arbitration and conciliation

During 2022, conciliation fees totalling €11,898 were paid in respect of three cases. Expenditure of €2,847,358 in 2021 included payments to contactors and others to cover costs as a result of conciliation and arbitration proceedings. There were twelve cases in 2021 and the expenditure included VAT, legal and professional fees.

The 2021 figure has been restated to remove €88,133 of legal costs. These costs were also reported as legal costs in 2021.

6.5 EU funding

Receipts in relation to EU funding received during 2022 and lodged to appropriations-in-aid is detailed in the table below:

EU funding category	2022 €000	2021 €000
B2.3 EC education projects	325	370
B2.3 Miscellaneous PEACE IV Programme refund	1,163	1,108
	1,488	1,478

European Commission education projects

Receipts in 2022 under European Commission education projects were compensatory payments in respect of children of officials of the nearby EU Food and Veterinary Office who attend the Centre for European Schooling, Dunshaughlin, Co. Meath.

PEACE IV Programme refund

Receipts received in 2022 related to expenditure incurred as part of the PEACE IV programme. Ireland contributes 21% of overall programme costs, while the Northern Ireland Executive contributes the remainder. 80% of Ireland's contribution is recoupable from the EU.

6.6 Write-offs

The following sums were written off in the year.		
	2022	2021
	€000	€000
Payroll overpayments	24	15
School salary grant	—	9
Cycle to work suspense account	—	1
	<u>24</u>	<u>25</u>

6.7 Late payment interest

	2022	2021
	€000	€000
Total net interest paid	<u>8</u>	<u>15</u>

6.8 Educational trusts

Educational trust funds totalling €2.277 million were invested on behalf of the Department in a common investment fund under the stewardship of the Charities Regulator at the close of 2022 (2021: €2.421 million). The Minister for Education remains the trustee of these educational trusts.

Appendix A Accounts of bodies and funds under the aegis of the Department of Education

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of September 2023 the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Education and Training Boards (ETBs)				
Cavan and Monaghan	2021	Jun 2022	Jun 2022	Aug 2022
City of Dublin	2021	Nov 2022	Dec 2022	Jan 2023
Cork	2021	Dec 2022	Jan 2023	Mar 2023
Donegal	2021	Sep 2022	Sep 2022	Nov 2022
Dublin and Dún Laoghaire	2020	Dec 2021	Jan 2022	Mar 2022
Galway and Roscommon	2021	Dec 2022	Dec 2022	Feb 2023
Kerry	2020	Nov 2022	Nov 2022	Jan 2023
Kildare and Wicklow	2021	Dec 2022	Dec 2022	Feb 2023
Kilkenny and Carlow	2021	May 2023	May 2023	Jun 2023
Laois and Offaly	2021	Sep 2022	Oct 2022	Nov 2022
Limerick and Clare	2021	Dec 2022	Jan 2023	Mar 2023
Longford and Westmeath	2022	Jun 2023	Jul 2023	Aug 2023
Louth and Meath	2021	Dec 2022	May 2023	Jun 2023
Mayo, Sligo and Leitrim	2021	Dec 2022	Dec 2022	Feb 2023
Tipperary	2021	Dec 2022	Jan 2022	Mar 2023
Waterford and Wexford	2022	Jul 2023	Jul 2023	Aug 2023
Aegis bodies				
National Council for Curriculum and Assessment (NCCA)	2022	Jun 2023	Jul 2023	Aug 2023
National Council for Special Education (NCSE)	2021	Dec 2022	Jan 2023	Jan 2023
State Examinations Commission (SEC)	2022	Jun 2023	Jul 2023	Sep 2023
The Teaching Council	2021	July 2022	Jan 2023	Feb 2023
Educational Research Centre	2022	Jun 2023	Jun 2023	Aug 2023
Caranua	2021	Jun 2022	Jun 2022	Aug 2022
Redress Special Account	2022	Jun 2023	Jun 2023	Jun 2023

Appendix B Major capital commitment projects involving total expenditure of €10 million or more

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
		€000	€000	€000	€000	€000
Subhead A.15						
1	Hansfield Educate Together Secondary School, Dublin 15	17,370	—	10	17,380	17,557
2	Gaelscoil na nDeise, Carrickphierish Campus, Waterford	15,213	7	19	15,239	15,239
3	St Colmcille's, Dublin 16	16,326	—	342	16,668	16,668
4	Temple Carrig Secondary School, Co. Wicklow	12,855	—	391	13,246	13,246
5	Coláiste Ghlór na Mara, Balbriggan, Co. Dublin	14,773	—	227	15,000	15,000
6	Bremore Educate Together Balbriggan, Co. Dublin	22,835	—	1,226	24,061	24,061
7	Le Chéile Secondary School, Mulhuddart, Dublin 15	19,984	17	201	20,202	20,202
8	Portlaoise Parish School, Co. Laois	16,346	—	734	17,080	17,081
9	Carrigaline Post Primary School, Co. Cork	14,542	9	213	14,764	14,764
10	Limerick Educate Together, Mungret, Limerick	12,503	—	204	12,707	12,708
11	Michael Street National School, New Ross, Co Wexford	11,065	—	408	11,473	11,474
12	Sancta Maria College, Rathfarnham, Co Dublin	13,542	393	3,069	17,004	16,706
13	Kinsale Community College, Co. Cork	12,198	—	19	12,217	12,217
14	Arklow Vocational School, Co. Wicklow	12,346	39	221	12,606	12,606
15	Scoil Phobail, Clifden, Co. Galway	10,460	—	55	10,515	10,500
16	Scoil Naofa Oilbhear Pluinced, Malahide, Co. Dublin	17,546	380	149	18,075	18,674
17	Stewarts School Palmerstown, Dublin 20	19,896	—	295	20,191	19,895
18	Coláiste Mhuire, Knockbeg, Carlow	16,788	91	376	17,255	17,255
19	Presentation College Athenry, Co. Galway	20,599	—	234	20,833	20,813

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	Subhead A.15	€000	€000	€000	€000	€000
20	Maynooth Post Primary Schools, Co. Kildare	51,985	776	574	53,335	53,060
21	Gaelscoil Teach Gluise, Tallaght, Dublin 24	11,809	—	22	11,831	11,831
22	Mercy Convent Primary School, Naas, Co. Kildare	9,606	466	386	10,458	12,138
23	St. Mochta's National School, Clonsilla, Dublin 15	12,324	94	52	12,470	12,582
24	Tullamore College, Tullamore, Co. Offaly	11,437	—	105	11,542	11,541
25	Holy Family Special School, Cootehill, Co. Cavan	15,147	56	958	16,161	16,154
26	Claregalway Educate Together National School, Lakeview Claregalway, Co. Galway	15,349	—	61	15,410	15,410
27	Lusk Community College, Lusk, Co. Dublin	17,279	344	320	17,943	17,764
28	Davis College, Mallow, Co. Cork	12,438	1	322	12,761	12,760
29	Colaiste Chiaran Croom, Co. Limerick	21,086	738	102	21,926	21,491
30	Scoil Bhride National School, Knockmay, Portlaoise, Co. Laois	9,951	—	152	10,103	10,108
31	SN Lusca, Lusk, Co. Dublin	11,032	—	107	11,139	11,139
32	St. Columba's Boys National School, Douglas West, Co. Cork	14,679	122	328	15,129	15,017
33	St. Patrick's School, Bohreen Hill, Enniscorthy, Co. Wexford	17,867	902	669	19,438	18,391
34	Clonakilty Community College, Clonakilty, Co. Cork	11,904	79	84	12,067	12,015
35	Powerstown Educate Together National School	10,895	—	148	11,043	11,043
36	Swords Post Primary, Swords, Co. Dublin	26,991	—	657	27,648	27,649
37	Naas Community College, Naas, Co. Kildare	21,854	3,625	553	26,032	24,582

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
Subhead A.15	€000	€000	€000	€000	€000
38 Coláiste Chiaráin, Summerhill, Athlone, Roscommon	24,488	390	45	24,923	24,898
39 Gracepark, Educate Together National School, Drumcondra, Dublin 9	12,450	2	161	12,613	12,629
40 Gaelcholaiste Luimnigh, Meal Sior Anraí Luimneach	1,658	6,734	15,502	23,894	22,986
41 St Pauls National School, Navan, Co. Meath	13,127	23	93	13,243	13,208
42 Maynooth Boys National School, Maynooth, Co. Kildare	5,678	6,933	737	13,348	12,551
43 St Conleth's and Mary's National School, Newbridge, Co. Kildare	6,207	6,607	4,201	17,015	16,490
44 St Patricks Junior National School, Corduff, Dublin 15	5,491	4,814	8,260	18,565	18,072
45 St Paul's Secondary School, Monasterevin	10,356	9,022	4,323	23,701	23,147
46 St David's Holy Faith Secondary, Kimberly Road, Greystones, Co. Wicklow	7,595	7,395	2,760	17,750	16,074
47 St. Mary's Secondary School, Ballina, Co Mayo	8,451	9,387	323	18,161	14,985
48 Dublin 7 Educate Together National School, Fitzwilliam Place North, Dublin 7	7,713	7,016	2,530	17,259	16,222
49 Cherrywood Educate Together National School, Sallynoggin, Dublin 18	2,920	9,451	4,427	16,798	15,315
50 Blackwater Community School, Lismore	4,167	7,144	6,602	17,913	17,822
51 Malahide and Portmarnock Educate Together Secondary School, Swords, Co. Dublin	7,321	10,792	635	18,748	17,061
52 Edmund Rice College Carpenterstown/ Castleknock, D15	7,760	21,964	718	30,442	28,036

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Subhead A.15					
53 Meán Scoil an Chlochair, Kilbeggan	1,705	9,853	11,154	22,712	21,953
54 Scoil Mhuire gan Smál, Blarney	7,375	13,299	9,055	29,729	28,698
55 Douglas/ Rochestown Educate Together, Carrs Hill, Co Cork	4,468	14,926	1,015	20,409	19,387
56 Ballinteer Educate Together, D16	4,404	12,870	2,695	19,969	19,284
57 Pelletstown Educate Together, National School, D15	3,795	6,777	4,057	14,629	13,094
58 Ennistymon Community School, Co. Clare	4,961	10,809	15,229	30,999	30,599
59 Gaelscoil Cnoc Liamha, Knocklyon, D16	3,222	8,817	773	12,812	11,945
60 St Patrick's Boys National School Clane, Co. Kildare	660	7,238	8,725	16,623	13,353
61 St Mary's Donnybrook	5,267	7,193	470	12,930	11,824
62 Scoil Mhichil Naofa, Athy, Co.Kildare	509	4,631	9,337	14,477	13,339
63 Gaelcholaiste Chiarraí, Tralee	5,991	11,025	2,256	19,272	17,489
64 Scoil an Athar Tadhg, Cork East County	774	4,160	6,102	11,036	10,144
65 Little Angels Special School, Letterkenny Co Donegal	623	3,192	12,917	16,732	16,416
66 Gaelcholaiste Charrig Ui Leighin, Carrig Ui Leighin, Co. Corcaigh	38,738	270	859	39,867	39,614
67 Greystones Community National School	9,716	205	271	10,192	9,987
68 St Laurence O'Tooles National School	8,213	2,039	138	10,390	9,865
69 Scoil Mhuire ^{b, c} , Stranorlar Co Donegal	8,431	1,771	219	10,421	9,758
70 SN Mhuire na Trocaire, Cahir	5,774	3,925	389	10,088	9,340
71 Kanturk ^b	8,426	1,715	101	10,242	10,132
72 Ennis Community College ^b	9,362	2,056	336	11,754	11,131
73 Bush Post Primary, Dundalk Co Louth ^b	572	2,881	8,104	11,557	11,410
74 Waterpark College, Newtown Road, Waterford ^{a, b}	696	967	14,069	15,732	—

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	Subhead A.15	€000	€000	€000	€000	€000
75	Stepaside Educate Together Secondary School D16 ^{a, b}	130	8,181	20,096	28,407	—
76	St Senans Primary School, Enniscorthy, Co Wexford ^{a, b}	1,343	1,865	10,635	13,843	—
77	St Josephs College Lucan, Co Dublin ^{a, b}	772	707	16,911	18,390	—
78	Scoil Mhuire Naofa, Carrigtwohill ^{a, b}	141	7,058	21,029	28,228	—
79	Scoil Chliodhna CNS, Carrigtwohill ^{a, b}	126	8,564	15,522	24,212	—
80	Scoil an Spioraid Naomh Bettystown, Co Meath ^{a, b}	270	5,699	11,558	17,527	—
81	Rosmini Community School, Drumcondra ^{a, b}	860	455	19,138	20,453	—
82	Patrician Academy, Mallow, Co Cork ^{a, b}	300	5,221	9,558	15,079	—
83	Mungret Community College ^{a, b}	2,485	3,452	28,308	34,245	—
84	Monasterevan Convent, Monasterevan, Co Kildare ^{a, b}	263	1,359	9,953	11,575	—
85	Limerick Educate Together Secondary School ^{a, b}	242	10,957	25,460	36,659	—
86	Dublin South City Centre Educate Together National School, Harcourt Terrace, D2 ^{a, b}	47	875	16,427	17,349	—
87	Donaghmede Howth D13 Primary - Stapolin Educate Together National School ^{a, b}	115	4,255	10,460	14,830	—
88	Crescent CS, Limerick City ^{a, b}	495	2,175	12,204	14,874	—
89	Colaiste na Mi, Phase 2 and Campus Project with St Marys Special Sch ^{a, b}	550	4,165	35,298	40,013	—
90	Carrigtwohill Community College ^{a, b}	500	13,856	34,000	48,356	—
91	Belmayne Educate Together Secondary School, Belmayne Avenue, Dublin 13 ^{a, b}	192	4,813	31,726	36,731	—

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Subhead A.15					
92 Ashboune CNS, Ashbourne, Co Meath ^a , ^b	179	5,706	11,641	17,526	—
Total	868,894	335,795	513,505	1,718,194	1,229,599

Note ^a Nineteen new schools' projects were contractually committed to in 2022

- ^b The cumulative expenditure to 31 December 2021 and the expected total spend 2021 lifetime spend have been restated primarily due to the following.
- for new school projects contractually committed in 2022 where pre-2021 expenditure has now been included
 - for projects which have reached the €10 million threshold in 2022
 - for projects which have been removed as they are finalised, or the total project cost is now under the €10 million threshold or the outstanding commitment is less than €10,000.

Significant variations subhead A.15

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2021 to 2022.

33 St Patrick's School

Increase in expected total spend: €1.047 million

The increase in commitments of €1.047 million are mainly due to change orders agreed at Project Board level for extra time spent on site, furniture and equipment for a Special School and reconfiguration works carried out.

37 Naas Community College

Increase in expected total spend: €1.451 million

The increase in commitments of €1.451 million was primarily due to Covid emergency related expenditure and necessary change orders related to various items including changing blockwork to partition walls, changes to Science Preparation room ceilings for fire performance, additional road signage and footpath guard railing. Additional design team Fees also applied.

40 Gaelcholaiste Luimnigh

Increase in expected total spend: €907,000

The increase in commitments of €907,000 occurred primarily due to the replacement of the Mechanical Reserve Specialist (ASMS), necessary change orders relating to various items such as piling works, ground beams and pile, and electrical ducting, additional design team fees also applied.

42 Maynooth Boys National School,

Increase in expected total spend: €797,000

The increase in commitments €797,000 are mainly due to change orders for 50/50 OGP burden sharing, access controls for internal doors, Mechanical and Electrical additional works plus additional fire detection measures for new school building.

43 St Conleth and Mary's National School

Increase in expected total spend: €525,000

The increase in commitments of €525,000 are mainly due to change orders for the demolition to existing flues, provision of additional structural steel, additional ground works, the provision of damp proofing to existing school and additional design team fees.

45 St Paul's Secondary School, Monasterevin

Increase in expected total spend: €553,000

The increase in commitments of €553,000 are mainly due to change orders in relation to unforeseen ground conditions, additional Mechanical and Electrical costs, utilities connection, additional fire protection measures and additional design team fees.

46 St David's Greystones

Increase in expected total spend: €1.675 million

The increase in commitments of €1.675 million are mainly due to change orders for the replacement of the roof finish, fire rated wall partition, increase in existing internal door open sizes, floor levelling in existing building, provision of additional structural steel and the requirement for works and additional structural steel to stair wells plus the payment of the OGP inflation supply chain framework.

47 St Mary's Secondary School, Ballina

Increase in expected total spend: €3.177 million

The increase in commitments of €3.177 million are mainly due to change orders for a Covid Buyout post tender, unforeseen external groundworks, fair faced blockwork, exposed concrete finish, additional drainage design changes, Irish Water connection, lift package, ESB ducting, external stair, roof design changes and additional design team fees.

48 Dublin 7 Educate Together National School

Increase in expected total spend: €1.036 million

The increase in commitments of €1.036 million was due to necessary change orders which included costs for change to rendering, additional fire barriers and working around existing gas mains. A significant component of the increased cost was in respect of Covid emergency related post tender inflation costs, additional design team fees also applied.

49 Cherrywood Educate Together National School

Increase in expected total spend: €1.483 million

The increase in commitments of €1.483 million was mainly due to an ex gratia payment under the OGP agreement for increased costs owing to delays in inflation/supply chain, Irish Water connection fees and consultant fees

51 Malahide & Portmarnock Educate Together Secondary School

Increase in expected total spend: €1.687 million

The increase in commitments of €1.687 million arose mainly from change orders for the installation of Interim Accommodation. Remainder involved changes to room layouts, Special Education Needs, changes to play area and furniture removal costs.

52 Edmund Rice College Carpenterstown/Castleknock , D15

Increase in expected total spend: €2.406 million

The increase in commitments of €2.406 million due to change orders involving ESB civil works, Irish Watermain work and Irish Water contribution. A significant component of the increased cost was in respect of Covid emergency related post tender inflation costs as determined by OGP guidance.

53 Meán Scoil an Chlochair

Increase in expected total spend: €759,000

The increase in commitments of €759,000 were mainly due to change orders for the provision of an all-weather pitch, limestone cladding to boundary wall, ground works, additional internal drainage, internal height changes, Irish Water Connection and design team fees.

54 Scoil Mhuire Gan Smál

Increase in expected total spend: €1.031 million

The increase in commitments of €1.031 million are mainly due to change orders for the provision of additional decarbonisation measures, unforeseen ground conditions, temporary surface upgrade to Castle Avenue, removal of knotweed, change of use in rooms and additional design team fees.

55 Douglas/Rochestown Educate Together (Carr's Hill)

Increase in expected total spend: €1.021 million

The increase in commitments of €1.021 million are mainly due to change orders in relation to removal of ESB overhead power lines, installation of LPG tank and works to boundary wall. Additional Project Manager fees, Irish Water connections and surveys also applied.

56 Ballinteer Educate Together, D16

Increase in expected total spend: €684,000

The increase in commitments of €684,000 is due to layout changes to PE hall. There are also additional commitments relating to provision of services and utilities, consultant fees and survey reports.

57 Pelletstown Educate Together National School, D15

Increase in expected total spend: €1.535 million

The increase in commitments of €1.535 million was mainly due to change orders for the installation of Interim Accommodation, fencing and Irish Water connection fees.

59 Gaelscoil Cnoc Liamha, Knocklyon, D16

Increase in expected total spend: €867,000

The increase in commitments of €867,000 involve works to lower an existing EIR line, the removal of an existing watermain and fencing. There are also additional commitments relating to Irish Water connection fees and consultant fees.

60 St Patricks Boys' National School

Increase in expected total spend: €3.27 million

The increase in commitments of €3.27 million are mainly due to change orders for the addition of an approved 2 Class SEN Base post contract and the rental of a temporary SEN base, asbestos removal, ground works, Irish Water Connection fee, additional design team fees and Covid ex-gratia payment.

61 St Mary's Donnybrook

Increase in expected total spend: €1.1 million

The increase in commitments of €1.1 million on the contract involved the installation of interim accommodation which was required for the 2021 school year, SEN conversion works, remove and replace existing boundary wall, works to convert existing Montessori building on site. There are also additional commitments relating to the installation of interim accommodation, Irish Water connection fees and consultant fees.

62 Scoil Mhicil Naofa

Increase in expected total spend: €1.137 million

The increase in commitments of €1.137 million are mainly due to change orders for the installation and rental of temporary accommodation post contract, changes to blockwork, provision of a generator, ESB connection and Irish Water connection.

63 Gaelcholaiste Chiarraí, Tralee

Increase in expected total spend: €1.784 million

The increase in commitments of €1.784 million was due primarily to necessary change orders in respect of additional electrical and mechanical works to comply with revised Departmental Technical Guidance, Covid emergency related post tender inflation costs, capital contribution, and additional design team and project board member fees.

64 Scoil an Athar Tadgh

Increase in expected total spend: €891,000

The increase in commitments of €891,000 are mainly due to change orders for removal of surface water, removal of saturated topsoil and subsoil, substructure drainage, road opening licence fees, ball stopping net and additional design team fees.

68 St Laurence O'Toole's National School

Increase in expected total spend: €526,000

The increase in commitments of €526,000 are mainly due to change orders, the most significant of which is for requested change of use and layout of rooms, additional toilets, acoustic partition, additional benches, softplay surface on roof area and associated Mechanical and Electrical works. Covid Co-operation Framework Costs also applied.

69 Scoil Mhuire, Stranorlar

Increase in expected total spend: €662,000

The increase in commitments of €662,000 are mainly due to change orders in relation to SEN base post contract, acoustic panels, pedestrian crossing, Irish Water delay costs, groundworks and alterations to boundary.

70 Sn Mhuire na Trocaire, Cahir

Increase in expected total spend: €749,000

The increase in commitments of €749,000 are mainly due to change orders in relation to re-measure of blockwork and steelwork, additional fire protection measures, ground works, re-instatement of Co. Council roadway and additional design team fees.

72 Ennis Community College

Increase in expected total spend: €623,000

The increase in commitments of €623,000 was due to a number of factors including additional design team fees connected to supply chain and other delays and to change orders in respect additional electrical additions such as emergency lighting, and various other changes to shower cubicles blinds, benches and other items.

Appendix C Information Note on Public Private Partnerships Projects (PPPs)

As at the end of 2022, the Department has six separate contracts to design, build, finance and maintain education accommodation under the Public Private Partnership (PPP) model. PPPs are a structured arrangement between public sector bodies and private sector investors for providing infrastructure projects which would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made upfront. The costs are paid by the Department in the form of a monthly unitary charge spread over 25 years. The first unitary charge is payable once construction has been completed.

Education PPP projects to date have been, and continue to be, designed, built, financed and maintained (DBFM) by the selected tenderer.

There are six schools projects – Pilots, School Bundles 1, 2, 3, 4 and 5. All six contracts provide for a 25 year operational period. The buildings will remain in State ownership for the duration of the contract, with the PPP Company granted a licence to build the facilities and maintain them for a period of 25 years.

Five Pilot Schools PPP

The five post primary schools in the Pilots School PPP bundle are located in Dunmanway and Ballincollig, Co. Cork; Tubbercurry, Co. Sligo; Clones, Co. Monaghan and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects Ltd in November 2001. The operational phase of the schools commenced in January 2003.

1st Bundle PPP schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools); Banagher and Ferbane (both in Co. Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

2nd Bundle PPP schools

A contract for the design, build, financing and operation of five post primary schools and one primary school in Burkeen, Wicklow Town, Co. Wicklow; Athboy, Co. Meath; Kildare Town, Co. Kildare; Abbeyfeale, Co. Limerick and Bantry, Co. Cork (two schools) was signed with Maquarie Partnerships for Ireland in June 2010. These schools became operational between July 2011 and October 2011.

3rd Bundle PPP schools

There are seven post primary schools and one primary school in the 3rd Bundle PPP Project. They are located in Ballinamore, Co. Leitrim; Letterkenny, Co. Donegal; Gorey, Co. Wexford; Doughiska, Co. Galway (two schools); Doon, Co. Limerick; Tramore, Co. Waterford and Athlone, Co. Westmeath. The contract for the design, build, financing, operation and maintenance of the schools was signed with BAM PPP PGGM Infrastructure Cooperative UA in November 2012. All eight schools became operational between November 2013 and May 2014.

4th Bundle PPP schools

There are four post primary schools in the 4th Bundle PPP Project. They are located in Tulla, Co. Clare; Skibbereen, Co. Cork; Dundalk, Co. Louth and Carrick-on-Suir, Co. Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. These schools became operational between March and May 2016.

5th Bundle PPP schools

There are four post primary schools, one primary school and one further education college in the 5th Bundle PPP Project. They are located in Carlow (one school and one Institute of Further Education); Kells, Co. Meath; Bray, Co. Wicklow (two schools) and Wexford. The contract for the design, build, financing and maintenance of the schools was signed in July 2016 with Inspired Spaces Bundle 5 (Ireland) Ltd. Two schools in Bray and one in Wexford achieved service commencement in 2018. The school in Kells achieved service commencement in June 2019, the remaining school and Institute of Further Education in Carlow achieved service commencement in July and August 2019 respectively.

Appendix D Direct funding from Vote 26 to education and training boards (by subhead)

The following table lists the direct funding to education and training boards (ETBs) during 2022 by subhead with comparative figures for 2021.

		2022	2021
		ETB	ETB
		funding	funding
		amount	amount
		€000	€000
Programme A - First, second and early years education			
A.3	Salaries, wages and allowances (including incidental payments) of primary teachers	654	243
A.5	Grants to education and training boards in respect of ETB teachers' salaries	738,719	667,343
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	55,080	49,318
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	78,151	75,406
A.9	School transport services	1,762	1,323
A.10	Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions	116,010	102,357
A.11	Grants to education bodies working in the primary and post primary sectors	704	367
A.12	Teacher education	2,062	1,933
A.14	Miscellaneous grants and services	5,405	16,622
A.15	Primary and post primary infrastructure	168,752	164,477
A.16	Public private partnerships costs (PPP)	5	18
Grant total paid to ETBs		1,167,304	1,079,407

Appropriation Account 2022

Vote 27

International Co-operation

Introduction

As Accounting Officer for Vote 27, 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 2022 for certain official development assistance, including certain grants, and for contributions to certain international organisations involved in development assistance and for the salaries and expenses in connection therewith.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.556 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, with the exception of the following.

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost.

The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising on foreign currencies are translated into euro at the rate of exchange prevailing at the date of settlement. At programme country mission level, transactions arising on foreign currencies are translated into euro at the market rate of exchange prevailing at the beginning of that month.

Grant refunds

Refunds of grants, which were funded out of the bilateral co-operation and humanitarian assistance fund, are returned to the fund on receipt.

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 HR shared service.

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. Its work is informed by analysis of the 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Procurement

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 has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €74,917 (exclusive of VAT). The contract which had previously been awarded under a competitive tender process was extended beyond the original contract date without a competitive process. (The contract has been included in the 40/2002 annual return referenced above.) A tender competition was conducted in 2022 and concluded in Q1 2023. This contract is now compliant.

Missions' tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function include a review of compliance with local taxes in each mission's internal audit review. The Department also includes training on local tax rules as part of its training programme for staff in advance of overseas postings.

In addition, appropriately qualified accountants and internal auditors in the missions keep this compliance under review.

Significant financial risks

By its nature, development assistance carries inherent risks, which I acknowledge and seek to manage and mitigate. Robust controls are in place at head office, as outlined above, which are supplemented by additional controls in partner countries as set out below.

Enhancing internal control environment

In addition to the controls in place at head office, the following controls are operated in partner countries to mitigate the risks inherent in development assistance.

- Each embassy, in addition to the Ambassador, has a designated Head of Development with responsibility for the management of the aid programme.
- In addition to the Ambassador and Head of Development, the embassy management structure includes appropriately qualified and experienced development specialists and programme managers/advisers.
- There is a rigorous planning and approval process for each country programme, which includes the development of a mission strategy which covers Ireland's political, trade and development interests in each case. Mission strategies can be for up to five years, tailored to local circumstances. Each mission strategy is assessed at the outset through an independent external quality assurance (EQA) process prior to approval; is subject to a mid-term review process to review progress against goals and objectives; and is assessed via a final independent evaluation in advance of the next strategy cycle.
- Robust annual business planning processes are in place at all missions including identification and assessment of risks to business plan implementation and the controls in place to manage these risks. Business plans and risk registers are developed in consultation with head office, and are monitored and updated, as necessary, on a quarterly basis. Significant mission risks are reported upward to the Risk Management Committee and Management Board in line with the Department's Risk Management Policy.
- Each embassy has a locally-based finance function, led by an appropriately qualified head of finance, who reports both to the Ambassador and to the Finance Division at head office.
- A detailed financial procedures manual is in place which sets out the procedures to be followed in respect of all administration and grant-related transactions.
- Internal auditors are in place in each embassy, reporting directly to the Ambassador, and whose internal audit work is undertaken as part of the Department's overall internal audit strategy/work plan which is managed by the Department's independent Evaluation and Audit Unit. The Evaluation and Audit Unit oversees the work and ensures that it is undertaken in accordance with the internationally accepted Internal Audit Standards.

In addition, in respect of head office payments for overseas development assistance (including humanitarian, multilateral and civil society funding), robust business planning mechanisms are in place, including approval of the overall budget by the Interdepartmental Committee for Development Assistance, monitoring of expenditure by the Senior Management Group on a twice monthly basis, and robust pre and post disbursement grant management procedures.

Continued emphasis is placed on ensuring there is robust risk management system in operation across the aid programme, including controls to alert management to changes in the perceived risk profile of any aspect of the programme so that appropriate action can be taken at the earliest opportunity.

All grants are awarded using the standard approach to grant management, which should ensure consistency of approaches to grant management across the programme.

I am committed to ensuring that we continue to strengthen our systems of risk identification and management and to ongoing monitoring and audit to minimise the potential for the misuse of funds in the future.

Grant commitments

The Department is in the process of developing an electronic grant management system, which will seek to track all grant commitments and provide up to date information on the obligations of the Department in relation to such contractual commitments. In the absence of such a system, the detailed disclosure sought in the appropriation accounts of the movement on grant commitments could not be provided. However, an estimate of the obligations outstanding at 31 December 2022 has been provided in Note 2.7.

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 Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies 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 2022 that require disclosure in the appropriation account.

Joe Hackett
Accounting Officer
International Co-operation

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 27 International Co-operation

Opinion on the appropriation account

I have audited the appropriation account for Vote 27 International Co-operation for the year ended 31 December 2022 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 27 International Co-operation for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

27 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 27 International Co-operation

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Work on poverty and hunger reduction			
	<i>Original</i>	604,932		
	<i>Supplementary</i>	30,000		
		634,932	632,022	568,273
Gross expenditure				
	<i>Original</i>	604,932		
	<i>Supplementary</i>	30,000		
		634,932	632,022	568,273
	<i>Deduct</i>			
B	Appropriations-in-aid	1,030	1,676	1,041
Net expenditure				
	<i>Original</i>	603,902		
	<i>Supplementary</i>	30,000		
		633,902	630,346	567,232

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	3,555,873	2,752,117

Joe Hackett
Accounting Officer
International Co-operation

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	593,851	533,249
Pay	22,480	20,861
Non pay	15,691	14,163
Gross expenditure	632,022	568,273
<i>Deduct</i>		
Appropriations-in-aid	1,676	1,041
Net expenditure	630,346	567,232
Changes in capital assets		
Purchases cash	(388)	
Depreciation	399	
Disposals cash	7	
Profit on disposal	(7)	11
		(382)
Changes in net current assets		
Decrease in closing accruals	(372)	
Decrease in inventories	37	(335)
		(96)
Direct expenditure	630,022	566,754
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	420	28
Net programme cost	630,442	566,782

1.1 Net allied services expenditure ^a

The net allied services expenditure amount is made up of the following amounts in relation to Vote 27 borne elsewhere.

	2022	2021
	€000	€000
Vote 13 Office of Public Works	391	—
Vote 18 National Shared Services Office	29	28
	420	28

Note ^a Staff pensions incurred in respect of this Vote and charged to Vote 12 Superannuation and Retired Allowances, are recognised on the Vote 28 net allied services note.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	13,076	13,087
Current assets			
Bank and cash	2.2	8,140	10,091
Inventories		—	37
Prepayments	2.3	2,340	1,917
Other debit balances		125	356
Total current assets		10,605	12,401
Less current liabilities			
Accrued expenses		353	302
Other credit balances	2.4	722	762
Bilateral and other co-operation fund (grant) account	7	3,986	8,061
Net Exchequer funding	2.5	3,557	1,624
Total current liabilities		8,618	10,749
Net current assets		1,987	1,652
Net assets		15,063	14,739
Represented by:			
State funding account	2.6	15,063	14,739

2.1 Capital assets

	Land and buildings €000	Equipment €000	Furniture and fittings €000	Vehicles €000	Assets under development €000	Total €000
Gross assets ^a						
Cost or valuation at 1 January 2022	11,691	2,323	817	3,232	740	18,803
Additions	82	103	—	152	51	388
Disposals	—	(568)	(28)	(98)	—	(694)
Cost or valuation at 31 December 2022	11,773	1,858	789	3,286	791	18,497
Accumulated depreciation						
Opening balance at 1 January 2022	—	2,075	747	2,894	—	5,716
Depreciation for the year	—	148	13	238	—	399
Depreciation on disposals	—	(568)	(28)	(98)	—	(694)
Cumulative depreciation at 31 December 2022	—	1,655	732	3,034	—	5,421
Net assets at 31 December 2022	11,773	203	57	252	791	13,076
Net assets at 31 December 2021	11,691	248	70	338	740	13,087

Note ^a Includes certain assets acquired prior to 1 January 2020 at a cost or value of less than €10,000 each.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	6,266	7,615
Commercial bank account balance	231	317
Mission bank balances and cash	1,643	2,159
	8,140	10,091

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Mission rents	1,388	1,312
Other	952	605
	2,340	1,917

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Professional services withholding tax	67	149
Value added tax	26	19
	93	168
Other credit balances	629	594
	722	762

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,556	2,752
Exchequer grant undrawn	1	(1,128)
Net Exchequer funding	3,557	1,624
Represented by:		
Debtors		
Bank and cash	8,140	10,091
Other debit balances	125	356
	8,265	10,447
Creditors		
Due to the State	(93)	(168)
Other credit balances	(629)	(594)
Bilateral and other co-operation fund (grant) account	(3,986)	(8,061)
	(4,708)	(8,823)
	3,557	1,624

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		14,739	13,179
Disbursements from the Vote			
Estimate provision	Account	633,902	
Surplus to be surrendered	Account	(3,556)	
Net vote		630,346	567,232
Expenditure (cash) borne elsewhere	1	420	28
Non cash expenditure – capital assets		—	1,082
Net programme cost	1	(630,442)	(566,782)
Balance at 31 December		15,063	14,739

2.7 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services, including rental commitments	7,691	8,964
Non-capital grant programmes	185,574	246,103
Total of legally enforceable commitments	193,265	255,067

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,180	22,480	20,861
ii	Travel and subsistence	2,220	2,007	982
iii	Training and development and incidental expenses	1,750	1,964	1,532
iv	Postal and telecommunications services	1,725	1,799	1,651
v	Office equipment and external IT services	1,225	1,246	1,200
vi	Office premises expenses	7,960	5,797	6,321
vii	Consultancy services and value for money and policy reviews	400	301	277
viii	Promotional supports and postings supports	2,520	2,577	2,200
		40,980	38,171	35,024

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

vi Office premises expenses

Estimate provision €7.96 million; outturn €5.797 million

The underspend of €2.163 million on office premises expenses was due to a delay in commencing capital development works.

Programme A Work on poverty and hunger reduction

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	23,180	22,480	20,861
A.2	Administration – non pay	17,800	15,691	14,163
A.3	Bilateral co-operation and humanitarian assistance			
	<i>Original</i>	482,960		
	<i>Supplementary</i>	30,000		
		512,960	513,710	444,668
A.4	Contributions to international funds for the benefit of developing countries	37,192	36,341	45,507
A.5	Contributions to United Nations and other development agencies	43,800	43,800	43,074
		634,932	632,022	568,273

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 €27.09 million higher than originally provided. €2.809 million of this related to administration expenditure and has already been explained and the balance of the variance of €24.281 million was mainly due to the following:

A.3 Bilateral co-operation and humanitarian assistance

Estimate provision €482.96 million; outturn €513.71 million

The increase in expenditure of €30.75 million relative to the estimate provision was to facilitate Ireland's response in respect of the worsening food security situation in the Horn of Africa.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	450	1,076	465
2	Receipts from additional superannuation contributions on public service remuneration	580	600	576
Total		1,030	1,676	1,041

Significant variations

The following outlines the reasons for significant variations (+/- 25% and €100,000). Overall, appropriations-in-aid were €646,000 more than the estimate. Explanations for variances are set out below:

1 Appropriations-in-aid

Estimate provision €450,000; outturn €1.076 million

The increase of €626,000 was due to increased visa fees received following the lifting of Covid-19 travel restrictions, and grant refunds received.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>583</u>	<u>597</u>

5.2 Pay

	2022	2021 ^a
	€000	€000
Pay	18,490	17,112
Higher, special or additional duties allowances	65	51
Other allowances	1,793	1,734
Overtime	25	23
Employer's PRSI	1,514	1,412
Foreign social security and other costs	593	529
Total pay ^b	<u>22,480</u>	<u>20,861</u>

Note ^a Comparative figures were restated for consistency with the basis of analysis in 2022.

^b In addition, staff costs are incurred for staff employed by missions in providing security and who are engaged for the purposes of delivering the programme. These costs are charged to security costs in non-pay administration costs and to programme costs, as appropriate.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	11	2	21,619	20,663
Other allowances	120	65	90,618	87,130
Overtime	16	0	9,531	9,139
Extra remuneration in more than one category	7	5	16,008	21,551

5.4 Vote 27 staffing by pay band

The number of Vote 27 employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	147	135
60,000	69,999	18	19
70,000	79,999	31	22
80,000	89,999	22	29
90,000	99,999	12	15
100,000	109,999	15	9
110,000	119,999	14	10
120,000	129,999	6	3
130,000	139,999	3	5
140,000	149,999	3	2
150,000	159,999	1	1
160,000	169,999	—	1
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

5.5 Other remuneration arrangements

Five (2021: four) retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €99,629 (2021: €10,512).

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	9	12,230	18,122
Recovery plans in place	4	4,097	6,280

5.7 Severance/redundancy

During 2022, one staff member whose employment was terminated, was paid a severance payment totalling €4,267.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's salary is not charged to this Vote, and is accounted for in the appropriation account for Vote 28 Foreign Affairs.

Note 6 Miscellaneous

6.1 Contributions to United Nations and other development agencies (A.5)

The following is a breakdown of payments under subhead A.5. Additional payments may be made to the partner bodies listed from subhead A.3.

	2022	2021
	€000	€000
United Nations Development Programme (UNDP)	7,750	7,750
United Nations Children's Fund (UNICEF)	8,200	8,200
United Nations High Commissioner for Refugees (UNHCR)	10,500	10,500
United Nations Population Fund	4,000	3,500
Office of the United Nations High Commissioner for Human Rights	3,272	2,130
UNAIDS	2,500	3,400
United Nations Development Fund for Women (UNIFEM)	2,000	2,000
UN General Trust Fund	1,050	1,050
UN Industrial Development Organisation	380	424
UN Peacebuilding Fund	2,500	2,000
United Nations Environment Programme Trust Fund (UNEP)	150	250
United Nations volunteers	1,200	1,100
Others – various	298	770
	43,800	43,074

Note 7 Bilateral and other co-operation fund (grant) account

Account of receipt and payments during the year ended 31 December 2022

	2022	2021
	€000	€000
Balance at 1 January	8,061	8,905
Grant	513,710	444,668
Amounts recovered during the year	1,695	856
Expenditure for the year	(519,269)	(446,395)
Movement in bank balances held at missions	(211)	27
Balance at 31 December	3,986	8,061

Appropriation Account 2022

Vote 28

Foreign Affairs

Introduction

As Accounting Officer for Vote 28, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2022 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administered by that Office, including grants and contributions to international organisations.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €15.838 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, National Development Plan Delivery and Reform in Circular 22 of 2022, have been applied in the preparation of the account, with the exception of the following.

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost until such time as the next relevant valuation.

The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of each month. Foreign exchange transactions completed by headquarters are recorded at the rate at date of settlement of the transaction. All foreign currencies held in the Department's diplomatic missions' bank accounts have been revalued using European Central Bank rates as at 31 December 2022.

Accrued expenses, prepayments and commitments at diplomatic missions

Accrued expenses, prepayments and commitments do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental.

Statement on Internal Financial Control***Responsibility for system of internal financial control***

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

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

Shared services

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

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

Financial control environment

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

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

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place. It includes the following and, in particular, that

- there is segregation of duties and system of delegation and accountability
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management

- there are regular reviews by senior management of periodic and annual financial reports setting out 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 that I have approved. Its work is informed by analysis of the risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. The annual plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Procurement

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 has provided details of 19 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the relevant guidelines, with the exception of six contracts (in excess of €25,000 Ex VAT), totalling €658,362.

Four contracts (€558,898) which had previously been awarded under a competitive tender process were extended beyond the original contract date without a competitive process. Three contracts will be tendered by the Department in Q3 2023 and the other contract is currently in a tender process using an OGP central government framework.

Two contracts (€99,464) were awarded without a competitive tendering process and will be tendered during 2023.

Missions' tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's internal audit function includes a review of compliance with local taxes in each mission's internal audit review. The Department also provides guidance on local tax rules as part of its training programme for staff in advance of overseas postings.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit plan.

Ongoing monitoring and review

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

Review of effectiveness

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

Passport refunds overpayments

The Department refunds passport applicants where a passport application is unsuccessful, where an application has been cancelled or where a customer has paid the relevant fee more than once, for example due to multiple applications through different application channels. The volume of refunds issued by the Passport Service has increased significantly since 2021, as a result of COVID-19. As most overseas travel was not possible during 2020 and parts of 2021, passport applications did not progress and refunds fell due to many customers. Refunds peaked in 2022, due to an overall increase in the volume of applications being processed, as well as an increase in simultaneous applications through two or three different passport application channels, when turnaround times were particularly long. Refunds continued at a high level in 2023 as the arrears of refunds were processed.

In early 2023, the Department identified an issue whereby duplicate refunds were processed due to a systems error that was triggered when the volume of refunds exceeded a system threshold. A total of 1,260 payees received overpayments of duplicate refunds. The bulk of these overpayments were in 2022-2023, with a much smaller number in 2019, when applications through multiple channels first began to be seen at peak times, following the introduction of online applications for all applicants in Ireland. No overpayments occurred in other years. The total value of overpayments identified is €121,014 (2019: €1,738; 2022: €53,620; 2023: €65,656).

The error was confined to the system in place for applications by post. No errors were identified on the online passport application system. The Department has acted to correct the system errors to prevent future overpayments of passport refunds.

Joe Hackett
Accounting Officer
Department of Foreign Affairs

31 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 28 Foreign Affairs for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 28 Foreign Affairs for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2022.

Passport refunds overpayments

The Accounting Officer has disclosed in the statement on internal financial control that, due to a control failure, there were duplicate payments totalling €121,000 in respect of certain refunds of passport application fees.

The passport service

Chapter 7 of my report on the accounts of the public services for 2022 reviews the systems in place in respect of the passport service.

Seamus McCarthy
Comptroller and Auditor General

3 August 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 28 Foreign Affairs

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	To serve our people at home and abroad and to promote reconciliation and co-operation ('Our people')			
	<i>Original</i>	103,759		
	<i>Supplementary</i>	13,895		
			117,654	122,773
				86,562
B	To protect and advance Ireland's values and interests in Europe ('Our place in Europe')			
	<i>Original</i>	39,130		
	<i>Supplementary</i>	905		
			40,035	40,039
				34,430
C	To work for a fairer, more just, secure and sustainable world ('Our values')			
	<i>Original</i>	62,357		
	<i>Supplementary</i>	67,590		
			129,947	128,773
				54,928
D	To advance Ireland's prosperity by promoting our economic interests internationally ('Our prosperity')			
	<i>Original</i>	44,340		
	<i>Supplementary</i>	(156)		
			44,184	43,719
				39,099
E	To strengthen our influence and capacity to deliver our goals ('Our influence')			
	<i>Original</i>	66,809		
	<i>Supplementary</i>	1,766		
			68,575	60,875
				51,331

Gross expenditure

	<i>Original</i>	316,395			
	<i>Supplementary</i>	<u>84,000</u>			
			400,395	396,179	266,350
<i>Deduct</i>					
F Appropriations-in-aid			65,000	78,872	51,169
Net expenditure					
	<i>Original</i>	251,395			
	<i>Supplementary</i>	<u>84,000</u>			
			335,395	317,307	215,181

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. €2.25 million of unspent allocations in respect of the capital elements of administration subhead 'office premises expenses' were carried forward to 2023.

	2022	2021
	€	€
Surplus	18,087,679	21,578,623
Deferred surrender	<u>(2,250,000)</u>	<u>—</u>
Surplus to be surrendered	<u>15,837,679</u>	<u>21,578,623</u>

Joe Hackett

Accounting Officer
Department of Foreign Affairs

31 July 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		159,662	72,157
Pay		119,346	109,160
Non pay		117,171	85,033
Gross expenditure		396,179	266,350
<i>Deduct</i>			
Appropriations-in-aid		78,872	51,169
Net expenditure		317,307	215,181
Changes in capital assets			
Purchases cash	(9,280)		
Disposals cash	55		
Profit on disposals	(37)		
Depreciation	2,483	(6,779)	191
Changes in net current assets			
Decrease in closing accruals	(252)		
Increase in closing prepayments	(1,688)		
Decrease in inventories	3,635	1,695	8,108
Direct expenditure		312,223	223,480
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		28,775	24,500
Notional rents		3,311	3,209
Net programme cost		344,309	251,189

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere, net of costs of shared services provided to other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	82	60
Vote 12	Superannuation and Retired Allowances	22,130	18,233
Vote 13	Office of Public Works	5,660	5,263
Vote 18	National Shared Services Office	197	165
Vote 20	Garda Síochána	235	159
Vote 43	Office of the Government Chief Information Officer	148	249
	Central Fund – ministerial pensions	433	405
	Costs of shared services provided to other Votes	(110)	(34)
		28,775	24,500

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	200,285	193,506
Current assets			
Inventories	2.3	7,505	11,140
Prepayments	2.4	9,605	7,917
Other debit balances	2.5	9,503	7,013
Total current assets		26,613	26,070
Less current liabilities			
Bank and cash	2.2	4,220	1,728
Accrued expenses	2.6	2,421	2,673
Other credit balances	2.7	4,034	3,780
Net Exchequer funding	2.8	1,249	1,505
Total current liabilities		11,924	9,686
Net current assets		14,689	16,384
Net assets		214,974	209,890
Represented by:			
State funding account	2.9	214,974	209,890

2.1 Capital assets

	Land and buildings	Motor Vehicles	Furniture and Fittings	Office equipment	Assets under development ^a	Total
	€000	€000	€000	€000	€000	€000
Gross assets ^b						
Cost or valuation at 1 January 2022	186,105	2,805	7,644	64,123	1,740	262,417
Additions	1,173	485	57	496	7,069	9,280
Disposals	—	(256)	(358)	(26)	—	(640)
Cost or valuation at 31 December 2022	187,278	3,034	7,343	64,593	8,809	271,057 ^b
Accumulated depreciation						
Opening balance at 1 January 2022	—	2,096	6,777	60,038	—	68,911
Depreciation for the year	—	402	39	2,042	—	2,483
Depreciation on disposals	—	(256)	(340)	(26)	—	(622)
Cumulative depreciation at 31 December 2022	—	2,242	6,476	62,054	—	70,772
Net assets at 31 December 2022	187,278	792	867	2,539	8,809	200,285
Net assets at 31 December 2021	186,105	709	867	4,085	1,740	193,506

Notes ^a Assets under development represents assets for the Passport Service and the construction of Ireland House in Tokyo currently in progress. These assets represent projects that were not complete at 31 December 2022.

^b Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2020.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	(23,794)	(26,238)
Commercial bank account balances	2,595	6,345
Mission bank balances and cash	16,979	18,165
	(4,220)	(1,728)

2.3 Inventories ^a

at 31 December	2022	2021
	€000	€000
Passport books and cards	7,466	11,059
Protocol stocks	39	18
Stationery	—	15
Prepaid postage	—	5
IT consumables	—	43
	7,505	11,140

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Mission rents	2,090	1,671
Contributions to international organisations	2,205	3,384
Other prepayments	5,310	2,862
	9,605	7,917

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Departmental and agency accounts	7,728	5,419
Imprest and personal suspense accounts	1,345	1,081
Salary advance accounts	3	5
Repatriations ^a	124	135
Payroll control accounts	356	317
Honorary consulate debtors	(60)	47
Other balances	7	9
	9,503	7,013

Note ^a In 2020 and 2021, €1.6 million was spent on emergency repatriation costs due to Covid-19. To date, €1 million has been recouped (including €436,000 from the EU). In previous years, the following was charged to programme A.4: 2021: €41,000; 2020: €347,000.

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration accruals	1,496	1,801
Programme accruals	819	789
Travel and subsistence accruals	106	83
	2,421	2,673

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,409	1,284
Pay related social insurance	1,098	941
Universal social charge	301	261
Local property tax	8	9
Value added tax	30	17
Professional services withholding tax	222	225
	3,068	2,737
Sundry creditors	966	1,043
	4,034	3,780

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	15,838	21,579
Deferred surrender	2,250	—
Exchequer grant undrawn	(16,839)	(20,074)
Net Exchequer funding	1,249	1,505
Represented by:		
Debtors		
Other debit balances	9,503	7,013
Creditors		
Bank and cash	(4,220)	(1,728)
Due to the State	(3,068)	(2,737)
Other credit balances	(966)	(1,043)
	(8,254)	(5,508)
	1,249	1,505

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		209,890	191,377
Disbursements from the Vote			
Estimate provision	Account	335,395	
Surplus to be surrendered	Account	(15,838)	
Deferred surrender	Account	(2,250)	
Net vote		317,307	215,181
Expenditure (cash) borne elsewhere	1.1	28,775	24,500
Non cash expenditure – notional rent	1	3,311	3,209
Non-cash items – capital assets adjustments		—	26,812
Net programme cost	1	(344,309)	(251,189)
Balance at 31 December		214,974	209,890

2.10 Commitments

Commitments include those amounts for which the Department may be legally liable in 2023 and subsequent years under binding enforceable contracts.

at 31 December	2022	2021
	€000	€000
Lease commitments ^a	83,590	85,579
Procurement of goods and services	14,376	14,710
Total commitments	97,966	100,289

Note ^a Property lease commitments are offset by prepayments. Prepaid rents amounted to €2.09 million (2021: €1.671 million) which is included in the prepayments figure of €9.605 million (note 2.4). Lease commitments at 31 December 2022 reflect total future commitments under legally binding lease agreements.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	116,837		
	<i>Supplementary</i>	<u>3,000</u>		
		119,837	119,346	109,160
ii	Travel and subsistence	6,550	7,606	4,716
iii	Training and development and incidental expenses	6,950	6,809	3,851
iv	Postal and telecommunications services			
	<i>Original</i>	6,950		
	<i>Supplementary</i>	<u>1,500</u>		
		8,450	7,468	4,797
v	Office equipment and external IT services			
	<i>Original</i>	24,890		
	<i>Supplementary</i>	<u>9,000</u>		
		33,890	35,519	26,327
vi	Office premises expenses			
	<i>Original</i>	47,065		
	<i>Supplementary</i>	<u>1,998</u>		
		49,063	44,228	31,953
vii	Consultancy services and value for money and policy reviews	100	62	79
viii	Posting supports			
	<i>Original</i>	13,597		
	<i>Supplementary</i>	<u>1,002</u>		
		14,599	15,479	13,310
		239,439	236,517	194,193

Significant variations

The following outlines the reasons for significant variations in admin expenditure (+/- 25% and €100,000) compared to the original provision.

v Office equipment and external IT services

Estimate provision €24.89 million; outturn €35.519 million

The additional spend of €10.629 million arose due primarily to advance purchases of passport books and the chips used therein. These purchases were deemed necessary in order to guarantee that the Passport Office has sufficient supply of passports books to meet expected demand in 2023, in the context of a global shortage of chips and other supply chain issues.

Programme A Our people

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	30,950		
	<i>Supplementary</i>	795		
			31,745	31,615
				28,868
A.2	Administration – non pay			
	<i>Original</i>	38,936		
	<i>Supplementary</i>	11,600		
			50,536	56,458
				36,076
A.3	Fulbright Commission		404	404
A.4	Emergency consular assistance		79	76
				53
A.5	Support for Irish emigrant services			
	<i>Original</i>	12,595		
	<i>Supplementary</i>	1,500		
			14,095	13,959
				12,912
A.6	North-South and Anglo-Irish co-operation		5,045	5,031
				4,895
A.7	International Fund for Ireland		4,650	4,650
				2,650
A.8	Diaspora affairs		1,100	725
				704
A.9	Covid contingency		10,000	9,855
				—
		117,654	122,773	86,562

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

A.5 Support for Irish emigrant support services

Estimate provision €12.595 million; outturn €13.959 million

The additional spend of €1.364 million arose due to adverse currency movements and inflationary pressures affecting beneficiaries of emigrant support programmes in the UK, the US and other parts of the world.

A.8 Diaspora affairs

Estimate provision €1.1 million; outturn €725,000

The underspend of €375,000 arose due to an over-estimation of funds required, including in relation to the 'Back for Business' programme.

Programme B Our place in Europe

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	26,800		
	<i>Supplementary</i>	688		
		27,488	27,376	24,945
B.2	Administration – non pay			
	<i>Original</i>	7,697		
	<i>Supplementary</i>	217		
		7,914	7,489	5,892
B.3	Actions consequent on Title V of the Treaty on European Union	418	299	284
B.4	EU engagement	1,215	1,647	1,014
B.5	Irish personnel in EU and international institutions	3,000	3,228	2,295
		40,035	40,039	34,430

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

B.3 Actions consequent on Title V of the Treaty on European Union

Estimate provision €418,000; outturn €299,000

The underspend of €119,000 arose due to mandatory contributions to the EU which were previously paid from subhead B.3 but are now being paid from subhead C.3, resulting in an underspend in B.3. This change will be reflected in the 2024 budgetary process.

B.4 EU engagement

Estimate provision €1.215 million; outturn €1.647 million

The additional spend of €432,000 arose in the context of Ireland's Presidency of the Committee of Ministers of the Council of Europe from May to November 2022 and in relation to EU50, a programme of events to mark 50 years of Ireland's membership of the EU.

B.5 Irish personnel in EU and international institutions

Estimate provision €3 million; outturn €3.228 million

The additional spend of €228,000 arose due to the late submission of claims for recoupment from other departments relating to 2021.

Programme C Our values

			2022		2021
			Estimate provision	Outturn	Outturn
			€000	€000	€000
C.1	Administration – pay				
	<i>Original</i>	14,537			
	<i>Supplementary</i>	<u>373</u>			
			14,910	14,849	13,578
C.2	Administration – non pay				
	<i>Original</i>	7,617			
	<i>Supplementary</i>	<u>217</u>			
			7,834	7,415	6,124
C.3	Contributions to international organisations				
	<i>Original</i>	40,203			
	<i>Supplementary</i>	<u>67,000</u>			
			107,203	106,509	35,226
			129,947	128,773	54,928

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

C.3 Contributions to international organisations

Estimate provision €40.203 million; outturn €106.509 million

The original provision was exceeded by €66.306 million for a number of reasons, notably a decision to provide significant institutional support for the stability of the governments of Ukraine and Moldova; an increase in Ireland's mandatory contributions to the UN, primarily in respect of peacekeeping costs, which can fluctuate significantly; higher than anticipated contributions to the European Peace Facility, in the light of the Russian invasion of Ukraine; and a decision to provide additional voluntary contributions to the International Criminal Court.

Programme D Our prosperity

			2022	2021
			Estimate provision	Outturn
			€000	€000
D.1	Administration – pay			
	<i>Original</i>	23,400		
	<i>Supplementary</i>	601		
			24,001	23,903
D.2	Administration – non pay			
	<i>Original</i>	8,595		
	<i>Supplementary</i>	243		
			8,838	8,364
D.3	Promoting Ireland			
	<i>Original</i>	9,116		
	<i>Supplementary</i>	(1,000)		
			8,116	7,941
D.4	Contributions to national and international organisations		3,229	3,511
			44,184	43,719
				39,099

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

D.3 Promoting Ireland

Estimate provision €9.116 million; outturn €7.941 million

The underspend of €1.175 million was due to a reduction in promotional activity during 2022.

D.4 Contributions to national and international organisations

Estimate provision €3.229 million; outturn €3.511 million

The additional spend of €282,000 arose due to higher than anticipated assessed contributions to the OECD. The level of Ireland's contributions only became clear in early 2022.

Programme E Our influence

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay			
	<i>Original</i>	21,150		
	<i>Supplementary</i>	<u>543</u>		
		21,693	21,603	19,764
E.2	Administration – non pay			
	<i>Original</i>	43,257		
	<i>Supplementary</i>	<u>1,223</u>		
		44,480	37,445	29,704
E.3	Information services	<u>2,402</u>	<u>1,827</u>	<u>1,863</u>
		<u>68,575</u>	<u>60,875</u>	<u>51,331</u>

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

E.3 Information services

Estimate provision €2.402 million; outturn €1.827 million

The underspend of €575,000 arose due to reduced expenditure on planned Brexit and Covid public campaigns.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Passports, visa and other consular services	61,570	74,774	46,857
2	Repayments of repatriation and maintenance advances	30	—	—
3	VAT refunds to diplomatic missions	500	1,081	1,287
4	Miscellaneous	500	422	678
5	Receipts from additional superannuation contributions on public service remuneration	2,400	2,595	2,347
Total		65,000	78,872	51,169

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.87 million more than the estimate. Explanations for variances are set out below:

1 Passports, visa and other consular services

Estimate €61.57 million; realised €74.774 million

Income was ahead by €13.2 million due to the significant increase in the volume of passport applications. As the passport service is a demand-led service, it is difficult to project with certainty the level of applications that will be received in any given year.

3 VAT refunds to diplomatic missions

Estimate €500,000; realised €1.081 million

Income was ahead by €581,000 due to higher than anticipated VAT and sales tax refunds from foreign governments to missions overseas.

5 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.4 million; realised €2.595 million

The increase of €195,000 arose as receipts were more than anticipated due to higher payroll costs arising from national pay agreements.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>2,253</u>	<u>2,059</u>

5.2 Pay

	2022 €000	2021 ^a €000
Pay	102,076	87,254
Higher, special or additional duties allowances	535	196
Other allowances	11,519	10,670
Overtime	1,660	1,179
Employer's PRSI	7,648	6,066
Foreign social security/health insurance (missions)	4,089	3,795
Total pay^b	<u>127,527</u>	<u>109,160</u>

Note ^a Comparative 2021 figures were restated for consistency with the basis of analysis in 2022.

^b Total pay includes administration pay (A.1, B.1, C.1, D.1 and E.1) and the pay elements of subhead A.9 Covid contingency. The amount included for pay in Note 1 and Note 3 refers to administrative subheads only.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 ^a €
Higher, special or additional duties	108	14	54,939	22,002
Other allowances	586	378	89,842	103,556
Overtime	465	47	44,833	46,513
Extra remuneration in more than one category	117	52	63,584	49,189

Note ^a Comparative 2021 figures were restated for consistency with the basis of analysis in 2022.

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	1,093	967
60,000	69,999	100	71
70,000	79,999	95	86
80,000	89,999	64	58
90,000	99,999	57	46
100,000	109,999	56	57
110,000	119,999	36	36
120,000	129,999	36	36
130,000	139,999	24	17
140,000	149,999	15	13
150,000	159,999	16	11
160,000	169,999	12	12
170,000	179,999	5	2
180,000	189,999	3	10
190,000	199,999	9	2
200,000	209,999	2	2
210,000	219,999	4	—
220,000	229,999	1	1
230,000	239,999	—	2
240,000	249,999	1	—
250,000	259,999	1	1
260,000	269,999	1	—
270,000	279,999	—	1

5.5 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €3,565. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and other Provisions) Act 2012 (2021: €67,133).

5.6 Overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	84	123,127	118,666
Recovery plans in place	30	45,932	62,239

Overpayment recovery plans in respect of seven individuals to the value of €3,140 were transferred to other government bodies during the year.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>203</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

6.1 Payments/costs incurred during the year

	Claims by Employees	Members of the public	Total 2022	Total 2021
Number of cases	1	11	12	10
	€000	€000	€000	€000
Department's own legal costs	13	16	29	40
Payments by/on behalf of Department				
Compensation	15	91	106	5
Legal costs	—	—	—	—
Other costs	—	4	4	—
2022 Total	28	111	139	45
2021 Total	—	45	45	

6.2 Late payment penalties

	2022	2021
	€	€
Interest and compensation	13,532	8,936

6.3 Passport Service operating cost statement ^a

		2022
		Outturn
	€000	€000
Direct expenditure		
Payroll costs		
Permanent staff	19,860	
Temporary staff	8,867	
		28,727
Passport books and cards		16,264
Office operating costs		8,703
Postage and telecoms		4,127
Other operational costs		731
Premises and utility costs		697
Travel and subsistence		44
Total ^b		59,293

Note ^a This statement covers direct costs (e.g. postage, building utility costs, operating costs, etc.) incurred by the passport offices. It does not include any allocation of indirect costs incurred by central services e.g. ICT, HR, finance, corporate services, etc.

^b Total costs include costs related to subhead A.9 Covid contingency, €9.855 million in 2022. This subhead was created in order to assist the Department with the clearance of the passport backlogs which emerged due to Covid-19.

Appendix A Accounts of Bodies and Funds under the Aegis of the Department of Foreign Affairs

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Ireland–United States Commission for Educational Exchange (Fulbright Commission) ^a	1 Oct 2021 – 30 Sep 2022	7 Mar 2023	7 Mar 2023	7 Mar 2023

Note ^a The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Government and supports study, research, teaching and other educational activities between Ireland and the United States. The Commission receives annual funding from the Department and further funding from other sources.

Appropriation Account 2022

Vote 29

Environment, Climate and Communications

Introduction

As Accounting Officer for Vote 29, 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 2022 for the salaries and expenses of the Office of the Minister for the Environment, Climate and Communications including certain services administered by that Office, and for payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €301.082 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Structural changes

A number of changes have been made to the programmes in the Environment, Climate and Communication Vote to better reflect the strategic focus and the revised structure of the Department. The number of programmes has been reduced from five in 2021 to four in 2022.

- Programme A Climate action and environment leadership comprises all of the subheads of the former environment and waste management programme, except the landfill remediation and waste management initiatives subheads.
- Programme B Energy transformation comprises all the subheads of the former energy programme.
- Programme C Circular economy development comprises the former natural resources programme, inland fisheries programme, and the landfill remediation and waste management initiatives subheads.
- Programme D Connectivity and communications delivery comprises all the subheads of the former communications programme.

The changes in the Vote structure are reflected in the comparative 2021 expenditure.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, except for the following.

Depreciation of capital assets

Motor vehicles are depreciated over five years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over ten years at 10% per annum, while all other office/IT equipment is depreciated over five years at 20% per annum.

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 human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this 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 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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, 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

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 has provided details of eighteen 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €220,258 (exclusive of VAT), as set out below:

- One contract with a value of €85,000 (ex VAT) relates to an extension of the existing contract for landline telephony services while a new procurement process was undertaken.
- One contract with a value of €39,258 (ex VAT) for legal services, where the supplier had specialist knowledge and critical understanding of a complex legal matter that could not be easily replicated at an important stage of the project. This contract has since expired.
- One contract with a value of €96,000 (ex VAT) for telephone switch operator services, this contract was rolled over to ensure continuity of service pending development of a new solution.

The above contracts have been included in the 40/2002 annual return referenced above.

The Department remains committed to reducing the level of non-compliant procurements undertaken and has introduced a number of new and enhanced procedures to specifically target areas of non-compliance.

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 corporate 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, where required, by the Management Board on a quarterly basis, while risk relating to key strategic actions is subject to ongoing review. 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

Tax compliance

On 3 March 2020, the Office of the Revenue Commissioners (Revenue) gave notice of a site visit to get an understanding of the Department's processes and systems around ensuring tax compliance, benefit-in-kind on official vehicles and any other records as necessary.

During 2020, the Department engaged external auditors to conduct two audits relating to 1) the use of contractors within the Department and 2) fleet management practices which identified potential tax compliance issues. Revenue was briefed on the findings of both audits and was advised that the Department would undertake a comprehensive internal tax review.

The Department provided regular updates to Revenue throughout the process which concluded with a presentation of the findings in July 2022. Following this the Department made an unprompted qualifying disclosure totalling €44,466.

Most recent correspondence from Revenue in December 2022 advised that Revenue is considering the findings of our internal tax review as presented in July 2022 and included a request for further information. The Department continues to engage with Revenue.

The Department has introduced enhanced procedures to address risks identified, including delegated authority changes on an interim basis, pending the outcome of the review.

Relevant contracts tax

On 11 March 2021, the Revenue Commissioners notified the Department that it had been selected for a verification check on its 2018 Relevant Contracts Tax (RCT) returns. On foot of the verification checks, the Department identified a number of relevant payments which it did not notify to Revenue at the time of payment. The unreported payments identified were submitted to Revenue in September 2021 and, while these payments resulted in no loss of tax to Revenue, Revenue issued a penalty notice for €19,993 for late notifications which was received by the Department before the year ended 31 December 2021 and was settled in February 2022.

In response to the above issue, a reconciliation process has been implemented which will ensure all notifications are made in a timely manner going forward. In addition, RCT training has been incorporated into the annual training plans for the Accounts Unit staff.

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Environment, Climate and Communications

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Environment, Climate and Communications for the year ended 31 December 2022 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 29 Environment, Climate and Communications for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 the Environment, Climate and Communications 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.

Residential retrofit schemes

Chapter 8 of my report on the accounts of the public services for 2022 examines the Department's role in the management and performance of certain residential retrofit schemes.

Cyber Security

Chapter 9 of my report on the accounts of the public services for 2022 examines the Department's role in the cyber security programme.

Unused funds in Energy Efficiency National Fund

Chapter 5 of my report on the accounts of the public services for 2022 includes a section on the accumulated balances in this fund.

Seamus McCarthy

Comptroller and Auditor General

22 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 29 Environment, Climate and Communications

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Climate action and environment leadership		134,123	96,790
B	Energy transformation			92,837
	<i>Original</i>	380,315		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,774,373		
		2,212,605	1,974,979	326,989
C	Circular economy development			
	<i>Original</i>	98,909		
	<i>Supplementary</i>	(1,000)		
		97,909	90,642	80,453
D	Connectivity and communications delivery			
	<i>Original</i>	255,157		
	<i>Supplementary</i>	(30,000)		
		225,157	203,213	163,722
Gross expenditure				
	<i>Original</i>	868,504		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,743,373		
		2,669,794	2,365,624	664,001
	<i>Deduct</i>			
E	Appropriations-in-aid	10,486	7,398	12,286
Net expenditure				
	<i>Original</i>	858,018		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,743,373		
		2,659,308	2,358,226	651,715

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus	301,082,040	106,009,093
Deferred surrender	—	(57,917,000)
Surplus to be surrendered	<u>301,082,040</u>	<u>48,092,093</u>

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		2,322,015	628,711
Pay		34,052	28,091
Non pay		9,557	7,199
Gross expenditure		2,365,624	664,001
<i>Deduct</i>			
Appropriations-in-aid		7,398	12,286
Net expenditure		2,358,226	651,715
Changes in capital assets			
Purchases cash	(662)		
Loss on disposal	13		
Depreciation	849	200	629
Changes in net current assets			
Decrease in closing accruals	(790,671)		
Decrease in inventories	29	(790,642)	(1,421)
Direct expenditure		1,567,784	650,923
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		16,113	15,792
Notional rents		1,584	1,584
Net programme cost		1,585,481	668,299

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	62	45
Vote 12	Superannuation and Retired Allowances	12,533	12,232
Vote 13	Office of Public Works	3,307	3,322
Vote 18	National Shared Services Office	52	44
Vote 43	Office of the Government Chief Information Officer	69	69
Vote 20	Garda Síochána	9	—
Central Fund – ministerial pensions		81	80
		16,113	15,792

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,573	1,559
Current assets			
Bank and cash ^a	2.2	137,899	240,310
Inventories	2.3	161	190
Electricity credit prepayment	2.4	793,003	—
Other prepayments	2.5	3,284	2,092
Accrued income	2.6	14,101	1,563
Other debit balances	2.7	1,121	200
Total current assets		949,569	244,355
Less current liabilities			
Accrued expenses	2.8	18,431	2,369
Other credit balances	2.9	135,308	176,800
Net Exchequer funding	2.10	3,712	63,710
Total current liabilities		157,451	242,879
Net current assets		792,118	1,476
Net assets		793,691	3,035
Represented by:			
State funding account	2.11	793,691	3,035

Note ^a The 2021 comparative figure for banks has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund bank balance for the first time in 2022.

2.1 Capital assets ^a

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	1,404	22,688	7,976	32,068
Additions	—	302	360	662
Adjustment ^b	—	—	755	755
Disposals	(26)	(373)	(219)	(618)
Cost or valuation at 31 December 2022 ^c	1,378	22,617	8,872	32,867
Accumulated depreciation				
Opening balance at 1 January 2022	1,281	21,993	7,235	30,509
Depreciation for the year	22	307	520	849
Adjustment ^b	—	—	541	541
Depreciation on disposals	(26)	(360)	(219)	(605)
Cumulative depreciation at 31 December 2022	1,277	21,940	8,077	31,294
Net assets at 31 December 2022	101	677	795	1,573
Net assets at 31 December 2021	123	695	741	1,559

Notes ^a State-owned land and buildings controlled or managed by the Department, not included here, are listed in Appendix A.

^b An asset acquired in 2018 was omitted from capital asset additions in the year of purchase. An adjustment has been made in 2022 to account for the gross asset cost of €755,000 and the corresponding accumulated depreciation of €541,000 up to 31 December 2021 resulting in net adjustment of €214,000. This is reflected in the State funding account (see Note 2.11).

^c Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
Vote 29 PMG balance and cash	7,571	69,183
Energy Efficiency National Fund balance	124,263	165,138
Petroleum Infrastructure Programme Fund ^a	6,065	5,989
	137,899	240,310

Note ^a The 2021 comparative figure has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund bank balance for the first time in 2022.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Equipment	28	47
Publications	133	129
Stationery ^a	—	14
	161	190

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as inventory.

2.4 Electricity credit prepayment

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes in 2022.

In response to continued price rises, the Government introduced the second scheme of three payments of €183.49 each (ex. VAT) to be credited to over 2.1 million domestic electricity accounts between November 2022 and April 2023.

In 2022, the Department paid €1.211 billion to ESB networks under the second scheme for distribution to customers between November 2022 and April 2023. €793.003 million of this was distributed to individual domestic electricity accounts in 2023.

2.5 Other prepayments ^a

at 31 December	2022	2021
	€000	€000
Administration	583	7
Circular economy development	1,517	68
Climate action and environment leadership	41	1,061
Connectivity and communications delivery	946	190
Energy transformation	197	766
	3,284	2,092

Note ^a The 2021 comparative for prepayments figures have been re-categorised under administration, and the Department's four main subhead programme headings.

2.6 Accrued income

at 31 December	2022	2021
	€000	€000
Mining royalty invoices ^a	11,900	—
Other debtor invoices	2,201	1,563
	14,101	1,563

Note ^a There was a delay in issuing mining royalty invoices in 2022. These invoices are to be raised in 2023.

2.7 Other debit balances

at 31 December	2022	2021
	€000	€000
Payroll	—	29
Salaries of seconded staff	83	30
Intercompany balance - Energy Efficiency National Fund (Note 7.2)	647	—
Environment Fund	115	—
Other suspense	276	141
	1,121	200

2.8 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration	790	459
Circular economy development	1,689	619
Climate action and environment leadership	313	30
Connectivity and communications delivery	15,223	1,235
Energy transformation	416	26
	18,431	2,369

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Withholding tax	954	552
Value added tax	690	334
Exchequer receipts (note 4.3)	—	165
PAYE/PRSI	903	745
	2,547	1,796
Suspense		
Energy Efficiency National Fund (note 7.2)	124,263	165,138
Petroleum Infrastructure Programme Fund (note 7.1) ^a	6,065	5,989
Intercompany balance – Energy Efficiency National Fund (note 7.2)	242	—
Environmental Protection Agency	—	1,547
Due to the Petroleum Infrastructure Programme Fund	—	150
World Bank BioCarbon Fund due to NTMA	—	415
Emergency call answering service	1,392	1,267
Other	799	498
	132,761	175,004
	135,308	176,800

Note ^a The 2021 comparative figure for suspense has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund prepayments for the first time in 2022.

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	301,082	48,092
Deferred surrender	—	57,917
Exchequer grant undrawn	(297,370)	(42,299)
Net Exchequer funding	3,712	63,710
Represented by:		
Debtors		
Bank and cash	137,899	240,310
Debit balances: suspense	1,121	200
	139,020	240,510
Creditors		
Due to the State	(2,547)	(1,796)
Credit balances: suspense	(132,761)	(175,004)
	(135,308)	(176,800)
	3,712	63,710

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		3,035	2,243
Disbursements from the Vote			
Estimate provision	Account	2,659,308	
Surplus to be surrendered	Account	(301,082)	
Net vote		2,358,226	651,715
Expenditure (cash) borne elsewhere	1.1	16,113	15,792
Non cash items — capital assets adjustment	2.1	214	—
Non cash expenditure – notional rent	1	1,584	1,584
Net programme cost	1	(1,585,481)	(668,299)
Balance at 31 December		793,691	3,035

2.12 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	17,479	7,565
Capital grant programmes ^a	313,573	152,748
Capital projects and programmes	2,400,673	2,631,557
Total of legally enforceable commitments	2,731,725	2,791,870
b) Capital grant programmes	2022	2021
At 31 December	€000	€000
Opening balance ^a	152,748	151,454
Grants paid in the year	(40,503)	(93,056)
New grant commitments ^a	241,581	110,300
Grants cancelled	(40,253)	(15,950)
Closing balance ^a	313,573	152,748

Note ^a The 2021 comparative figure for capital grant programmes has changed from the 2021 appropriation account due to an adjustment of €19.042 million made in respect of Just Transition Fund commitments that were included in the 2021 commitments listing but omitted from the overall total due to an oversight.

c) Major capital projects where the project value exceeds €10 million

Programme/project	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
National postcodes	29,518	1,960	4,007	35,485	33,943
National Broadband Plan	177,232	165,950	2,355,118	2,698,300	2,764,000
INFOMAR ^a	58,501	4,144	6,401	69,046	61,089
Tellus ^b	25,502	2,018	4,567	32,087	28,243
	290,753	174,072	2,370,093	2,834,918	2,887,275

Notes ^a INFOMAR is a national survey programme which maps the Irish seabed and provides key baseline data for Ireland's marine sector.

^b Tellus is a national survey programme which gathers geophysical and geochemical data across Ireland via airborne geophysical surveying using a low-flying aircraft and ground-based geochemical surveying of soil, stream water and stream sediment.

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 2021.

National postcodes

Increase in expected total spend: €1.542 million

The increase reflects the establishment of the pilot in 2022, via a contract change, to provide data on a monthly basis on the allocation of Eircodes for new builds. Following the successful completion of the pilot in December 2022, there will be additional costs in 2023 associated with the maintenance of the monthly dissemination of Eircodes.

National Broadband Plan

Decrease in expected total spend: €65.7 million

The decrease is due to the original estimated contract cost including provision for 23% VAT on the connection subsidy element of the contract. The Department subsequently received advice from the Revenue Commissioners that the applicable rate of VAT is 13.5%.

INFOMAR

Increase in expected total spend: €7.957 million

Spend on the INFOMAR project relates to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year. The increase in the expected total spend in the lifetime of the project represents seven new contracts entered into in 2022 to continue the INFOMAR project which remains on target to complete in 2026.

Tellus

Increase in expected total spend: €3.844 million

Spend on the Tellus project relates to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year. The increase in the expected total spend in the lifetime of the project represents six contract extensions in 2022 to continue the Tellus project. The Department expects the programme to be complete in 2026, with delivery of airborne and soil datasets and interpretations. A completion date for a drainage programme has yet to be proposed, and would likely require funding beyond 2026.

2.13 Land remediation

The Department incurs costs in relation to historical mines, primarily in Avoca and Silvermines, which are the highest risk sites. Expenditure relates to maintenance and rehabilitation as needed at all sites, and additionally, environmental monitoring at Avoca and Silvermines which is reported under Subhead C.3.

	Expenditure to end 2021 €000	Expenditure in 2022 €000	Contractual Commitments €000	Total €000
Avoca	4,801	59	—	4,860
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,832	—	—	1,832
Other emergency works	—	13	—	13
	17,823	72	—	17,895

2.14 Cyber security

The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to cyber security is reported under the connectivity and communications delivery programme as shown below, with administrative costs met from subheads D.1 and D.2 and operational funding provided through subhead D.6.

	2022 €000	2021 €000
Administration - pay	2,851	2,054
Travel and subsistence	80	9
Operations	3,424	1,808
	6,355	3,871

2.15 Contingent liabilities

There is potential for financial liabilities to arise in 2023 and subsequent years depending on the outcomes of current, pending and possible future legal actions including EU legal actions. The amounts involved cannot be determined at this point.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	39,632	34,052	28,091
ii	Travel and subsistence	819	721	231
iii	Training and development and incidental expenses	1,925	2,909	783
iv	Postal and telecommunications services	440	419	324
v	Office equipment and external IT services	3,516	2,415	3,728
vi	Office premises expenses	1,424	845	614
vii	Consultancy services and value for money and policy reviews	2,402	2,107	1,399
viii	Equipment, stores and maintenance	196	141	120
		50,354	43,609	35,290

Significant variations

This note outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €39.632 million; outturn €34.052 million

The underspend of €5.58 million relates to recruitment being staggered throughout the year. The budget provided for the full year cost of all staff.

iii Training and development and incidental expenses

Estimate provision €1.925 million; outturn €2.909 million

The additional expenditure of €984,000 is primarily due to advertising expenditure on the national public information campaign Reduce Your Use.

v Office equipment and external IT services

Estimate provision €3.516 million; outturn €2.415 million

The underspend of €1.101 million relates to proposed capital software upgrade programmes being deferred pending the engagement of skilled resources.

vi Office premises expenses

Estimate provision €1.424 million; outturn €845,000

The underspend of €579,000 was due to the delay in the relocation of the Department's National Cyber Security Centre to its temporary office in Crane Street in Dublin 8 and also due to energy savings achieved in the Department's offices through the Reduce Your Use campaign.

Programme A Climate Action and Environment Leadership

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		8,240	7,079
A.2	Administration – non pay		2,187	1,957
A.3	Environmental Protection Agency		41,619	41,600
A.4	Environmental and climate research			
	<i>Original</i>	16,800		
	<i>Supplementary</i>	(2,500)		
			14,300	13,536
A.5	Carbon Fund			18,043
	<i>Original</i>	8,000		
	<i>Supplementary</i>	(3,500)		
			4,500	—
A.6	International climate change commitments		15,000	16,045
A.7	Climate initiatives			
	<i>Original</i>	5,077		
	<i>Supplementary</i>	6,000		
			11,077	9,776
A.8	Just Transition JTF (IE & EU)		34,000	3,397
A.10	<i>Climate Action Fund</i>		—	—
A.11	Subscriptions to international organisations		3,200	3,400
		134,123	96,790	92,837

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €37.333 million lower than originally provided. €1.391 million of this related to administration expenditure (see above). The balance of the variance of €35.942 million was mainly due to the following.

A.4 Environmental and climate research

Estimate provision €16.8 million; outturn €13.536 million

The underspend of €3.264 million relates to an underspend in general climate related research across the Department. The EPA submitted a proposal seeking funding in 2022. On review, the Department felt that the proposal required further development and accordingly no funding was advanced.

A.5 Carbon Fund

Estimate provision €8 million; outturn €nil

The 2022 estimate was provided in advance of an updated Government strategy for meeting compliance with our greenhouse gas emissions target under the EU Effort Sharing Decision 406/2009/EC (ESD). Based on an analysis of market conditions, the Department updated its compliance strategy and secured Government approval in Decision S180/20/10/1210E to enter into negotiations for purchasing units from another member state. The purchase of these units will be executed in 2023.

A.6 International climate change commitments

Estimate provision €15 million; outturn €16.045 million

The increased expenditure of €1.045 million relates to an additional virement of just over €1 million to provide support of €2.5 million to United Nations Development Programme initiative agreed during COP27.

A.7 Climate initiatives

Estimate provision €5.077 million; outturn €9.776 million

An increase in expenditure of €4.699 million was incurred as a result of a supplementary estimate of €6 million being provided in 2022. €3.5 million of this was provided for grant funding of Local Authorities to account for costs incurred in the delivery of statutory Local Authority Climate Action Plans (LACAPs). The remaining €2.5 million was provided towards the funding of a specific Climate Action funding round of the Sound and Vision 4 Scheme, joint funded along with the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

A.8 Just Transition JTF (IE & EU)

Estimate provision €34 million; outturn €3.397 million

There was an underspend of €30.603 million. Ireland's Just Transition Programme and Territorial Plan was not approved by the European Commission until 13 December 2022 and as a result, it was not possible to commence programme expenditure on the EU Just Transition. Further underspends were incurred in relation to the National Just Transition due to grantees experiencing a number of challenges in implementation of projects, resulting in delays to drawdowns.

A.11 Subscriptions to international organisations

Estimate provision €3.2 million; outturn €3.4 million

Additional expenditure of €200,000 was due to increased funding provided to support Global Environment Facility (GEF) activities to address plastic pollution, currency fluctuations and an increase in United Nations Environment Programme core budget requirements.

Programme B Energy Transformation

		2022		2021
		Estimate Provision		Outturn
		€000	€000	€000
B.1	Administration – pay		9,872	8,483
B.2	Administration – non pay		2,623	2,345
B.3	Sustainable Energy Authority of Ireland – administration and general expenses		21,475	19,509
B.4	Residential/community retrofit programmes			
	Original	263,578		
	Deferred surrender	57,917		
	Supplementary	(168,626)		
			152,869	151,329
B.5	Other energy efficiency programmes		46,065	43,676
B.6	Other energy programmes (national/international)			
	Original	1,050		
	Supplementary	1,000		
			2,050	625
B.7	Energy research programmes		25,010	9,450
B.8	Gas services		45	42
B.9	Renewable energy compliance		10,300	—
B.10	Single scheme pension payment to CRU		6	—
B.11	Electricity credit			
	Original	1		
	Supplementary	1,591,999		
			1,592,000	1,588,208
B.12	Subscription to international organisations		290	312
B.13	Emergency generation capacity			
	Original	—		
	Supplementary	350,000		
			350,000	151,000
			2,212,605	1,974,979
				326,989

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €1.537 billion higher than originally provided.

Administration expenditure was lower than originally provided by €1.667 million (see above). The balance of the variance of €1.538 billion was mainly due to the following.

B.3 Sustainable Energy Authority of Ireland - administration and general expenses

Estimate provision €21.475 million; outturn €19.509 million

The underspend of €1.966 million was due to SEAI receiving an allocation to fund an increase in staff in 2022 to 195 whole time equivalents. At 31 December 2022, they had staffing of 170 whole time equivalents. There are open campaigns to recruit for the remaining roles.

B.4 Residential/community retrofit programmes

Estimate provision €321.495 million; outturn €151.329 million

There was a total underspend of €170.166 million in 2022. The 2022 Revised Estimates Volume originally had an allocation of €263.578 million for the residential/community retrofit programmes. As part of the Government's response to the cost of living crisis, exacerbated by the war in Ukraine, the Government approved a domestic electricity credit scheme. A total of €128.626 million was transferred from the residential/community retrofit programmes subhead (B.4) to electricity credit subhead (B.11) as part of a supplementary estimate in March 2022 to part fund this scheme.

The remaining underspend of €41.54 million was due to industry supply chain and workforce constraints resulting from international and national factors experienced in 2022 and delays in the ramping up of activity under two schemes, the new national home energy upgrade scheme and the better energy communities scheme. The 2022 allocation for the national home energy upgrade scheme provided for works to be delivered via a network of one stop shops.

The new scheme launched in February but it took a number of months for the one stop shops to complete the registration process required for them to be in a position to commence works. The better energy communities scheme for 2022 launched in March to ensure the grants under the scheme aligned to the national home energy upgrade scheme. A later than forecasted start for energy upgrade projects supported under these schemes resulted in a knock-on delay in the completion of projects in year resulting in home completions budgeted for payment in 2022 deferring into 2023.

Following a second supplementary estimate in July 2022, a further €40 million was transferred to subhead B.13 Emergency generation capacity.

B.5 Other energy efficiency programmes

Estimate provision €46.065 million; outturn €43.676 million

The underspend of €2.389 million mainly relates to lower than anticipated demand for the Industrial Engagement (EXEED) programme. SEAI reviewed the EXEED scheme during the year and recommendations to remove barriers and enhance the EXEED process will be implemented in 2023.

There was also an underspend on the Business Renewable Energy programme. The Annual Tariff Review resulted in approval being granted for a number of key changes to the scheme to increase uptake. These underspends were offset by the reallocation of €6 million during the year from the EXEED programme to the Public Sector Energy Efficiency scheme to facilitate the retrofitting of additional buildings in the education sector.

B.6 Other energy programmes

Estimate provision €1.05 million; outturn €625,000

The underspend of €425,000 relates mainly to payments to ESRI being made from the energy research programmes subhead (B.7). A further €1 million was allocated to the subhead through a supplementary estimate to support the establishment of a dedicated regulatory function within An Bord Pleanála. This funding did not progress in 2022.

B.7 Energy research programmes

Estimate provision €25.01 million; outturn €9.45 million

The underspend of €15.56 million was largely due to (i) an underspend in the Renewable Energy Research and Development programme due to the multi annual nature of research projects and the continued impact of Covid on existing research awards, resulting in reduced research activity during the year (ii) an underspend in the Ocean Energy project due to postponed resourcing and grid connections which delayed onshore works on the Atlantic Marine Energy Test Site (iii) resourcing constraints and scoping uncertainty resulting in delays in progressing the ROADMAP project.

B.9 Renewable energy compliance

Estimate provision €10.3 million; outturn €nil

This subhead is a provision for the Renewable Energy Directive in the event that Ireland fails to meet its renewable energy targets. The completion of statistical transfers in 2020 allowed Ireland to meet its obligations under the Renewable Energy Directive in 2022 and no additional purchases were required.

B.11 Electricity credit

Estimate provision €1,000; outturn €1.588 billion

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes. The first scheme saw €176.22 (ex. VAT) credited to over 2.1 million domestic electricity accounts in April/May 2022. In response to continued price rises, the Government introduced a second scheme of three payments of €183.49 each (ex. VAT) to be credited to over 2.1 million domestic electricity accounts between November 2022 and April 2023. Both schemes were underpinned by primary legislation, which set out the functions of the Distribution System Operator (ESB Networks) and electricity suppliers for the operation of the schemes and assigned responsibility for their oversight to the Commission for Regulation of Utilities (CRU). As they were emergency measures, the cost of these schemes were not included in the original estimate for the Department and was provided through two supplementary estimates.

B.13 Emergency generation capacity

Estimate provision €nil; outturn €151 million

In June 2022, the Commission for Regulation of Utilities directed EirGrid to procure circa 450 MW of additional generation capacity for winter 2023/24 through to winter 2025/26 to offset a potential capacity shortfall of electricity supply. Following the enactment of the EirGrid Electricity and Turf (Amendment) Act in July 2022, €350 million was provided in two supplementary estimates to cover the anticipated financial support required by EirGrid to (i) place orders on the electricity generation units and (ii) to ensure that they are delivered and installed in time for winter 2023/24. However, the complexity of the procurement process led to delays in finalising contracts, and the eventual drawdown by EirGrid was €151 million. EirGrid have confirmed that the remaining costs of the project will be funded through their own corporate resources and transmission use of system charges and that no further Exchequer funding will be required.

Programme C Circular Economy Development

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	9,446	8,117	6,054
C.2	Administration – non pay	2,705	2,385	1,779
C.3	Mining and petroleum services			
	Original	3,264		
	Supplementary	(1,000)		
		2,264	950	378
C.4	Geological survey programmes	12,900	11,406	10,294
C.5	Inland Fisheries	33,449	34,186	27,162
C.6	Waste management programmes	37,010	33,477	34,762
C.7	Subscriptions to international organisations	135	121	24
		97,909	90,642	80,453

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €8.267 million lower than provided. €1.649 million of this related to administration expenditure (see above). The balance of the variance of €6.618 million was mainly due to the following.

C.3 Mining and petroleum services

Estimate provision €3.264 million; outturn €950,000

The underspend of €2.314 million relates to (i) reduced extraction rates of private minerals by mineral companies under State mining licences, and legal delays resulting in lower than expected compensation payments made to owners of mineral rights and (ii) less than anticipated expenditure works at Avoca and Silvermines pending the commissioning of updated feasibility studies to ascertain the optimal approach to remediation.

C.4 Geological survey programmes

Estimate provision €12.9 million; outturn €11.406 million

The underspend of €1.494 million mainly relates to the Tellus programme being partly suspended due to contracting and procurement issues.

C.6 Waste management programmes

Estimate provision €37.01 million; outturn €33.477 million

The underspend of €3.533 million mainly relates to funding that was allocated to a number of sites for landfill remediation that was not drawn down as works did not progress at the anticipated pace.

Programme D Connectivity and Communications Delivery

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	12,074	10,375	7,303
D.2	Administration – non pay	3,207	2,868	1,745
D.3	National Broadband Plan			
	<i>Original</i>	225,000		
	<i>Supplementary</i>	<u>(30,000)</u>		
		195,000	177,282	144,862
D.4	Other communication infrastructure	3,570	2,614	1,750
D.5	Other digital economy programmes	6,206	6,650	6,249
D.6	National Cyber Security Centre	5,100	3,424	1,813
		225,157	203,213	163,722

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €51.944 million lower than originally provided. €2.038 million of this related to administration expenditure (see above). The balance of the variance of €49.906 million was mainly due to the following.

D.3 National Broadband Plan

Estimate provision €225 million; outturn €177.282 million

The underspend of €47.718 million was primarily due to:

- The timing of subsidy payment claims by National Broadband Ireland (NBI) which has an impact on the level of NBP subsidy payments, where circa €14 million was paid in 2023 related to 2022.
- There was a forecasting calculation error by NBI which resulted in an overstatement of €20 million of NBP subsidy payments forecasted for 2022.
- There was a specific milestone not achieved in 2022, resulting in less NBP subsidy payments claimed in 2022 of €13.5 million. The milestone remains unachieved in 2023.

D.4 Other communication infrastructure

Estimate provision €3.57 million; outturn €2.614 million

The underspend of €956,000 is mainly due to less than anticipated costs in relation to the Eircodes project and undrawn contingency funds for the Eircode monthly pilot.

D.5 Other digital economy programmes

Estimate provision €6.206 million; outturn €6.65 million

The increased expenditure of €444,000 relates to extra funding of circa €1 million provided to assist the Digital Hub Development Agency so that it could meet its running costs and undertake essential health and safety maintenance of its properties as the combination of its commercial income and the original allocation of Exchequer funding was insufficient to do so. This was offset by an underspend of €500,000 on a National Digital Research Centre contract.

D.6 National Cyber Security Centre

Estimate provision €5.1 million; outturn €3.424 million

The underspend of €1.676 million was mainly due to less than anticipated costs in relation to the National Cyber Security Centre's move to a new interim facility in Dublin 8. Due to challenges caused by the listed status of the building, the security infrastructure of the facility was redesigned to a smaller scale with a cost less than initially estimated. In addition, the OPW paid for a larger portion of the fit out project cost than initially anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated €000	Realised €000	Realised €000
1	Proceeds of fines in respect of inland fishery offences	50	24	23
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	5,092	1,423	6,605
3	Petroleum Infrastructure Support Group	402	49	35
4	Geological Survey Ireland income	300	347	342
5	Rent on properties in GPO	223	364	85
6	Miscellaneous receipts (note 4.2)	1,000	1,288	1,372
7	Pension contributions from agencies	340	223	380
8	Receipts from additional superannuation contributions on public service remuneration	3,079	3,680	3,188
9	Dormant accounts receipts	—	—	256
Total		10,486	7,398	12,286

Significant variations

The following outlines the reasons for significant variations in appropriation-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €3.088 million less than originally forecast. Explanations for variances are set out below.

2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960

Estimate provision €5.092 million; realised €1.423 million

The shortfall of €3.669 million was mainly due to the following.

(i) A large amount of petroleum licence income outstanding at 31 December 2022.

(ii) A reduced extraction rate of private minerals by mining companies, under State mining licences, resulted in a lower than expected mining compensation income paid by mining companies.

(iii) There was a delay in issuing mining royalty invoices. These invoices are to be raised in 2023 and are included in the accrued income note.

3 Petroleum Infrastructure Support Group*Estimate €402,000; realised €49,000*

The decrease of €353,000 in PISG income was in line with the reduced number of petroleum licenses. The orderly wind down of the Petroleum Infrastructure Programme has been initiated, and contributions to the Programme for periods commencing 1 July 2021 are not being sought. Additionally, there were a number of unpaid invoices on hand at 31 December 2022 that had been expected to have been paid in the year.

5 Rent on properties in GPO*Estimate €223,000; realised €364,000*

The excess of €141,000 relates to receipt of payment of 2021 invoices in early 2022.

7 Pension contributions from agencies*Estimate €340,000; realised €223,000*

The shortfall of €117,000 relates to SEAI 2022 contributions not received until January 2023.

8 Receipts from additional superannuation contribution on public service remuneration*Estimate €3.079 million; realised €3.68 million*

The excess of €601,000 relates mainly to an increase in staff numbers in the Department, EPA and SEAI.

4.2 Miscellaneous receipts

	2022	2021
	€000	€000
Royalties in respect of metropolitan area networks	979	942
Corrib verification	—	21
Costs recovered from other bodies	130	224
Salary overpayment recoupment from prior years	—	176
Maritime Area Consent application fee	175	—
Other	4	9
Total	1,288	1,372

4.3 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	165	152
Receipts from emissions trading scheme ^a	215,669	147,694
Galway Mayo telecommunications duct	200	206
Share of surplus on sale of NBP company ^b	42,775	—
Drawdown of RESS performance bonds	1,006	—
Closure of the World Bank's BioCarbon Fund	415	—
Reimbursement of Pobal fees for 2021	109	—
NDRC sale of shares	—	66
Insurance and project receipts	—	99
Voluntary surrender of Ministerial salaries	21	21
Transferred to the Exchequer	(260,360)	(148,073)
Balance at 31 December	—	165

Notes ^a €215.669 million represents Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading Scheme in 2022. €1.547 million was paid over to the EPA in January 2023 for administrative expenses.

^b In the event of a sale of shares in Metallah (Metallah being the parent company of NBII (NBI Infrastructure) and NBID (NBI Deployment)), the Minister is entitled to share in the sales proceeds in respect of the value attributable to NBII only (i.e., excluding NBID) if the shareholders return on investment exceeds a 25% rate of return. Under the contract between NBII and the Minister, the Minister is entitled to a share of 25% of the proceeds in excess of this 25% rate of return threshold. Following the sale of shares of Metallah in 2022, €42.775 million was paid to the Department in November 2022 under this clause.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	534	438
Agencies ^a	961	903
	1,495	1,341

Note ^a The agencies included here are the Digital Hub Development Agency, Sustainable Energy Authority of Ireland, Inland Fisheries Ireland, the Loughs Agency and the Environmental Protection Agency. Agency pay details included in notes 5.2 and 5.3 below, relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies) ^a	2022	2021
	€000	€000
Pay	89,245	78,709
Higher, special or additional duties allowances	364	322
Other allowances	1,583	1,644
Overtime	50	48
Employer's PRSI	8,798	7,620
Total pay	100,040	88,343

Remuneration of Department staff

	2022	2021
	€000	€000
Pay	31,125	25,691
Higher, special or additional duties allowances ^b	109	158
Other allowances ^b	—	—
Overtime	25	23
Employer's PRSI	2,793	2,219
Total pay	34,052	28,091

Remuneration of agency staff

	2022	2021
	€000	€000
Pay	58,120	53,018
Higher, special or additional duties allowances	255	286
Other allowances	1,583	1,522
Overtime	25	25
Employer's PRSI	6,005	5,401
Total pay	65,988	60,252

Notes ^a The remuneration arrangements refer to the pay element of subheads A.1, A.3, B.1, B.3, C.1, C.5, D.1 and D.5. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure, National Development Plan Delivery and Reform guidelines (circular 22 of 2022).

^b Prior year figures have been restated to better reflect the guidance note on allowances.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Department staff				
Higher, special or additional duties allowances ^a	37	2	12,300	20,318
Other allowances ^a	3	—	65	—
Overtime	10	—	8,549	3,799
Extra remuneration in more than one category	7	1	11,628	11,328
Agency staff				
Higher, special or additional duties allowances	78	5	18,873	17,948
Other allowances	312	—	8,763	40,534
Overtime	61	—	3,553	4,513
Extra remuneration in more than one category	59	9	22,394	18,982

Note ^a Prior year figures have been restated to better reflect the guidance note on allowances.

5.4 Department employee pay bands

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	278	239
60,000	69,999	53	61
70,000	79,999	60	55
80,000	89,999	40	33
90,000	99,999	33	12
100,000	109,999	19	14
110,000	119,999	8	6
120,000	129,999	3	1
130,000	139,999	2	—
140,000	149,999	—	—
150,000	159,999	2	4
160,000	169,999	4	1
170,000	179,999	1	—
180,000	189,999	1	—
190,000	199,999	1	1
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

One retired civil servant who had been recruited through an open competition in 2019 and was subsequently promoted through an open competition in 2022 received a salary of €71,794 during 2022. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012 and the pension was abated appropriately.

This account includes expenditure of €543,077 in respect of five officers who were serving outside the Department for all of 2022 and whose salaries were paid by the Department.

This account does not include expenditure in relation to twenty four officers who were serving outside the Department for all or part of 2022 in other Government departments/offices and whose salaries were paid by the department/offices in which they worked.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	30	105,619	143,663
Recovery plans in place	10	71,966	86,925

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 EU funding

The outturn shown in subheads A.7 and C.4 includes payments in respect of activities which are co-financed by the EU through the Life, Horizon 2020 and Interreg projects.

The Department received funding of €103,000 (2021: €186,000) from the EU in respect of Interreg projects and related expenditure of €38,000 is provided in Subhead C.4 (2021: €173,000).

The Department received funding of €99,000 (2021: €363,000) from the EU in respect of Horizon 2020 projects and related expenditure of €353,000 is provided in Subhead C.4 (2021: €753,000).

Expenditure relating to Life projects in the amount of €290,000 (2021: €nil) is provided in Subhead A.7.

6.2 Fraud and suspected fraud

The Department is aware of an allegation of a suspected fraud which may have occurred in a service provider in receipt of grant funding. This case is under investigation by the appropriate authorities and the Department awaits the outcome.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	Contractor ^a	Members of the public (notice party ^b)	2022	2021
Number of cases	1	1	2	—
	€000	€000	€000	€000
Payments by/on behalf of Department				
Compensation	15	—	15	—
Legal costs	1	48	49	—
2022 Total ^c	16	48	64	—

Notes ^a Claim in respect of status of consultant's contract.

^b Notice party's legal costs paid pursuant to a court order.

^c Both cases were settled in 2022. The figures shown represent the full costs incurred by the Department in relation to those cases.

6.4 Late interest payments

	2022	2021
	€	€
Interest payments	36,600	21,293

Note 7 Miscellaneous accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2022.

	2022	2021
	€000	€000
Balance at 1 January	5,989	6,072
Receipts	499	685
Payments	(423)	(768)
Balance at 31 December	6,065	5,989

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by the Department. The aim of the programme was to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas.

As Ireland moves away from oil and natural gas exploration and production, the Department is of the view that there is no longer a requirement for it to support the continuation of research programmes that support hydrocarbon exploration and development activities.

Accordingly, the orderly wind down of the PIP has been initiated, and contributions to the programme for periods commencing 1 July 2021 will not be sought.

Outstanding receipts in relation to the PIP fund from payments invoiced before this date are recorded as appropriations-in-aid and paid into the fund via subhead C.3.

The fund is administered by the Geoscience Regulation Office in the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2022.

	2022 Profile estimate ^a €000	2022 Total €000	2021 €000
Balance at 1 January		165,138	20,261
Receipts from Vote 29		—	160,000
Receipts from IEEI		11,923	5,138
Transfer to Climate Action Fund		(1,212)	(20,261)
Reduce your use campaign		(2,372)	—
Residential/community retrofit programmes	83,041	(49,214)	—
First loss loan scheme	60,000	—	—
Balance at 31 December		124,263	165,138

Note ^a The profile estimate represents the Department's budget set aside for these programmes and schemes in 2022.

Significant variations

The following outlines the reasons for significant variations in expenditures on the EENF (+/- 5% and €100,000). Of the €160 million transferred from Vote 29 in 2021 the Department planned to spend €143.041 million in 2022. The expenditure in the year was €93.827 million lower than originally profiled. This was mainly due to the following.

Residential/community retrofit programmes

Profile estimate €83.041 million; outturn €49.214 million

The underspend of €33.827 million was due to industry supply chain and workforce constraints resulting from international and national factors experienced in 2022 and delays in the ramping up of activity under two schemes, the new national home energy upgrade scheme and the better energy communities scheme.

The 2022 allocation for the national home energy upgrade scheme provided for works to be delivered via a network of one stop shops. The new scheme launched in February but it took a number of months for the one stop shops to complete the registration process required for them to be in a position to commence works.

The better energy communities scheme for 2022 launched in March to ensure the grants under the scheme aligned to the national home energy upgrade scheme. A later than forecasted start for energy upgrade projects supported under these schemes resulted in a knock-on delay in the completion of projects in the year resulting in home completions budgeted for payment in 2022 deferring into 2023.

First loss loan scheme

Profile estimate €60 million; outturn €nil

The development of this innovative scheme is a complex process involving multiple stakeholders both nationally and internationally. Intensive engagement to develop the scheme took place throughout 2022 with extensive due diligence between the European Investment Bank and the Irish banking and credit union sectors. Two open calls to identify participating on-lenders were completed (the "invitation for pre-qualification" and the "invitation for award"). However, no expenditure took place in 2022.

Background and activities of the Energy Efficiency National Fund

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are (i) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (ii) to promote the development of a market for energy efficiency improvement measures.

A total of €14.03 million of funding from the EENF has been invested in Ireland Energy Efficiency Investments plc (IEEI). The State investment in IEEI is matched by private sector funding. The Minister, along with the other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, in consultation with the Minister for Public Expenditure, National Development Plan Delivery and Reform, decided not to invest any further funding in IEEI beyond May 2018. The Minister, as shareholder, received distributions from IEEI in 2021 totalling €5.138 million. €1.212 million of these funds were transferred to the Climate Action Fund in 2022. A further €11.923 million was received from IEEI in 2022 following the sale of assets held by the fund. Funds not transferred to the Climate Action Fund remained for use in the EENF. As at the 31 December 2022, the State's investment in IEEI was valued at €555,643.

In December 2021, there was a once-off payment of €160 million from Vote 29 subhead B.4 Sustainable energy programmes to the EENF, with the approval of the Minister for Public Expenditure, National Development Plan Delivery and Reform. This funding was to facilitate additional actions over and above those set out in Budget 2022 to support households by improving the energy efficiency of their homes. The apportionment of the funds was €100 million for energy efficiency retrofit scheme and €60 million for a loan guarantee scheme. Sanction was received in December 2022 to carryover €111.028 million ^a, representing the 2022 unspent balance of the capital surplus of the €160 million in the Fund, with the 2023 allocations as follows

- €60 million for the Residential Retrofit Loan Guarantee Scheme
- €51.028 million for residential/community retrofit programmes

Note ^a €242,000 of refunds received from the SEAI in 2022 was lodged into a Vote bank account. These refunds related to payments made initially through the EENF and were transferred back into the fund in 2023. This €242,000, together with the €110.786 million balance in the fund at 31 December 2022 in respect of amounts that originated from Vote 29, matches the €111.028 million carried over for spending in 2023.

Schemes co-funded between the EENF and Vote 29

The EENF incurred expenditure of €49.021 million in respect of the residential/community retrofit programmes in 2022. A further €114.234 million was incurred in respect of the same programmes in 2022 under subhead B.4 of the Vote.

	2022 Vote €000	2022 EENF €000	2022 Total €000
Better energy warmer homes	57,869	34,834	92,703
Better energy warmth and wellbeing	4,240	1,196	5,436
Better energy homes	28,243	7,867	36,110
Better energy communities	15,179	2,197	17,376
Deep retrofit	216	49	265
One stop shop development scheme	8,487	3,071	11,558
	114,234	49,214	163,448

Separately, the Reduce Your Use Campaign was also co-funded between the EENF and the Vote. €2.372 million was spent from the EENF in 2022 and €1.716 million was charged to training and development and incidental expenses in the Vote. A further €647,000 is included in other debit balances in the Vote pending transfer to the EENF early in 2023. Expenditure on the Reduce Your Use Campaign for 2022 was €4.735 million. The budget for this campaign was €5 million. The underspend on the campaign of €265,000 was due to economies achieved in media buying based on time of year and economies of scale.

Appendix A Schedule of lands and buildings

The Minister owns the following properties.

- 1 General Post Office (GPO) building
- 2 GPO Arcade
- 3 1-6 Post Office Buildings
- 4 24-30 Henry Street

These properties are managed under leases or licences granted by the State.

The Minister owns the Galway Fishery in Galway City and the Owenea/Owentocker Fishery in Co. Donegal, both of which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

The Minister owns land to facilitate the remediation of the Avoca and Silvermines legacy mine sites.

Appendix B Accounts of bodies and funds under the aegis of the Department of the Environment, Climate and Communications

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Post	2021	20 Apr 2022	20 Apr 2022	24 Jun 2022
Commission for Communications Regulation ^a	2021	31 Jan 2022	25 Feb 2022	29 Jun 2022
Digital Hub Development Agency	2021	17 Jun 2022	26 Jul 2022	5 Jan 2023
Bord na Móna ^b	2021	23 Jun 2021	5 Jul 2021	21 Jul 2021
Commission for the Regulation of Utilities	2021	31 Mar 2022	29 Apr 2022	14 Jul 2022
EirGrid ^c	2021	20 Dec 2021	30 Jan 2022	26 May 2022
ESB	2021	1 Mar 2022	1 Mar 2022	6 Apr 2022
Irish National Petroleum Corporation	2021	21 Jun 2022	26 Aug 2022	21 Oct 2022
National Oil Reserves Agency	2021	23 Jun 2022	26 Aug 2022	28 Sep 2022
Sustainable Energy Authority of Ireland	2021	30 Jun 2022	30 Jun 2022	19 Dec 2022
Inland Fisheries Ireland ^d	2020	20 Dec 2021	21 Dec 2021	1 Apr 2022
Loughs Agency ^d	2020	21 Dec 2021	4 Jan 2022	28 Feb 2022
Environmental Protection Agency	2021	3 Jun 2022	24 Jun 2022	13 Oct 2022
Environment Fund	2021	19 Dec 2022	9 Jan 2023	20 Jan 2023
Climate Action Fund	2021	16 Dec 2022	9 Jan 2023	20 Jan 2023

Notes ^a Period of account 1 July 2020 to 30 June 2021.

^b Period of account 1 April 2020 to 31 March 2021.

^c Period of account 1 October 2020 to 30 September 2021.

^d Annual report and accounts for 2021 not yet laid before the Oireachtas.

Appropriation Account 2022

Vote 30

Agriculture, Food and the Marine

Introduction

As Accounting Officer for Vote 30, 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 2022 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine, including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €95.009 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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, National Development Plan Delivery and Reform in Circular 22 of 2022, have been applied in the preparation of the account with the exception of the following.

Capital assets

Assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of 10 years. This rate reflects the industrial nature of these assets.

State owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

Statement on Internal Financial Control

Responsibility for the 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

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer for the National Shared Services Office has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of:

- Internal audit work performed by the National Shared Services Office's internal audit unit, and
- Audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2022.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2022.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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.

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include the Accreditation Review Group, the Audit Committee and the risk management system.

The Accreditation Review Group, which is chaired by me, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies.

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2022, the Department was subject to approximately 2,271 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 1306/2013.

Procurement

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 has provided details of 91 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 44 contracts totalling €3,476,559 (ex. VAT) as set out below.

- One contract with a value of €320,714 was previously awarded under a non-competitive process but exceeded the amount approved.
- Ten contracts with a value of €678,150 were previously awarded under competitive processes but exceeded the relevant thresholds for those processes.
- Two contracts with a value of €227,802 arose due to transitional delays in migrating to new service providers.
- Ten contracts with a value of €1,101,370 were rolled over after their expiry date.
- Nineteen contracts with a value of €802,899 arose where no approval was sought prior to non-competitive procurement.
- Two contracts with a value of €345,624 arose due to urgent requirement to dispose of biological waste due to depopulation related to avian influenza outbreaks.

The Department is committed to reducing the level of non-compliant procurement undertaken and continues to target areas of non-compliance in a planned methodical manner.

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2022.

- The Risk Office, which is based in the Finance Division, works full-time at promoting and developing active risk management across the organisation. This is achieved through quality assessing the risks on the risk register, the provision of support in implementing risk management to individual staff, through engagement with the eRisk system developers to improve and enhance the eRisk system and through running targeted Risk Management Workshops on a division-by-division basis, to embed good practice in relation to risk management.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for governance and has representation at Head of Division level across the Department, meets on a quarterly basis and provides governance and oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The Department's fraud policy, incorporating anti-fraud measures, was reviewed and updated and approved by the Management Board in 2022. Training in relation to the fraud policy will be rolled out in 2023.

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.

ICT security

The Department has a strong commitment to the security of its ICT systems. In November 2022, the Department enhanced the focus on IT security by creating a new Information Security Division within Information, Management and Technology (IMT), with a new Principal Officer position. This new division covers network security, data analytics, information security and compliance, and cyber security.

In addition, the Department continues to strengthen the security posture through participation in the National Cyber Security Centre's (NCSC) Government Cyber Security Coordination and Response (CORE) Network and the development and adherence to the baseline standards published by the NCSC in November 2021, in particular through the continuous enhancement of incident response processes across all divisions of the Department. The Department is also proactive in the development and promotion of information security awareness to staff with a new capability for mandatory cyber security training being launched in Q1 2023.

ICT security arrangements are subject to review by the IT audit section of the internal audit unit. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit. The Department holds accreditation under the international standard *ISO 27001: Code of Practice for Information Security Management*, as the basis for its IT security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard. These systems are independently reviewed on a regular basis. Documented back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities.

Brexit

Since 1 January 2021 the UK, excluding Northern Ireland, is outside the EU Single Market and Customs Union. This means new procedures apply for businesses moving goods to, from or through the UK excluding Northern Ireland. The EU – UK Trade and Cooperation Agreement (TCA) came into effect at the same time. This agreement provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitations of agri-food trade and this has created very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish - UK supply chains, leaves it particularly vulnerable to the effects of Brexit.

During 2022, as well as ongoing costs associated with implementing import controls on UK imports of food products - which have been in place since 1 January 2021 - the Department incurred additional costs associated with Brexit in respect of preparations to support the sector in meeting new UK import control requirements for agri-food products due to be introduced from 1 July 2022, in particular related to provision of export health certification. The costs included recruitment of additional staff, provision of enhanced IT infrastructure, additional training and communication costs to support preparedness of the sector to meet new UK requirements. In April 2022, the UK Government announced a further postponement of these new controls to at least the end of 2023. The Department and sector will need to re-engage in preparations for these changes to ensure that any disruption is minimised when the UK Government provides clarity on the requirements.

A number of support schemes were introduced in 2022 to address impacts of Brexit on the agriculture and fisheries sectors. This expenditure was provided through the estimates process and will be considered for recoupment as part of Ireland's claim under the EU Brexit Adjustment Reserve. Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2022 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

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

Duplicate payments

Two duplicate payments totalling €7.2 million were issued during 2022, which were subsequently reimbursed to the Department. Procedures around these payments have been reviewed to minimise the risk of reoccurrence.

No other weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss.

Brendan Gleeson

Accounting Officer

Department of Agriculture, Food and the Marine

26 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

Opinion on the appropriation account

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2022 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 30 Agriculture, Food and the Marine for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Agriculture, Food and the Marine 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.

Estate management in the Department of Agriculture, Food and the Marine

Chapter 10 of my report on the accounts of the public services for 2022 examines the Department's management of its property portfolio.

Duplicate payments

The Accounting Officer has disclosed in the statement on internal financial control that in 2022 there were two instances of duplicate payments made in error, with a combined value of €7.2 million. He states that the amounts have been recovered and that steps have been taken to prevent a re-occurrence.

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 2022.

Seamus McCarthy

Comptroller and Auditor General

26 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Food Safety, Animal and Plant Health and Animal Welfare			
	<i>Original</i>	341,715		
	<i>Supplementary</i>	8,800		
			350,515	332,804
				301,657
B	Farm/Sector Support and Controls			
	<i>Original</i>	939,464		
	<i>Deferred surrender</i>	29,900		
	<i>Supplementary</i>	52,389		
			1,021,753	953,074
				823,914
C	Policy and Strategy			
	<i>Original</i>	402,958		
	<i>Supplementary</i>	40,527		
			443,485	430,672
				402,846
D	Seafood Sector			
	<i>Original</i>	207,154		
	<i>Supplementary</i>	(8,356)		
			198,798	176,859
				164,301
Gross expenditure				
	<i>Original</i>	1,891,291		
	<i>Deferred surrender</i>	29,900		
	<i>Supplementary</i>	93,360		
			2,014,551	1,893,409
				1,692,718
	<i>Deduct</i>			
E	Appropriations-in-aid			
	<i>Original</i>	429,429		
	<i>Supplementary</i>	(22,000)		
			407,429	408,796
				386,665
Net expenditure				
	<i>Original</i>	1,461,862		
	<i>Deferred surrender</i>	29,900		
	<i>Supplementary</i>	115,360		
			1,607,122	1,484,613
				1,306,053

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. €27.5 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2023 (note 6.7).

	2022	2021
	€	€
Surplus	122,509,275	187,877,467
Deferred surrender	(27,500,000)	(29,900,000)
Surplus to be surrendered	<u>95,009,275</u>	<u>157,977,467</u>

Brendan Gleeson

Accounting Officer

Department of Agriculture, Food and the Marine

26 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	1,562,420	1,392,409
Pay	225,624	211,253
Non pay	105,365	89,056
Gross expenditure	1,893,409	1,692,718
<i>Deduct</i>		
Appropriations-in-aid	408,796	386,665
Net expenditure	1,484,613	1,306,053
Changes in capital assets		
Purchases cash	(5,120)	
Gain on disposal	(55)	
Disposals cash	55	
Depreciation	3,013	(2,107)
		(1,560)
Changes in net current assets		
Increase in closing accruals	50,086	
Increase in inventories	(842)	49,244
		6,106
Direct expenditure	1,531,750	1,310,599
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	90,308	82,773
Notional rents	8,027	8,026
Net programme cost	1,630,085	1,401,398

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 30 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	17	6
Vote 12 Superannuation and Retired Allowances	84,240	78,077
Vote 13 Office of Public Works	4,904	3,476
Vote 18 National Shared Services Office	380	371
Vote 20 Garda Síochána	19	—
Vote 43 Office of the Government Chief Information Officer	507	560
Central Fund – ministerial pensions	241	283
	90,308	82,773

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	10,598	8,491
Current assets			
Bank and cash	2.2	107,883	166,402
Inventories	2.3	2,909	2,067
<i>Accrued income:</i>			
EAFRD funding due from the EU		125,819	158,537
Other amounts due from the EU		4,365	5,162
Scheme overpayments	6.2	1,743	668
Due for services		10,175	11,027
Prepayments	2.4	34,653	39,059
Other debit balances	2.5	7,133	542
Total current assets		294,680	383,464
Less current liabilities			
Accrued expenses	2.6	31,295	18,908
Deferred income		5	4
Other credit balances	2.7	32,337	28,920
Net Exchequer funding	2.8	82,679	138,024
Total current liabilities		146,316	185,856
Net current assets		148,364	197,608
Net assets		158,962	206,099
Represented by:			
State funding account	2.9	158,962	206,099

2.1 Capital assets

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2022	4,818	6,935	118	23,370	35,241
Additions	2,829	741	—	1,550	5,120
Disposals	—	(163)	—	(2,245)	(2,408)
Cost or valuation at 31 December 2022	7,647	7,513	118	22,675	37,953
Accumulated depreciation					
Opening balance at 1 January 2022	2,541	5,052	26	19,131	26,750
Depreciation for the year	957	517	12	1,527	3,013
Depreciation on disposals	—	(163)	—	(2,245)	(2,408)
Cumulative depreciation at 31 December 2022	3,498	5,406	38	18,413	27,355
Net assets at 31 December 2022	4,149	2,107	80	4,262	10,598
Net assets at 31 December 2021	2,277	1,883	92	4,239	8,491

Note ^a The State owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	107,553	165,934
Commercial bank account balances	330	468
	107,883	166,402

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Veterinary supplies	2,541	1,743
Livestock	312	276
Agricultural inventory	39	39
Safety equipment	17	9
	2,909	2,067

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Contributions to World Food Programme (note 6.6)	25,000	25,000
Research, quality and certification grants	5,499	7,892
Information management technology	3,232	3,543
Future Growth Loan Scheme	—	1,114
Other	655	1,032
Subscriptions	267	478
	34,653	39,059

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Salaries advances	2	3
Imprests and recoupable travel costs	143	69
Advance payments to OPW	795	470
Revenue Commissioners	6,193	—
	7,133	542

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Specific programme accruals	28,075	16,701
Administration expenses	1,734	1,278
IT services and support	1,486	929
	31,295	18,908

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	3,585	3,299
Pay related social insurance	2,234	2,041
Withholding tax	2,825	1,887
Value added tax	1,680	1,149
Relevant contracts tax	10	23
Pension contributions	1,834	402
Local property tax	165	20
Universal social charge	702	644
	13,035	9,465
Securities	2,800	3,052
Pesticides licencing fees	423	375
EU advances	13,221	11,797
Miscellaneous	2,858	4,231
	32,337	28,920

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	95,009	157,977
Deferred surrender	27,500	29,900
Exchequer grant undrawn	(39,830)	(49,853)
Net Exchequer funding	82,679	138,024
Represented by:		
Debtors		
Bank and cash	107,883	166,402
Debit balances: suspense	7,133	542
	115,016	166,944
Creditors		
Due to the State	(13,035)	(9,465)
Credit balances: suspense	(19,302)	(19,455)
	(32,337)	(28,920)
	82,679	138,024

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		206,099	217,765
Disbursements from the Vote			
Estimate provision	Account	1,607,122	
Deferred surrender	Account	(27,500)	
Surplus to be surrendered	Account	(95,009)	
Net vote		1,484,613	1,306,053
Expenditure (cash) borne elsewhere	1.1	90,308	82,773
Non cash items - asset verification and threshold reporting adjustment	2.1	—	(7,120)
Non cash expenditure - notional rent	1	8,027	8,026
Net programme cost	1	(1,630,085)	(1,401,398)
Balance at 31 December		158,962	206,099

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	92,452	146,680
Non-capital grant programmes	584,366	448,490
Capital grant programmes	745,921	662,035
Major capital project	—	70
Total of legally enforceable commitments	1,422,739	1,257,275

Non-capital grant programme commitments

	Due 2023	Subsequent years	2022 Total	2021 Total
	€000	€000	€000	€000
Grants to the organic sector	53,474	213,321	266,795	26,589
Green, low-carbon agri-environment scheme	39,618	5,029	44,647	235,155
Locally led schemes – current	29,609	49,006	78,615	29,620
World Food Programme	—	25,000	25,000	50,000
Food research	20,200	45,436	65,636	67,728
Sheep Improvement Scheme	19,550	3,450	23,000	—
Straw incorporation measure	10,000	40,000	50,000	517
European Maritime and Fisheries Fund	6,749	4,075	10,824	5,096
European Maritime and Fisheries Fund – new round	5,871	1,957	7,828	5,567
Beef data genomics programme	3,812	—	3,812	4,775
Sheep welfare	2,500	1,281	3,781	21,360
REAP Pilot Scheme	2,048	—	2,048	—
BAR current	706	—	706	—
European innovation partnership	188	—	188	485
Land annuity payments	149	1,116	1,265	1,351
School milk and fruit	111	—	111	222
REPS SM4 riparian	93	—	93	—
Knowledge transfer	17	—	17	25
Total of legally enforceable commitments	194,695	389,671	584,366	448,490

Capital grant programme commitments

	2022	2021
	€000	€000
Opening balance	662,035	617,319
Grants paid in the year	(207,017)	(186,737)
New commitments	339,089	282,553
Grant de-commitments	(48,186)	(51,100)
Closing balance	745,921	662,035

Capital grant programme commitments

	Due 2023	Subsequent years	2022	2021
	€000	€000	Total	Total
	€000	€000	€000	€000
Afforestation	83,267	455,627	538,894	509,726
Targeted agriculture modernisation schemes	41,355	—	41,355	75,044
Fishery Harbour Centres capital programme	31,404	19,152	50,556	20,702
SBCI – Brexit Loan Scheme	18,267	12,800	31,067	3,385
BAR capital	14,439	—	14,439	—
Horticulture scheme	4,000	1,497	5,497	3,721
National Agricultural Sustainability Research and Innovation Centre (NASRIC)	3,072	5,471	8,543	—
Ballyhaise student accommodation refurbishment	2,900	—	2,900	—
Seed/chipping potato scheme	619	—	619	—
Locally led schemes - capital	78	—	78	24
European Maritime and Fisheries Fund - capital	63	—	63	3,933
LEADER food initiative	4,000	1,986	5,986	10,500
Capital investment grants	17,000	28,924	45,924	35,000
Total of legally enforceable commitments	220,464	525,457	745,921	662,035

Major capital project commitments

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
Project	€000	€000	€000	€000	€000
Haulbowline remediation project	25,787	74	—	25,861	25,857

2.11 Contingent liabilities

EU operations

1. The Department is aware of a temporary suspension under Ireland's EMFF Operational Programme due to the delayed implementation of the EU points system required under EU Regulations.

In 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €29.321 million in suspended payments as at the end of 2022.

The Minister has since introduced regulations which fully meet the relevant requirements in relation to the points system for sea fishing boat licence holders. The procedures provided for under these regulations are now in operation.

The Sea Fisheries (Miscellaneous Provisions) Act 2022 signed into law in March 2022 and commenced in May 2022, made provision for a similar points system for Masters of fishing vessels. Administrative measures and arrangements for enforcement of the points system were since put in place. This represented the final steps in fulfilling ex-ante conditionalities for the EMFF programme.

In order for the suspension to be lifted, the European Commission must be satisfied that the steps taken are sufficiently robust. Ireland is making every effort to provide information to assist with this validation process. EU Regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements.

2. The Department is aware of potential sanctions in relation to matters identified following an Administrative Inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Sea Fisheries Protection Authority, which is independent in relation to operational matters, is actively engaged to address the findings. The nature and timing of any potential liabilities is still uncertain.

Following on from a Commission Audit in 2018, Ireland received a formal decision of the Commission's intention to conduct an administrative inquiry under Article 102(2) of the 2009 EU Fisheries Control Regulation to evaluate Ireland's capacity to apply the rules of the Common Fisheries Policy (CFP). The findings of the inquiry were communicated to Ireland in December 2020. The monitoring and control of fishing vessels within Ireland's Exclusive Fisheries Zone are law enforcement matters for the Irish control authorities. Under the Sea Fisheries and Maritime Jurisdiction Act 2006, all operational issues of this nature are exclusively for the Sea Fisheries Protection Authority (SFPA) and the Naval Service.

Principally, the Commission identified shortcomings related to the effective control of pelagic fisheries, issues related to underreporting of catches of these species; inadequate and ineffective sanctioning system for offences committed by operators; and the lack of control and enforcement of bluefin tuna catches by recreational vessels.

The Sea Fisheries Protection Authority (SFPA) supported by Department officials where beneficial, commenced a process of engagement with the EU Commission. The engagement with the Commission allowed for a full evaluation of the findings of the Inquiry and consideration of the actions that the Commission has identified. Formal Commission action in terms of any next steps it may take is awaited at present. It is understood, however that the SFPA consider that it has addressed to a very large extent the failures identified by DG Mare in the 2018 audit and the findings of the Administrative Inquiry.

3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.
 - 2021 ANC Audit — In March 2023, Directorate-General for Agriculture and Rural Development (DG AGRI) requested an updated position on the number of beneficiaries and the amount in relation to claim years 2019 – 2021. A reply with the updated amounts issued to DG AGRI in May 2023. In September 2023, DG AGRI requested a further update on the position regarding claim years 2019 – 2021. A reply is due to issue to DG AGRI by the end of September 2023.
 - 2022 EAFRD IACS – RDP 2014 – 2020, ANC, SWS, BDGP, GLAS, Organics, Burren. On 24 May 2023, DG AGRI requested the GLAS 1, 2 & 3 timeframes table for the year 2020. The Department replied to DG AGRI with the information on 25 May 2023. Letter of closure was received from DG AGRI on 22 September 2023 stating that audit was deemed closed with no financial corrections.
 - 2022 Statement of Assurance FY 2021 (EAFRD) – SWS & GLAS — ECA audit took place in September 2022. Letter of closure was received in March 2023 with comments in relation to SWS and GLAS. DG AGRI has opened an inquiry on foot of the audit (DAS CL13894).
 - DAS CL 13894 — DG AGRI have requested information in relation to the observations by the ECA in their 2022 Statement of Assurance Audit. The latest information was provided to DG AGRI in July 2023. The Department is currently awaiting an update from DG AGRI.

Other

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.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	225,300		
	<i>Supplementary</i>	2,300		
		227,600	225,624	211,253
ii	Travel and subsistence			
	<i>Original</i>	8,304		
	<i>Supplementary</i>	(500)		
		7,804	7,260	5,400
iii	Training and development and incidental expenses			
	<i>Original</i>	9,193		
	<i>Supplementary</i>	(2,400)		
		6,793	5,803	5,357
iv	Postal and telecommunications services	5,570	5,248	4,348
v	Office equipment and external IT services			
	<i>Original</i>	64,519		
	<i>Supplementary</i>	3,400		
		67,919	65,822	48,489
vi	Office premises expenses			
	<i>Original</i>	21,910		
	<i>Supplementary</i>	(2,950)		
		18,960	10,316	15,456
vii	Consultancy and VFM and policy reviews	168	124	192
viii	Supplementary measures for EU	924	821	1,088
ix	Laboratory services	10,752	9,971	8,726
		346,490	330,989	300,309

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €9.193 million; outturn €5.803 million

The shortfall in expenditure of €3.39 million relative to the original estimate was due to several factors. Savings of €334,000 were made in training, as training remained online and budgeted expenditure on meetings and seminars was not realised.

A saving of €200,000 was made in a technical accounting provision allowing for foreign currency losses which was not needed.

Additionally, a provision of €1.39 million made for possible legal cases was not required.

vi Office premises expenses

Estimate provision €21.91 million; outturn €10.316 million

The shortfall in expenditure of €11.594 million relative to the original estimate was due to several factors.

In relation to the post Brexit facilities at Dublin Port, and due to the complexity of requirements and the sharing of resources between agencies, reviews of the infrastructure in Dublin Port are continuing. Forecasted 2022 outlay may be carried out in 2023.

Initially, blended working had been forecasted to be in place in Q2 of 2022, but this date was amended to Q4. This has resulted in savings in relation to office accommodation expense and associated furniture and fittings. It is likely that this expenditure will now be pushed into 2023. Further to this, it was expected that the return of staff to the office environment would necessitate additional offsite records storage requirements in 2022, but this has yet to materialise.

In 2021, the expenditure associated with contract cleaning increased due to the Covid-19 pandemic. Spending in this area is difficult to predict. There was a decrease in 2022 due to the reduced number of deep cleaning requests.

Other expenditure has been delayed due to supply chain issues in relation to the provision of parts and services.

Programme A Food Safety, Animal and Plant Health and Animal Welfare

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	131,667		
	<i>Supplementary</i>	2,300		
			133,967	131,856
A.2	Administration – non pay		74,947	63,516
A.3	Food safety, animal and plant health and animal welfare			
	<i>Original</i>	135,101		
	<i>Supplementary</i>	6,500		
			141,601	137,432
			350,515	332,804
				301,657

Programme B Farm/Sector Support and Controls

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay		64,428	60,411
B.2	Administration – non pay			
	<i>Original</i>	31,385		
	<i>Supplementary</i>	(2,450)		
		28,935	28,574	22,458
B.3	Agri-environmental schemes			
	<i>Original</i>	336,178		
	<i>Supplementary</i>	(45,700)		
		290,478	268,570	226,665
B.4	Areas of natural constraint scheme			
	<i>Original</i>	250,000		
	<i>Supplementary</i>	(3,000)		
		247,000	246,451	246,812
B.5	Development of agriculture and food (farm)			
	<i>Original</i>	32,578		
	<i>Deferred surrender</i>	29,900		
	<i>Supplementary</i>	12,650		
		75,128	65,581	73,158
B.6	Beef sustainability schemes		85,791	78,068
B.7	Knowledge transfer		25	58
B.8	Animal welfare scheme for sheep			
	<i>Original</i>	19,500		
	<i>Supplementary</i>	(1,500)		
		18,000	17,562	17,881
B.9	Early retirement scheme			
	<i>Original</i>	—		
	<i>Supplementary</i>	33		
		33	12	(27)
B.10	Forestry and bio energy			
	<i>Original</i>	100,000		
	<i>Supplementary</i>	(8,100)		
		91,900	74,086	69,567
B.11	Control and other support scheme costs			
	<i>Original</i>	16,467		
	<i>Supplementary</i>	1,156		
		17,623	15,548	14,556
B.12	Other schemes			
	<i>Original</i>	112		
	<i>Supplementary</i>	98,800		
		98,912	96,193	93

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.13	Carbon tax measures			
	<i>Original</i>	3,000		
	<i>Supplementary</i>	500		
		3,500	3,465	14,214
		1,021,753	953,074	823,914

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €16.290 million lower than originally provided. The variation of €2.718 million in administration expenditure has already been explained. The balance of the variance of €13.572 million was mainly due to the following.

B.3 Agri-environmental schemes

Estimate provision €336.178 million; outturn €268.57million

The shortfall in expenditure of €67.608 million relative to the original estimate was due to savings across a number of schemes, mainly as follows.

Savings of €10 million arose in the Green Low-Carbon Agri-Environment Scheme (GLAS) scheme due to a reduction in the number of active applicants for the GLAS 1 and GLAS 2 tranches and a reduction in the number of active participants in GLAS 3.

Savings of €13.73 million arose in agri-environment initiatives in particular the soil sampling scheme which encountered procurement challenges. €4.79 million saving arose in the Farm Environmental Study. Surveys for the Study have had to be deferred until summer 2023 to allow for them to be carried out during the optimum survey period from a biodiversity and habitat assessment perspective.

European Union Recovery Instrument (EURI) savings of €36.142 million have arisen, primarily, due to the cost-of-living crisis and supply issues which have had some impact on the completion of projects. As a result of increasing costs in the construction industry, some applicants are deferring or scaling back projected works.

B.5 Development of agriculture and food (farm)

Estimate provision €62.478 million; outturn €65.581 million

The excess in expenditure of €3.103 million was due to the capital schemes in B.5 being demand led. The final spend reflects the number of applications processed in 2022.

B.6 Beef sustainability schemes

Estimate provision €85.791 million; outturn €72.51 million

The shortfall in expenditure of €13.281 million relative to the original estimate for beef schemes is because in 2021 there was a transitional scheme for Beef Data and Genomics Programme (BDGP). There was a reduction in the number of active participants from BDGP I to this transitional scheme in 2021.

B.8 Animal welfare scheme for sheep

Estimate provision €19.5 million; outturn €17.562 million

The shortfall in expenditure of €1.938 million is due to the following: arising from the extension to the scheme, and in recognition of the changes to the profile of the flocks for participants in the scheme over time, the basis for payment under the scheme was amended to the higher of their existing reference number or their 2017 sheep census return. This change resulted in an increase in the number of breeding ewes eligible for payment under the scheme. However, actual payment is dependent on the scheme participation rate, on participants maintaining the required number of breeding ewes and on participants completing their selected scheme welfare actions.

B.10 Forestry and bio energy

Estimate provision €100 million; outturn €74.086 million

The shortfall in expenditure of €25.914 million relative to the original estimate was mainly due to a shortfall of €25 million in capital expenditure. The scheme is demand led and the 2022 estimate had provided for the planting of 8,000 ha under the scheme, but this did not materialise.

B.11 Control and other support scheme costs

Estimate provision €16.467 million; outturn €15.548 million

The shortfall in expenditure of €919,000 relative to the original estimate arose mainly due to lower costs relating to the development of the Area Monitoring System which will be used to monitor land eligibility under Basic Income Support Scheme (BISS) and Areas of Natural Constraint (ANC) in 2023.

B.12 Other schemes

Estimate provision €112,000; outturn €96.193 million

The overspend in expenditure of some €96.081 million relative to the original estimate was due to schemes introduced in response to industry difficulties and market volatility following the invasion of Ukraine. The two primary measures introduced were the Fodder Support Scheme for €83.154 million and the Tillage Incentive Scheme for €8.556 million.

B.13 Carbon tax measures

Estimate provision €3 million; outturn €3.465 million

The excess in expenditure of €465,000 relative to the original estimate was due to funding provided to Teagasc for the procurement of greenhouse gas (GHG) measurement equipment.

Programme C Policy and Strategy

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay		18,360	18,387
C.2	Administration – non pay		7,935	6,841
C.3	Research, quality and certification			
	<i>Original</i>	30,983		
	<i>Supplementary</i>	8,053		
			39,036	39,027
C.4	Development and promotion of agriculture and food (non-farm)			29,510
	<i>Original</i>	18,906		
	<i>Supplementary</i>	(4,300)		
			14,606	12,417
C.5	Teagasc grant			5,567
	<i>Original</i>	152,677		
	<i>Supplementary</i>	(940)		
			151,737	148,957
C.6	An Bord Bia grant		53,000	52,300
C.7	Horse and Greyhound Racing Fund			51,550
	<i>Original</i>	89,700		
	<i>Supplementary</i>	4,700		
			94,400	94,231
C.8	Cedra Rural Innovation and Development Fund			96,000
	<i>Original</i>	1,500		
	<i>Supplementary</i>	1,800		
			3,300	1,467
C.9	Food aid donations – World Food Programme			1,487
	<i>Original</i>	—		
	<i>Supplementary</i>	25,000		
			25,000	25,000
C.10	SBCI loan scheme			
	<i>Original</i>	13,200		
	<i>Supplementary</i>	4,500		
			17,700	17,532
				16,198

				2022	2021
				Estimate provision	Outturn
				€000	€000
C.11	Other services	<i>Original</i>	16,697		
		<i>Supplementary</i>	1,714		
				18,411	14,513
				443,485	430,672
					12,669
					402,846

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme C was €27.714 million higher than originally provided. The underspend of €1.067 million administration expenditure has already been explained. The balance of the offsetting overspend of €28.781 million was mainly due to the following.

C.3 Research, quality and certification

Estimate provision €30.983 million; outturn €39.027 million

The increased expenditure of €8.044 million compared to the original estimate can be attributed to the commencement of Department funding to Bord Bia to help fund the Sustainable Beef and Lamb Assurance Scheme for 2023 and for capital development works at the Irish Cattle Breeding Federation (ICBF).

C.4 Development and promotion of agriculture and food (non-farm)

Estimate provision €18.906 million; outturn €12.417 million

The shortfall in expenditure of €6.489 million relative to the original estimate was mainly due to the following.

Savings of €2.924 million arose in the Brexit Capital Investment Scheme, as operated by Enterprise Ireland, as such capital investment schemes can be complex and require significant preparation and planning. The Scheme will be ongoing for several years and funding will be drawn down as capital projects are completed.

Savings of €3.3 million arose in the setup of a new office of the National Food Ombudsman. Given the complexity of the legislative process, it was not possible to establish the office in 2022. As an interim measure, the authority was staffed by officers of the Department and therefore no funding from the allocation in the National Food Ombudsman budget was required for staffing, premises or ancillary services in 2022.

C.7 Horse and Greyhound Racing Fund

Estimate provision €89.7 million; outturn €94.231 million

The increase in spending of €4.531 million compared to the original allocation is due to capital investment in the Irish National Stud.

C.9 Food aid donations – World Food Programme

Estimate provision €nil; outturn €25 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement, in respect of the Irish 2023 contribution under the strategic partnership agreement 2022-2024. This payment was made in December 2022 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 Strategic Banking Corporation of Ireland (SBCI) loan schemes

Estimate provision €13.2 million; outturn €17.532 million

The increase in expenditure of €4.332 million relative to the original estimate was due to the accelerated contributions on the Growth and Sustainability Loan Scheme.

C.11 Other services

Estimate provision €16.697 million; outturn €14.513 million

The shortfall in expenditure of €2.184 million relative to the original estimate was mainly due to the following.

Savings of €388,000 arose due to the annual prudent provision for legal services not being required during the year. Savings of €951,000 arose in the Continuous Professional Development (CPD) for Advisors Programme.

Savings of €636,000 arose in the non-thoroughbred horse sector as some approved projects were unable to take place before year end.

Programme D Seafood Sector

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	10,845	10,860	10,168
D.2	Administration – non pay	7,073	6,434	5,015
D.3	Fisheries			
	<i>Original</i>	55,052		
	<i>Supplementary</i>	1,580		
		56,632	43,054	36,375
D.4	Marine Institute grant	45,027	44,439	48,351
D.5	Bord Iascaigh Mhara grant			
	<i>Original</i>	62,900		
	<i>Supplementary</i>	(5,900)		
		57,000	51,065	45,900
D.6	Sea Fisheries Protection Authority			
	<i>Original</i>	26,257		
	<i>Supplementary</i>	(4,156)		
		22,101	20,933	18,042
D.7	Haulbowline remediation project			
	<i>Original</i>	—		
	<i>Supplementary</i>	120		
		120	74	450
		198,798	176,859	164,301

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme D was €30.295 million lower than originally provided. The variation of €624,000 in administration expenditure has already been explained. The balance of the variance of €29.671 million was mainly due to the following.

D.3 Fisheries

Estimate provision €55.052 million; outturn €43.054 million

The shortfall in expenditure of €11.998 million relative to the original estimate was mainly due to the following.

Savings of €10.861 million in the Seafood Development programme arose primarily from underspends on European Maritime and Fisheries Fund (EMFF) projects being carried out by the Marine Institute and in the development costs of an IT system to service the EMFF.

D.5 Bord lascaigh Mhara grant

Estimate provision €62.9 million; outturn €51.065 million

The shortfall in expenditure of €11.835 million relative to the original estimate is due to savings of €9.385 million as a result of a lower drawdown of demand led Brexit Adjustment Reserve (BAR) schemes. Savings of €1.6 million are due to a lower than expected drawdown of EMFF grants.

D.6 Sea Fisheries Protection Authority

Estimate provision €26.257 million; outturn €20.933 million

The shortfall in expenditure of €5.324 million relative to the original estimate is due mainly to the following.

Pay and pension: saving of €1.709 million is mainly attributed to the delayed timing of recruitment of new staff and lower than expected retirements.

Non pay: saving of €1.5 million is mainly due to savings in travel and subsistence arising from restrictions related to Covid-19. In addition, legal and other professional fees were lower than had been anticipated.

EMFF/EMFAF: saving of €1.329 million is due to a review of IT work being undertaken in this year and a resulting delay in planned expenditure.

Note 4 Receipts

4.1 Appropriations-in-aid

	Subhead	2022		2021
		Estimated €000	Realised €000	Realised €000
1	Recoupment of salaries etc. of officers on loan to outside bodies	720	748	605
2	Forfeited deposits and securities	1	43	364
3	Receipts from inspection fees at meat plants	A.3 17,258	23,223	17,247
4	Receipts from veterinary inspection fees for live exports	A.3 720	1,051	871
5	Receipts from fees for dairy premises inspection services	A.3 4,300	4,597	4,712
6	Receipts from the sale of vaccines etc.	A.3 675	536	559
7	Receipts from seed testing fees etc.	C.3 2,385	2,515	3,415
8	Receipts from farmer contributions regarding eradication of TB	A.3 7,501	8,299	7,866
9	Land Commission receipts	280	228	173
10	Other receipts	4,232	6,970	8,445
11	Market intervention and financing costs for FEOGA section measures	B.11 975	—	—
12	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9 320,000	310,847	311,939
13	Veterinary Fund	A.3 3,735	3,255	4,711
14	Other EU Guarantee receipts (Agriculture)	B.11 52	52	41
15	Proceeds of fines and forfeitures in respect of sea fisheries	D.3 100	—	171
16	Receipts under the 1933 and 1954 Acts	D.3 100	139	147
17	Aquaculture licence fees	D.3 406	660	772
18	EU receipts for EMFF	D.3		
	<i>Original</i> 30,000			
	<i>Supplementary</i> (22,000)			
		8,000	5,611	13,042
19	Receipts from Sustainable Food Systems Ireland	97	163	113
20	Receipts from pension related deduction on remuneration	10,792	11,427	10,096

			2022		2021
Subhead			Estimated	Realised	Realised
			€000	€000	€000
21	NGEU receipts	B.3	25,000	28,354	1,258
22	Forestry licencing receipts	B.10	100	78	118
Total			407,429	408,796	386,665

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €20.633 million lower than the original estimate.

3 Receipts from inspection fees at poultry and other meat plants.

Estimate €17.258 million; realised €23.223 million

The increase of €5.965 million is due to the higher than expected slaughter numbers for some species in 2022 resulting in additional receipts of €2.775 million.

There is an increase of €3.006 million in border controls receipts due to a continued increase in import inspections arising after Brexit.

4 Receipts from veterinary inspection fees for live exports

Estimate €720,000; realised €1.051 million

The increase of €331,000 is due to variances in export levels resulting in the following additional receipts:

Veterinary inspection on cattle exports €149,000; veterinary inspection on horses €147,000; inspection fees on live animals €89,000 and unfavourable variances on pigs €58,000 and sheep €9,000.

5 Receipts from fees for dairy premises inspection services

Estimate €4.3 million; realised €4.597 million

The increase of €297,000 is due to increased activity in the dairy sector.

6 Receipts from the sale of vaccines etc.

Estimate €675,000; realised €536,000

The decrease of €139,000 in receipts for veterinary laboratory testing, this is a demand led system with no guarantee that estimated targets can be realised.

7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm

Estimate €2.385 million; realised €2.515 million

The increase of €130,000 is primarily due to an increase in Grass and Cereal Seed Certs of €311,000, as global events have resulted in additional requests for the certification of seed and consequently high levels of receipts. There was a reduction in Pesticides Control applications of €258,000.

8 Receipts from farmer contributions towards the cost of eradicating bovine disease*Estimate €7.501 million; realised €8.299 million*

The increase of €798,000 in bovine disease levies is due to the expansion of dairy herds and increased milk production.

10 Other receipts*Estimate €4.232 million; realised €6.970 million*

The increase of €2.738 million is due to:

Receipts for intervention stock losses - EU regulations provide for the retention of 20% of Pillar 1 debt recoveries and 25% of Pillar 1 cross compliance recoveries, which amounted to €1.242 million for EU financial year 2021. This retention amount and its recoupment are difficult to predict as it is determined by debt recovery levels, and no budget was provided.

There was an increase of €91,000 in pet passports receipts due to Brexit, and also a one off receipt of an overpayment of aid paid as an advance to Bord Bia.

11 Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures*Estimate €975,000; realised €nil*

The decrease of €975,000 was due to favourable market conditions and consequently no product was held under public storage.

13 Veterinary Fund*Estimate €3.735 million; realised €3.255 million*

The decrease of €480,000 is as a result of a Commission correction on the 2021 Programme claim, resulting in a lower receipt than was budgeted.

15 Proceeds of fines and forfeitures in respect of sea fisheries*Estimate €100,000; realised €nil*

The decrease of €100,000 is because receipts under this heading are difficult to predict in terms of value and timing as sea fisheries protection prosecutions can be protracted.

17 Aquaculture licence fees*Estimate €406,000; realised €660,000*

The increase in receipts of €254,000 reflects the collection of some outstanding balances.

18 EU receipts for EMFF*Estimate €30 million; realised €5.611 million*

The decrease of €24.389 million is mainly due to the original estimate including the release of funds withheld by the EU while Ireland took steps to fulfil obligations under the Common Fisheries Policy. It was anticipated that these funds would be released in 2022 following Ireland's implementation of necessary legislation and introduction of administrative measures. However, a number of EU queries remained outstanding and the funds could not be released by the EU until these were addressed. It is expected these queries will be finalised in 2023 and these funds will then be released.

20 Receipts from pension related deduction on remuneration*Estimate €10.792 million; realised €11.427 million*

The increase of €635,000 relates primarily to DPER Circular 19/2022 re Building Momentum pay agreement (pay increases due 3% from 1 February 2022 and 1% from 1 October 2022). These arrears were paid retrospectively in October 2022.

21 NGEU receipts*Estimate €25 million; realised €28.354 million*

The increase of €3.354 million is due to the European Union Recovery Instrument (EURI) spend being higher than profiled up to 15 October 2022 and this expenditure was subsequently reimbursed in December 2022.

22 Forestry licencing receipts*Estimate €100,000; realised €78,000*

The decrease of €22,000 is as a result of the estimate based on 2021 receipts. It is difficult to estimate receipts as the Department has no control over these monies as the majority of the fees come from members of the public either objecting to or making submissions on Forestry licence applications.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Sale of Teagasc property	—	3,436
Sugar levies	—	48
Transferred to the Exchequer	—	(3,484)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Department	3,760	3,692
Agencies ^a	1,707	1,615
Total	5,467	5,307

Note ^a The agencies under the aegis of the Department, with a pay element to their grant as provided in the Department's estimates are Bord Bia, Bord Iascaigh Mhara, Marine Institute, Sea Fisheries Protection Authority and Teagasc.

5.2 Pay

Remuneration of Department staff	2022 €000	2021 €000
Pay	201,281	188,334
Higher, special or additional duties allowances	304	309
Other allowances	2,746	2,313
Overtime and extra attendances	3,151	2,912
Shift allowances	2,165	2,298
Employer's PRSI	16,660	15,061
Total pay	226,307	211,227
 Remuneration of Agency staff	 2022 €000	 2021 €000
Pay	93,415	85,889
Higher, special or additional duties allowances	1,270	1,119
Other allowances	491	471
Overtime and extra attendances	122	120
Gratuity payments	124	216
Employer's PRSI	4,118	3,972
Total pay	99,540	91,787

Note The allowances, overtime and other remuneration details in notes 5.3 through to 5.7 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

5.3 Allowances and overtime payments - Department

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	98	4	14,451	12,858
Shift allowances	282	66	26,870	24,232
Miscellaneous	1,062	29	86,926	22,002
Overtime and extra attendance	825	84	32,764	32,156
Extra remuneration in more than one category	515	237	48,609	59,156

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	2,761	2,832
60,000	69,999	417	349
70,000	79,999	241	160
80,000	89,999	178	120
90,000	99,999	88	79
100,000	109,999	97	147
110,000	119,999	96	16
120,000	129,999	20	5
130,000	139,999	10	1
140,000	149,999	2	1
150,000	159,999	1	6
160,000	169,999	6	3
170,000	179,999	3	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Thirteen retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €31,445 in 2022. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €2,419,152 million in respect of 31 officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

This account does not include expenditure in respect of 19 officers who were serving outside the Department for all or part of 2022 in other Government Departments/Offices and whose salaries were not recouped by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	284	679,872	530,506
Recovery plans in place	73	216,750	216,171

Eleven overpayment recovery plans in respect of eight individuals to the value of €6,444 were transferred to eight other government departments/offices in 2022.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	213	203

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 EU funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D includes expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €4,765,269.90 for EU Funding which has been disallowed due to conformity clearance decisions and €827,887.40 late payments.

The account includes interest of €48,178 paid on short-term borrowings of €655 million borrowed in 2021 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2022 along with interest.

A total of €670 million in short-term funds were borrowed in 2022 to fund EAGF Guarantee expenditure pending EU recoupment in 2023.

EU-funded income and expenditure managed by the Department of Agriculture, Food and the Marine

	2022	2021
	€m	€m
Direct payment/basic payment scheme	1,180	1,171
Other market supports	27	12
Other	(11)	(6)
Co-funded receipts (measures co-funded by the EU) ^a		
	2022	2021
	€m	€m
EAFRD Rural Development Programmes	339	313
Veterinary Fund	2.8	4
Other co-financing receipts	1	1
Fisheries		
EMFF - European Maritime and Fisheries Fund 2014-2020 ^b	5.6	13
Total pay	1,544	1,508

Notes ^a Only the EU co-funding on these programmes is shown in this table.

^b EMFF receipts of €13.2 million are held in a suspense account (EU advances) in accordance with public financial procedures.

^c Under EU regulation 908/2014 Article 28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

6.2 Scheme overpayments

	2022	2021
	€000	€000
Scheme overpayments at 1 January	668	1,367
Restatement adjustment to opening balance ^a	1,455	—
Overpayments raised in the year	15,710	13,130
Corrections	(1,040)	(998)
Recoveries	(14,958)	(12,787)
Write-offs (note 6.3)	(92)	(44)
Scheme overpayments at 31 December	1,743	668

Note ^a The restatement adjustment to the opening balance in 2022 arose due to a correction in the method of calculating the vote proportion of total scheme overpayments.

6.3 Write-offs

The following sums were written off in the year	2022	2021
	€	€
Scheme overpayments:		
Afforestation scheme	69,011	5,625
Rural environment protection scheme	11,378	23,166
Miscellaneous EU premia and area based schemes	2,169	1,843
Miscellaneous Vote premia	2,951	1,748
Early retirement scheme	6,311	12,117
	91,820	44,499
Customers:		
Customers no longer trading	2,373	123,805
Aquaculture licenses expired/surrendered and not renewed	—	2,158
Other reasons	1,814	31,279
	4,187	157,242
	96,007	201,741

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2022	2021
Number of cases	7	6	13	15
	€000	€000	€000	€000
Department's own legal costs	—	—	—	63
Payments by/on behalf of Department				
Compensation	71	16	87	191
Legal costs	73	501	574	397
Other costs	6	6	12	13
2022 Total	150	523	673	664
2021 Total	186	478	664	

Notes ^a At 31 December 2022, 87 general litigation cases were outstanding.

^b At 31 December 2022, the Department has included in Other creditors due, €280,347 being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
Number of cases	1	5	6
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	—	483	483
Other costs	—	—	—
Total	—	483	483

6.5 Arbitration and conciliation costs

Expenditure in 2022 includes payments of €990,000 (2021: €nil) made as a result of conciliation and arbitration proceedings.

6.6 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2022-2024, was signed by the World Food Programme (WFP) Executive Director and the Department in December 2021. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €25 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €75 million.

This allocation is made in continued support of the current strategic objectives of the World Food Programme, namely

- to end hunger, by protecting access to food
- to improve nutrition
- to achieve food security
- to support implementation of Sustainable Development Goals (SDG)
- to partner for SDG results.

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2023 allocation. The Department agreed to an early payment of €25 million of the 2023 allocation, with payment being made in December 2022, and this amount is included in prepayments in the statement of financial position.

The Food and Agriculture Organisation (FAO) is the main specialised agency of the United Nations that leads international efforts to end worldwide hunger; to achieve food security for all; and to make sure that people have regular access to enough high quality food to lead active, healthy lives.

Subscriptions and additional voluntary contributions to FAO enables FAO to work in 130 countries on the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2022 amounted to €3.359 million (2021: €3.558 million).

6.7 Deferred surrender

Deferred surrender comprises savings in 2022 of €27.5 million in capital expenditures, in the following subheads, that were carried over to 2023.

	€000
B.3.7 Other agri environmental initiatives	12,750
B.10 Forestry and bio energy	14,750
	27,500

6.8 Fraud and suspected fraud

	Number of cases	2022 €000	2021 €000
Suspected fraud	5	88	87

The Department became aware of five suspected fraud cases during 2022 (2021: two).

6.9 Bovine Tuberculosis Eradication Programme

In 2022, the cost of the scheme (excluding staff salary costs) amounted to €57.4 million.

The cost of all elements of compensation paid to farmers came to €26.52 million. This comprises of the On Farm Market Valuation Scheme, Income Supplement Scheme, Hardship Scheme and the Depopulation Scheme.

In addition to exchequer funding, the cost of the programme is funded through bovine disease levies and EU funding. In respect of the 2021 TB programme, paid in 2022, Ireland received funding from the EU of €2.8 million. In addition receipt from disease levies amounted to €8.299 million in 2022.

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2022

	2022	2021
	€000	€000
Balance at 1 January	—	—
Receipts (subhead C.7)	88,000	96,000
Payments		
Horse Racing Ireland	(70,400)	(76,800)
Rásaíocht Con Éireann	(17,600)	(19,200)
Balance at 31 December	—	—

A one-off payment issued on 19 December 2022 to the Irish National Stud (INS) for €6,231,276 to increase its share capital. A new commitment item was established to facilitate this payment from subhead C.7 Horse and Greyhound Racing Fund. However, the payment does not form part of the Horse and Greyhound Racing Fund (the Fund) itself.

Payments under the Fund issue to Horse Racing Ireland (HRI) and Rásaíocht Con Éireann (RCÉ) (formerly Bord na gCon (BNG)) as provided for under Section 12 of the Horse and Greyhound Racing Act 2001 and associated regulations.

Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations

Property	Area Hectares
Cork	
Haulbowline Island (including bridge and access road)	45.7
Blood Testing Laboratory, Model Farm Road	—
Regional Veterinary Laboratory, Model Farm Road	2.8
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Duhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato Testing Centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
Dublin	
Forest plot, Killakee	0.7
Galway	
Land Commission non-agricultural lands	
Cooloo	52.1
Kilcooley	1.7
Kylenalmelly	1.3
Meelickmore	12.4
Rosmore	3.2
Sylaun	1.7
Lands, Teagasc College, Athenry	14.0
Kerry	
Land Commission non-agricultural lands	
Ballydunlea	284.6
Glanlea	4.0
Forest plot, Kenmare	0.2

Kildare

Stacumny Cottage, Backweston	—
Farm Manager's House, Backweston	—
Lands, Backweston	150.0
Lands, Longtown Farm, Clane	128.2
Farm Manager's House, Longtown Farm	—
Gate Lodge, Longtown Farm	—
Arch Lodge, Longtown Farm	—

Kilkenny

Regional Veterinary Laboratory, Kilkenny	0.9
Lands, Kildalton Teagasc College, Pilltown	18.0

Leitrim

Land Commission non-agricultural land, Rossbeg	79.0
--	------

Limerick

Dairy Science Laboratory, Limerick	3.2
Regional Veterinary Laboratory, Limerick	1.2
Forest plots, Adare	3.0

Mayo

Land Commission non-agricultural lands	
Ballymacraha	12.1
Derry	34.8
Forest plot, Foxford	3.0

Offaly

Land Commission non-agricultural lands	
Annaghmore	69.4
Ballyegan	44.7
Clorhane	8.2
Killananny	0.4
Rathlumber	7.2
Forest plot, Tullamore	2.5

Roscommon

Land Commission non-agricultural lands	
Ballynahouna/Ballaghacullia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8

Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3
Forest plots, Lough Key	16.0

Sligo

Regional Veterinary Laboratory, Sligo	1.4
Land Commission non-agricultural land, Cloonkeelaun	244.0
Forest plot, Benbulbin	0.5

Tipperary

Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Kilsheelan	1.9

Westmeath

Regional Veterinary Laboratory, Athlone	1.7
Land Commission non-agricultural land, Clonthread	26.6
Forest plot, Lough Ennell	14.5
Creggan Lower	0.5

Wexford

Forest plot, Forth	4.8
Forest plots, Gorey	11.1

Wicklow

Forest plot, Shelton	0.2
Forest plot, Avonmore	1.0
Forest plot, Enniskerry	4.0
Forest plot, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plot, Glen of Imaal	3.0

Property at fishery harbours

In addition, land and buildings at six fishery harbour centres are vested in the Minister. They are accounted for separately in the Fishery Harbour Centres Fund account.

Note Some of the properties listed in Appendix A are owned by OPW, but are controlled and managed by this Department.

Appendix B Accounts of bodies and funds under the aegis of the Department of Agriculture, Food and the Marine

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aquaculture Licenses Appeals Board	2021	23 Dec 2022	19 Jan 2023	17 Feb 2023
Bord Bia	2021	30 Jun 2022	22 Sep 2022	24 Nov 2022
Bord Iascaigh Mhara	2021	30 Jun 2022	29 Jul 2022	3 Oct 2022
Coillte Teoranta ^a	2021	4 Apr 2022	14 Apr 2022	3 Jun 2022
Fishery Harbour Centres Fund	2021	21 Dec 2022	21 Dec 2022	14 Mar 2023
Horse Racing Ireland	2021	20 Oct 2022	28 Oct 2022	9 Jan 2023
Irish Horse Racing Regulatory Board	2021	21 Dec 2022	22 Dec 2022	2 Mar 2023
Irish National Stud Company Ltd ^b	2021	30 Mar 2022	20 Apr 2022	27 May 2022
Marine Institute	2021	30 Jun 2022	25 Jul 2022	3 Oct 2022
National Milk Agency ^c	2021	30 Mar 2022	7 Jun 2022	1 Nov 2022
Rásaíocht Con Éireann	2021	2 Jun 2022	10 Jun 2022	26 Sep 2022
Sea Fisheries Protection Authority	2021	14 Jul 2022	11 Aug 2022	3 Oct 2022
Teagasc	2021	24 Jun 2022	30 Jun 2022	15 Sep 2022
The Public Trustee of Ireland	2021	4 Mar 2022	4 Mar 2022	7 Apr 2022

- Notes
- ^a Coillte, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.
 - ^b Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act 1945 under which it was established.
 - ^c National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.

Appropriation Account 2022

Vote 31

Transport

Introduction

As Accounting Officer for Vote 31, 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 2022 for the salaries and expenses of the Office of the Minister for Transport including certain services administered by that Office, for payment of certain grants and certain other services.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €36.795 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.

Programme structure changes

The presentation format for programme expenditure in the Transport vote has been amended and the number of programmes increased from three to five for 2022. The new programme structure aligns more closely with the five major modes of transport (Active Travel, Public Transport, Road, Air and Sea) thereby improving spend disclosures. The changes in the Vote structure are also reflected in the comparative 2021 expenditure.

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, National Development Plan Delivery and Reform in circular 22 of 2022 have been applied in the preparation of the account.

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.

Organisation changes

During 2022, I established a new Risk and Governance Division in the Department to bring together key functions of risk, governance, procurement, and internal control and to support best practice in these key areas, including their separation from Finance Division. In addition to clarifying the structure, there has been an intensive period of activity to review and revise the arrangements in place. Several actions have already been completed and are included below in the related paragraphs. In addition, the Department has implemented new protected disclosure arrangements in tandem with new legislation in this area, and a number of supporting actions including signing up to the Transparency International *Integrity at Work* charter. Work is also underway on building an appropriate culture, values and behaviours post-Covid in a blended working context.

Shared services

The Accounting Officer for the National Shared Services Office has provided me with a letter outlining the progress made in the development of the audit assurance process. This letter addresses the framework of governance and controls in place and includes the reports of audits conducted into the operation of controls within the shared services environment.

I rely on the letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

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

Forensic Investigation

Appropriation Account 2021 referenced the report published in October 2021 by the Comptroller and Auditor General concerning the procurement of vehicles by the Irish Coast Guard. The report included several recommendations, all of which have been accepted by the Department and have been actioned. The Department also secured the services of a third-party independent expert to conduct an additional forensic examination of procurement processes in the Irish Coast Guard and other relevant records over an extended period. The forensic investigation has concluded. The Department has identified next steps and these are being actively pursued.

Financial control environment

The Department has a mature financial management framework in place enhanced in early 2021 by a financial management system upgrade and later in the year by a successful pilot and implementation of robotic process automation (RPA) capability in the accounts processing area. During 2022 the Department has extended the range of activities carried out using RPA and put in place additional measures to further strengthen the financial control environment. Those improvements include the revision of the approval hierarchy applied to procurement and financial transactions by increasing the number of approval levels and revising the limits at each of those levels including some significant reductions. The Finance Division's payments operations system continued to be ISO certified and the process map for the 'procure to pay' system documented and confirmed.

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 and
- there are appropriate capital investment control guidelines and formal project management disciplines.

With respect to its management procedures, the Finance Division of the Department has been certified as compliant with the ISO 9001:2015 standard, up to 2024. This international standard, published by the International Standards Organisation (ISO) specifies the requirements for a Quality Management System (QMS). A QMS is a formalised system that documents processes, procedures and responsibilities for achieving quality policies and objectives. An annual audit of the QMS against the ISO requirement was conducted and has been certified as compliant with ISO 9001:2015 up to February 2024.

Procurement

I confirm that the Department has put an enhanced structure in place to ensure that there is an ongoing and appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

During 2022 the Department has taken a number of actions to strengthen its procurement practice, including a dedicated procurement office. The procurement office provides advice and guidance in the conduct of compliant procurement and has put in place a checklist for the procurement process developed in conjunction with the Office of Government Procurement (OGP). An internal audit of procurement arrangements (conducted via external supplier) was completed in Q4 with the resultant recommendations to be addressed in 2023. Actions already undertaken in 2023 include

- sole rights for publication on eTenders held by procurement team, RFTs reviewed and quality assured by procurement team before publication

- dedicated procurement site on SharePoint
- suite of procurement policy notes including bid rigging and collusive tendering, evaluation of tenders, record keeping for procurement
- procurements in excess of €25,000 now centrally managed through governance division procurement team, and
- procurement office involvement in the search and rescue (SAR) procurement process.

The Department has provided details of four 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 National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €862,794 (exclusive of VAT), as set out below.

- Three contracts with a combined value of €599,527 relating to leased lines which form part of the Irish Coast Guard (IRCG) emergency response infrastructure continued without a competitive process due to staff shortages and prioritisation of other projects. A tender process is currently underway to replace two of the three leased lines contracts in 2023. The tender process for the remaining contract will then be undertaken.
- One contract with a value of €170,232 for boat maintenance and repair services was non-compliant. It is intended to hold a competitive process in Q4 of 2023 for these services.
- One contract with a value of €93,035 relating to the storage of documentation pending destruction authorisation from the National Archives was non-compliant. Authorisation has now been received from the National Archives. A new procurement process is currently at tender evaluation stage and it is expected the procurement process will conclude in 2023.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel. As part of governance reorganisation arrangements put in place in February 2022 the Internal Audit Unit (IAU) moved from Maritime sector to Governance Division. The IAU operates in accordance with a written charter which I as the Secretary General approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The IAU is reviewed periodically by me and the Audit Committee and I am committed to undertaking the next review in 2023. Procedures are in place to ensure that the reports of the IAU are followed up.

During 2021, the IAU made several key recommendations following the audits listed below.

Audit of the protected disclosure process (three high findings)

The IAU found that whilst there was a protected disclosure policy in place, there was a lack of a consistent approach to the review, assessment, and treatment of protected disclosures across the Department.

In January 2023, the Department published updated Protected Disclosures Policy and Procedures which address the findings and recommendations of the audit report.

Audit of the arrangements in place for management and monitoring of cyber security in Driver Vehicle Computer Services Division (DVCSD) (two high findings).

Four recommendations were made concerning access management. Three recommendations have been implemented. Regarding the fourth recommendation, operational access to the National Vehicle and Driver File (NVDF) is now 100% secured using multi-factor authentication (MFA). This access is used daily by DVCSD staff and service partners. MFA controls for user access to the NVDF data through the new web portals but is currently only partially implemented for a small number of user groups. The DVCSD also maintains several legacy applications that do not currently support MFA. These areas of non-compliance are currently being assessed by the Department's enterprise architecture team to scope the work needed to have full MFA authentication in place for all access to the NVDF.

Review of Irish Coast Guard (IRCG) IT systems and stores practices (one high finding).

To ensure that the IRCG efficiently manage the stores across the division, IAU recommended that the IRCG document a formal stores policy and procedures to detail the process flows applicable to the section's activities and assign responsibility to specific owners for each stage of the process.

Maritime Strategy and Governance Division have engaged an EY business analyst to work with IRCG in drafting several standard operating procedures in respect of stores. A new Stores Manager post has been filled and the process for filling the Storekeeper post is ongoing. A project manager was appointed in February 2023 to develop a complete asset life-cycle policy and detailed end to end processes required to support the policy.

During 2022, the IAU made several key recommendations following the audits listed below.

Audit of IT arrangements in the Railway Accident Investigation Unit (RAIU).

The report contains two high level findings. The first of these relates to the service agreement between the Department and their managed IT service provider. IAU has recommended that the service level agreement be reviewed regularly and amended to ensure that it is comprehensive, current and relevant.

The other finding and recommendation relate to the need to review ICT security configurations and make any necessary adjustments. The review has been complete and further cybersecurity software is being implemented with a target completion of May 2023.

A service level agreement is currently being drafted and will be aligned to established key performance indicators, communicated and agreed to by the managed service provider.

Audit of IT arrangements in the Air Accident Investigation Unit (AAIU)

The report contains three high level findings. IAU has recommended that the AAIU undertake a process review to assess the approach taken in respect of data provided by the Irish Aviation Authority (IAA).

IAU has made some recommendations to improve the security of the AAIU European Co-ordination Centre for Accident and Incident Reporting Systems which can be used by any aviation authority in Europe to record data relating to accidents and incidents.

IAU also recommended improvements in respect of the security of the AAIU shared drive which was hosted on the Department's servers.

The entire process changed in October/November as a result of a move to a Managed Desktop. The Office of the Government Chief Information Officer (OGCIO) are now managing access to these records.

Audit of the arrangements in place in the Department of Transport to support effective and compliant procurement.

This report contains two findings with a classification of high. The first of these notes several instances of failure to comply with all procurement requirements and gaps in record keeping. The associated recommendation is that full compliance should be the norm.

The second high level finding and recommendation relates to the need to have comprehensive procurement policies and manuals in place, and the need to support business units with appropriate training and advice.

Work has already commenced to address the specific findings. In addition, new assurance measures have been introduced in 2023 to strengthen compliance and overall governance. A brief summary of that work is as follows.

- Publication of tenders in excess of €25,000 ex VAT is now centralised to Governance Division, to improve compliance of procedures and to ensure transparency and separation of roles.
- It is intended to develop specific guidance for Divisions on the identification and approval process relating to business needs in advance of procurements in excess of €25,000 ex VAT new procurement policy note and template will be rolled out in 2023.
- A standardised evaluation report has been developed together with a procurement policy note on evaluation panels to compliment the suite of internal procurement policy notes being rolled out in 2023.
- A new, dedicated internal information repository has been developed via SharePoint online and launched in Q1 2023 to provide tailored information to support Divisions through every stage of the procurement process.
- There will be a dedicated focus on the provision of internal training to staff in 2023.
- A series of 'spot checks' will be conducted regarding procurement compliance on a quarterly basis in 2023.
- Specific guidance for divisions on procurement and records management is being developed and will be rolled out in 2023.

Irish Coast Guard stocktaking

Inventory has been based on the result of a full inventory and count carried out in January 2023.

There is currently a project underway to strengthen controls within the IRCG stores with action already taken to map asset management and disposal processes in place. Additional resources were assigned to IRCG stores during H2 2022.

Risk and control framework

The Department has a risk management framework comprising of the risk policy, risk registers recording operational and strategic risks, a risk officer and committee, and alignment of risk to annual business planning. 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 risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. The risk register is reviewed quarterly by management locally, and at the risk and audit committee levels. Risks are a standing item at Management Board level, so that the focus on managing key business risks is maintained and a culture of accountability is integrated into all aspects of our work.

Developments of note in risk management during 2022 included

- New risk management policy.
- Revitalised risk committee with new terms of reference and work programme for the risk committee. The risk committee met on five occasions in 2022.
- Establishing and defining the risk coordinator role, engagement with each division, reviewing the risks on their risk registers with the goal of the calibration of the sector risk register.
- Calibrating and producing an integrated departmental risk register.
- New anti-fraud and anti-bribery and corruption policies developed, approved and circulated across the Department accompanied by training as part of the Departments grade-based training programme and a Department wide follow-up webinar.

2023 actions will include

- Enhancement of risk reporting for individual divisions and the Department as a whole.
- Further development and reporting on horizon scanning to the Management Board.
- Engagement with senior management on the development of a risk appetite statement for the Department.
- Further development and enhancement the integration between the department's statement of strategy/business planning and risk management.
- Work with IRCG to ensure IRCG compliance with the Division specific risk management policy (Appendix F of the risk management policy).
- Quarterly collation and reporting of risks.
- Review of audit arrangements.

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 on an ongoing basis.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss. There is always room for further development of our approaches to ensure that each line of assurance is working effectively to support the overall financial control environment. In tandem with the enhanced focus during 2022 there is a programme of work identified for 2023 to ensure that the structures, systems, financial controls and guiding behaviours are aligned in support of my priority of good governance as Accounting Officer.

Ken Spratt

Accounting Officer
Department of Transport

22 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 31 Transport

Opinion on the appropriation account

I have audited the appropriation account for Vote 31 Transport for the year ended 31 December 2022 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 31 Transport for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Transport 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.

Forensic investigation

The statement on internal financial control refers to a forensic investigation of certain procurements. The investigation was commissioned by the Department of Transport following an examination by my Office of the procurement of vehicles for the Irish Coast Guard, which I reported upon in October 2021.

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 2022.

Accountability for central government funding of local authorities

Chapter 4 of my report on the accounts of the public services for 2022 looks at the compliance of certain central government departments, including Transport, with circular 13/2014 *Management and accountability for grants from Exchequer funds* in respect of grant funding to local authorities.

Seamus McCarthy

Comptroller and Auditor General

27 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 31 Transport

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Sustainable Mobility – Active Travel and Greenways		358,601	352,897
				195,795
B	Sustainable Mobility – Carbon Reduction and Public Transport			
	<i>Original</i>	1,474,976		
	<i>Deferred surrender</i>	148,550		
	<i>Supplementary</i>	92,515		
		1,716,041	1,579,777	1,521,495
C	Road Networks and Road Safety			
	<i>Original</i>	1,422,690		
	<i>Deferred surrender</i>	4,000		
	<i>Supplementary</i>	16,654		
		1,443,344	1,432,141	1,470,946
D	Civil Aviation			
	<i>Original</i>	67,417		
	<i>Deferred surrender</i>	8,050		
	<i>Supplementary</i>	2,092		
		77,559	59,522	175,336
E	Maritime Transport and Safety			
	<i>Original</i>	108,810		
	<i>Deferred surrender</i>	500		
	<i>Supplementary</i>	3,600		
		112,910	106,752	96,580

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Gross expenditure				
	<i>Original</i>	3,432,494		
	<i>Deferred surrender</i>	161,100		
	<i>Supplementary</i>	114,861		
		3,708,455	3,531,089	3,460,152
	<i>Deduct</i>			
F	Appropriations-in-aid	23,462	20,846	35,956
Net expenditure				
	<i>Original</i>	3,409,032		
	<i>Deferred surrender</i>	161,100		
	<i>Supplementary</i>	114,861		
		3,684,993	3,510,243	3,424,196

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. €197.956 million of unspent allocations in respect of the capital elements of all subheads was carried forward to 2023.

	2022	2021
	€	€
Surplus	174,750,674	354,482,398
Deferred surrender	(137,956,000)	(161,100,000)
Surplus to be surrendered	36,794,674	193,382,398

Ken Spratt

Accounting Officer
Department of Transport

22 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	3,484,103	3,419,649
Pay	38,071	34,626
Non pay	8,915	5,877
Gross expenditure	3,531,089	3,460,152
<i>Deduct</i>		
Appropriations-in-aid	20,846	35,956
Net expenditure	3,510,243	3,424,196
Changes in capital assets		
Purchases cash	(3,997)	
Disposals cash	27	
(Profit)/loss on disposals	(27)	
Depreciation	2,762	
	(1,235)	1,936
Changes in net current assets		
Movement in accruals	401	
Movement in prepayments	(1,802)	
Movement in inventories	(307)	
	(1,708)	797
Direct expenditure	3,507,300	3,426,929
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	19,093	16,840
Notional rents	3,721	3,721
Net programme cost	3,530,114	3,447,490

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 31 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	33
Vote 12	Superannuation and Retired Allowances	16,997	15,051
Vote 13	Office of Public Works	803	1,148
Vote 18	National Shared Services Office	60	57
Vote 20	Garda Síochána	2	—
Vote 43	Office of the Government Chief Information Officer	748	86
Central Fund – ministerial pensions		442	465
		19,093	16,840

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	9,591	8,830
Current assets			
Bank and cash	2.2	145,284	162,931
Inventories	2.3	2,661	2,354
Prepayments	2.4	4,309	2,507
Other debit balances	2.5	5,030	2,177
Total current assets		157,284	169,969
Less current liabilities			
Accrued expenses	2.6	4,167	3,766
Other credit balances	2.7	1,785	1,466
Net Exchequer funding	2.8	148,529	163,642
Total current liabilities		154,481	168,874
Net current assets		2,803	1,095
Net assets		12,394	9,925
Represented by:			
State funding account	2.9	12,394	9,925

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Specialist equipment	Capital assets under development ^a	Total
	€000	€000	€000	€000	€000	€000	€000
Gross assets							
Cost or valuation at 1 January 2022	2,037	12,114	1,480	16,775	27,290	—	59,696
Additions	—	751	14	492	426	2,314	3,997
Adjustments ^b	(23)	(3,348)	(211)	(786)	(1,928)	—	(6,296)
Disposals	—	(14)	(237)	(109)	—	—	(360)
Cost or valuation at 31 December 2022	2,014	9,503	1,046	16,372	25,788	2,314	57,037
Accumulated depreciation							
Opening balance at 1 January 2022	—	10,037	1,382	14,874	24,573	—	50,866
Depreciation for the year	—	812	4	805	1,141	—	2,762
Adjustments ^b	—	(3,115)	(145)	(759)	(1,803)	—	(5,822)
Disposals	—	(14)	(237)	(109)	—	—	(360)
Cumulative depreciation at 31 December 2022	—	7,720	1,004	14,811	23,911	—	47,446
Net assets at 31 December 2022	2,014	1,783	42	1,561	1,877	2,314	9,591
Net assets at 31 December 2021	2,037	2,077	98	1,901	2,717	—	8,830

Notes ^a Asset purchase suspense disclosed as other debit balances in prior years reclassified to capital assets under development

^b Adjustment to historical cost and accumulated depreciation to exclude capital assets acquired below the threshold of €10,000.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	144,978	162,818
Commercial bank account balances	306	113
	145,284	162,931

Commercial bank accounts

In addition to the commercial bank account referred to above, the Department holds a bank account to allow for the collection and allocation of motor tax and the transfer of proceeds to the Exchequer. All money received is paid directly to the Exchequer after paying bank charges. The amount held at the end of 2022 was €2,689 (2021: €35,000).

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
IT consumables	—	95
Specialised consumables (Irish Coast Guard)	2,661	2,259
	2,661	2,354

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as inventory.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software licences and maintenance	3,376	2,273
Rentals	130	129
Other	803	105
	4,309	2,507

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
OPW agency services	4,990	1,130
Asset purchase suspense ^a	—	288
Payroll suspense	—	737
Other	40	22
	5,030	2,177

^a Asset purchase suspense disclosed as other debit balances in prior years has been reclassified as capital assets under development

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Stobart Air	—	2,093
Driver and Vehicle Computer Services	1,011	909
Division: operating expenses		
Search and rescue helicopter services	907	—
Regional airports: rotations	573	343
Professional consultancy fees	286	110
OPW	80	4
Transport Infrastructure Ireland	417	—
Other	893	307
	4,167	3,766

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax and universal social charge	—	595
Pay related social insurance	—	303
Professional services withholding tax	92	55
Value added tax	373	348
Relevant contract tax	6	22
Pension charges	29	75
Extra Exchequer receipts	—	36
	500	1,434
Due to agencies	1,229	—
Other credit suspense items	56	32
	1,785	1,466

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	36,795	193,382
Deferred surrender	137,956	161,100
Exchequer grant undrawn	(26,222)	(190,840)
Net Exchequer funding	148,529	163,642
Represented by:		
Debtors		
Bank and cash	145,284	162,931
Debit balances: suspense	5,030	2,177
	150,314	165,108
Creditors		
Due to the State	(500)	(1,434)
Credit balances: suspense	(1,285)	(32)
	(1,785)	(1,466)
	148,529	163,642

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		9,925	12,658
Disbursements from the Vote			
Estimate provision	Account	3,684,993	
Deferred surrender	Account	(137,956)	
Surplus to be surrendered	Account	(36,795)	
Net vote		3,510,242	3,424,196
Expenditure (cash) borne elsewhere	1.1	19,093	16,840
Non cash item – capital asset adjustment		(473)	—
Non cash expenditure – notional rent	1	3,721	3,721
Net programme cost	1	(3,530,114)	(3,447,490)
Balance at 31 December		12,394	9,925

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	128,834	119,689
Non-capital grant programmes	—	—
Capital grant programmes	48,335	71,469
Total of legally enforceable commitments	177,169	191,158
Commitments under procurement subheads	2022	2021
	€000	€000
Search and rescue helicopter services ^a	96,000	96,000
Airports ^b	12,964	1,028
Vehicle/driving licensing ^c	15,785	18,390
Climate Change Unit	—	86
Air Accident Investigation Unit ^d	751	756
Information technology ^e	920	531
Sustainable mobility (investment and policy) ^f	1,207	828
Facilities management	—	469
Coast Guard services ^g	1,182	1,433
Marine Survey	25	168
	128,834	119,689

- Notes
- ^a The current search and rescue helicopter service contract with CHC Ireland commenced on 1 July 2012 for a period of ten years. It contains an option to extend for a period(s) up to a further three years. The contract was extended in 2020 initially for one year to July 2023. In 2021 the contract was extended for a further year to 2024. These extensions, as approved by the Minister, are to facilitate the procurement of a new service in accordance with *Public Spending Code* requirements and a seamless transition from one service to another.
 - ^b Public Service Obligation (PSO) for air services between Donegal and Dublin.
 - ^c New contracts awarded for the supply of motor tax discs, IT support and development.
 - ^d Willis Tower Watson insurance premiums commitment reduction.
 - ^e Provision of Services to support the delivery of new IT Governance and Operating Models in the Department of Transport and the development, support and maintenance of a new Road Transport Operator licencing IT (RTOL) system.
 - ^f Contract awarded to Ove Arup and Partners Ireland Limited for an all-Island strategic rail review.
 - ^g License fee, site rental and a contract for the provision and implementation of a new integrated Incident Coordination and Management System (ICAMS).

Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	—	50
Grants paid in the year	(367)	(416)
New grant commitments	367	366
Closing balance	—	—

Capital grant programmes	2022	2021
	€000	€000
Opening balance	71,469	85,088
Grants paid in the year	(101,925)	(33,469)
New grant commitments	94,682	22,616
Grants cancelled	(15,891)	(2,766)
Closing balance	48,335	71,469

Major capital projects/public private partnerships (PPPs) are funded through bodies under the aegis of the Department.

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end.	3,567	2,554

2.12 Contingent liabilities

The Department is involved in 19 legal cases. The Department cannot predict the outcome of such cases.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	39,616	38,071	34,626
ii	Travel and subsistence	1,219	986	510
iii	Training, development and incidental expenses	1,592	2,988	1,756
iv	Postal and telecommunications services	320	275	217
v	Office equipment and external IT services	2,778	1,934	2,196
vi	Office premises expenses	1,246	1,595	862
vii	Consultancy services and value for money and policy reviews	1,016	1,137	336
		47,787	46,986	40,503

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

iii Training and development and incidental expenses

Estimate provision €1.6 million; outturn €3 million

The overspend is primarily due to legal costs reimbursed to the families of the crew of the R116 crash.

v Office equipment and external IT services

Estimate provision €2.8 million; outturn €1.9 million

Budgeted IT consultancy fees were not incurred due to anticipated system development and software upgrades delays.

vi Office premises expenses

Estimate provision €1.2 million; outturn €1.6 million

The reason for the overspend amounting to €400,000 is related to conversion of the Leeson Lane premises basement to office and meeting space by the OPW.

Programme A Sustainable mobility - Active travel and greenways

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	788	761	693
A.2	Administration – non pay	163	178	118
A.3	Active travel infrastructure	297,650	309,110	166,948
A.4	Greenways	60,000	42,848	28,036
		358,601	352,897	195,795

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €5.7 million lower than originally estimated. Explanations for variances are as follows.

A.4 Greenways

Estimate provision €60 million; outturn €42.8 million

The reduction in expenditure of €17.2 million relative to the original estimate is primarily due to the following

- Transport Infrastructure Ireland (TII) project delays in the planning process and land acquisition (€16.5 million).
- payroll savings in local authorities and Fáilte Ireland not reaching the forecast level of recruitment (€750,000).

Programme B Sustainable mobility – carbon reduction and public transport

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
B.1	Administration – pay		4,426	4,188
B.2	Administration – non pay		908	980
B.3	Carbon reduction		104,414	81,427
B.4	Public service provision payments			
	<i>Original</i>	538,813		
	<i>Deferred surrender</i>	350		
	<i>Supplementary</i>	92,515		
			631,678	619,338
B.5	Public transport investment			
	<i>Estimate provision</i>	780,060		
	<i>Deferred surrender</i>	148,200		
			928,260	837,199
B.6	Public transport agencies and expenses		46,277	36,507
B.7	Miscellaneous services		78	138
		1,716,041	1,579,777	1,521,495

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 €43.8 million less than originally estimated. This was mainly due to the following.

B.3 Carbon reduction

Estimate provision €104.4 million; outturn €81.4 million

The reduction in expenditure of €23 million relative to the original estimate is primarily as a result of an underspend in the Carbon Reduction Fund. The Carbon Reduction Fund provides funding towards several vehicle purchase and infrastructure grants which are demand led. Drawdown in 2022 was lower than expected due to global supply chain issues, caused by factors such as the war in Ukraine and Covid-19, impacting on the availability and delivery of new vehicles into the Irish market which in turn resulted in a lower demand for the drawdown of grant funding.

B.4 Public service provision payments

Estimate provision €539.1 million; outturn €619.3 million

The increase in expenditure of €80.2 million relative to the original estimate is primarily due to

- Original 2022 Public Service Obligations (PSO) were under estimated resulting in an overspend of €92.4 million.
- An underspend of €1.2 million in the rural transport programme due to delays
 - in the procurement tender process for the IT Management System (ITMS) supplier which resulted in planned project work being postponed to 2023
 - of the commencement of the Local Link electric vehicle pilot due to issues with the installation of power charging infrastructure and paperwork for vehicles.
- An underspend of €8.5 million due to a delay in most of the phases of the Bus Connects programme due to driver shortages and recruitment challenges experienced across the public transport sector throughout 2022. Some mobilisation expected in 2022 was not incurred due to delays in signing contracts.
- An underspend of €2.5 million due to delays in introducing new Local Link and Bus Eireann routes due to lack of skilled drivers and transport operators experiencing difficulties in securing finance to purchase buses.

B.5 Public transport investment

Estimate provision €928.3 million; outturn €837.2 million

The reduction in expenditure of €91.1 million relative to the original estimate is due to

- An overallocation to Irish Rail amounting to €87.6 million to fund additional projects (train protection system; additional Infrastructure Manager Multi-Annual Contract (IMMAC) allocation.
- An underspend amounting to €18.1 million due to delays in delivery of 41 Intercity railcars. A carryover request to 2023 for this amount has been approved.
- An underspend amounting to €11.2 million on the light rail programme due to project delays (rail replacement, systems resilience and vehicle overhauls).
- An underspend amounting to €107.8 million on BusConnects and bus (non BusConnects) programmes due to delays in bus fleet delivery; delays in planning application submissions for core bus corridors; delays in roll out of network redesign phases 5 and 5a. A carryover request to 2023 for €48.9 million has been approved.
- An underspend amounting to €32 million in ticketing and technology programme due to delays in signing contracts and cancellation of projects.
- An underspend amounting to €5.7 million on the park & ride programme due to slower than anticipated progress on development of strategies and identification of appropriate sites.
- A capital underspend amounting to €3.9 million in the accessibility reprofit programme.

B.6 Public transport agencies and expenses

Estimate provision €46.2 million; outturn €36.5 million

The reduction in expenditure of €9.7 million relative to the original estimate is primarily due to

- savings of €3.6 million in National Transport Agency (NTA) and Commission for Railway Regulation pay due to recruitment and retention challenges
- savings of €6.1 million in NTA licensing areas support scheme, savings on professional fees due to projects not materializing and savings in facilities as additional office space was not sought due to blended working.

Programme C Road networks and road safety

		2022		2021
		Estimate provision		Outturn
		€000	€000	Outturn
			€000	€000
C.1	Administration – pay	12,288	11,802	10,734
C.2	Administration – non pay	2,560	2,764	1,822
C.3	Road improvement/maintenance	1,377,053	1,369,457	1,429,698
C.4	Road safety agencies and expenses	7,889	7,279	6,658
C.5	Vehicle and driver licencing expenses			
	<i>Original</i>	22,900		
	<i>Deferred surrender</i>	4,000		
	<i>Supplementary</i>	16,654		
			43,554	40,839
		1,443,344	1,432,141	1,470,946

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 €5.4 million higher than originally estimated. An underspend of €283,000 of this related to administration expenditure and has been explained. The balance of the variance of €5.7 million was mainly due to the following.

C.4 Road safety agencies and expenses

Estimate provision €7.9 million; outturn €7.3 million

The variance in road safety agencies and expenses of €610,000 is as a result of an €340,000 underspend in the Medical Bureau of Road Safety payroll owing to unfilled vacancies and a capital underspend of €270,000 due to savings in contract cost due to competitive price tendering.

C.5 Vehicle and driver licencing expenses

Estimate provision €26.9 million; outturn €40.8 million

The increase in expenditure relative to the original estimate of €13.9 million is due to:

- An underspend of €1.7 million due to delays in awarding the tender for the replacement of the road transport operator licensing (RTOL) IT system.
- An underspend of €1.5 million due to delays in the motor tax and vehicle registration annual technology refresh programme for the National Vehicle and Driver File (NVDF) and its associated online systems was carried over to 2023.
- An overspend of €15.6 million as a result of the introduction of the licenced haulage emergency support scheme.
- An overspend of €1.5 million as a result of increased motor tax and vehicle registration postal charges due to An Post postal increases.

A supplementary of €16.6 million was approved for this subhead to meet the overpayments above.

Programme D Civil Aviation

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay		4,323	3,809
D.2	Administration – non pay		908	646
D.3	Regional airports			
	<i>Original</i>	15,765		
	<i>Deferred surrender</i>	7,640		
	<i>Supplementary</i>	2,092		
		25,497	22,552	16,997
D.4	Miscellaneous services	11,171	9,593	8,924
D.5	Aviation Covid supports			
	<i>Estimate provision</i>	35,250		
	<i>Deferred surrender</i>	410		
		35,660	22,208	144,960
		77,559	59,522	175,336

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €15.9 million lower than originally estimated. Explanations for variances are as follows:

D.4 Miscellaneous services

Estimate provision €11.2 million; outturn €9.6 million

The variance in miscellaneous services of €1.6 million is primarily due to:

- A savings of €964,000 on estimates made at the beginning of the year for Eurocontrol subscriptions due to reduced flight activity.
- An underspend of €720,000 in payments for IAA exemption services IAA exemption services due to fewer flight exempt from service fees than estimated.

D.5 Aviation Covid supports

Estimate provision €35.7 million; outturn €22.2 million

The variance in Aviation Covid supports of €13.5 million is primarily due to:

- Saving in the Air Navigation Services Division overseas package travel refund scheme of €5 million and travel trade industry supports amounting to €5.5 million.
- An underspend of €2.25 million vired to D.3 Regional airports to consolidate the administration of all capital funding under the Regional Airports Programme 2021-2025 in 2022.
- An underspend in operational funding under the Regional Airports Programme 2021-2025 amounting to €761,000.

Programme E Maritime and safety

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
E.1	Administration – pay		17,791	17,132
E.2	Administration – non pay		3,632	4,012
E.3	Maritime administration and Irish Coast Guard (IRCG)			
	<i>Original</i>	86,297		
	<i>Supplementary</i>	3,600		
			89,897	84,982
E.4	Miscellaneous			
	<i>Estimate provision</i>	1,090		
	<i>Deferred surrender</i>	500		
			1,590	626
			112,910	106,752
				96,580

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €2.6 million lower than originally estimated. An underspend €280,000 of this related to administration expenditure and has been explained. The balance of the variance of €2.3 million was mainly due to the following.

E.4 Miscellaneous

Estimate provision €1.6 million; outturn €626,000.

The underspend in maritime miscellaneous services is due to forecast environmental clean-up cost not been incurred.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
Administration				
1	Receipts from additional superannuation contributions on public service remuneration	3,969	2,578	2,459
Civil aviation				
2	Irish Aviation Authority refund of subscriptions to international organisations	8,074	7,157	6,910
3	Irish Aviation Authority recoupment of rents, etc.	394	394	394
4	Irish Aviation Authority payment for associated costs	2,800	2,985	2,826
Land transport				
5	Road transport licence fees	950	1,396	1,309
6	Miscellaneous land transport receipts	6,100	5,335	4,368
Maritime transport and safety				
7	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	525	447	469
Miscellaneous receipts				
8	Miscellaneous receipts	650	554	17,221
Total		23,462	20,846	35,956

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.9 million; realised €2.6 million

The estimate was predicated on the Department reaching a certain level of recruitment and increasing its staffing complement by the end of 2022. The shortfall of €1.3 million was due to the Department's external recruitment for both general and technical grades being lower than anticipated.

2 Receipts from Irish Aviation Authority refund of subscriptions to international organisations

Estimate €8 million; realised €7.1 million

The Department estimates the recoupment of moneys from the Irish Aviation Authority based on estimated subscription cost. Actual subscriptions invoiced in 2022 by certain international aviation organisations were however lower than originally estimated.

4 Irish Aviation Authority payment for associated costs

Estimate €2.8 million; realised €3 million

The increase of €184,000 is the result of the recalculation of estimate policy costs paired with the reconciliation of actual costs owed to the Department by the Irish Aviation Authority.

5 Road transport licence fees

Estimate €950,000; realised €1.4 million

The amount received in road transport licensing fees is affected by the level of activity in the sector and in the wider economy. Fees are paid not only for licence applications but also for adding vehicles to existing haulage licences to increase fleets. Due to economic uncertainties, it was considered apt to adopt a conservative approach to setting estimates, however actual receipts exceeded expectations.

6 Miscellaneous land transport receipts

Estimate €6.1 million; realised €5.3 million

The Department's expenditure on projects under the INTERREG programme has not been as high as expected in 2021 and 2022 for various reasons, including delays to the delivery of cross-border Greenway projects due to factors such as Covid-19 and planning and land acquisition issues, as well as slower-than-expected delivery of electric vehicle charging infrastructure under the FASTER Programme. As such, the subsequent reimbursement of funding from the EU has in turn been lower than forecasted.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	36	480
Shannon Development rents ^a	10	10
Road Safety Authority pension contributions and notional service ^b	499	490
NELS project – Loran-C maritime navigation system	—	20
Ten-T upgrade	1,006	—
National Oil Reserve Agency ^c	7,878	2,517
TN ITS GO Project payment	—	20
Voluntary surrender of pay	16	22
National Access Point Coordination Organisation for Europe (NAPCORE) ^d	33	—
Transfer of service	244	—
Sale of vehicle ^e	40	—
Sundry	—	2
Transferred to the Exchequer	(9,746)	(3,525)
Balance at 31 December	16	36

- Notes
- ^a Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.
 - ^b The Department acts as the intermediary in making the annual pay-over of the pension contributions deducted from RSA staff. These pay-overs are made to the Department of Public Expenditure and Reform.
 - ^c Under the biofuel obligation, suppliers of certain fuels to the road transport market are required to include a certain proportion of biofuels as part of their fuel mix. A buy-out charge however allows obligated parties under the scheme to discharge part or their entire biofuel obligation through the payment of a buy-out charge. This was set at €0.45 per litre in 2021 under SI 644/2010 National Oil Reserves Agency Act 2007 (Biofuel Obligation Buy-out Charge) Regulations 2010.
 - ^d Pre-financing from NAPCORE, a newly formed organisation to coordinate and harmonise more than 30 mobility data platforms all over Europe.
 - ^e Auction proceeds received on behalf of Kerry Airport.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Department	579	545
Agencies ^a	1,018	1,000
	1,597	1,545

Note ^a Includes staffing of the following agencies: Commission for Aviation Regulation; Marine Casualty Investigation Board; Commission for Railway Regulation; National Transport Agency; Transport Infrastructure Ireland; Medical Bureau of Road Safety and Road Safety Authority.

5.2 Pay – Department and agencies

Remuneration of Department staff	2022	2021
	€000	€000
Pay	33,035	29,914
Higher, special or additional duties allowances	877	887
Overtime	449	421
Other allowances	753	790
Employer's PRSI	2,957	2,614
Total pay ^a	38,071	34,626

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

Remuneration of agency staff

Pay	67,569	60,363
Higher, special, or additional duties allowances	799	718
Overtime	457	442
Other allowances	646	561
Employer's PRSI	6,189	5,564
Total pay ^a	75,660	67,648

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

5.3 Allowances and overtime payments – Department ^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Department staff				
Higher, special or additional duties allowances	86	8	35,505	39,777
Overtime	109	17	27,141	29,059
Other allowances	130	45	31,050	21,884
Extra remuneration in more than one category	72	51	52,013	53,121

Note ^a The pay, allowances and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to E.

5.3 Allowances and overtime payments – Agencies

Higher, special or additional duties allowances	184	6	13,356	16,133
Overtime	155	2	16,807	7,835
Other allowances	165	7	13,356	16,048
Extra remuneration in more than one category	82	12	21,871	14,841

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	355	342
60,000	69,999	55	52
70,000	79,999	47	48
80,000	89,999	38	37
90,000	99,999	47	34
100,000	109,999	23	25
110,000	119,999	16	10
120,000	129,999	3	3
130,000	139,999	1	1
140,000	149,999	4	—
150,000	159,999	—	1
160,000	169,999	—	1
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €4,793. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €421,012 in respect of seven officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

This account does not include expenditure in respect of two seconded officers who were serving outside the Department for all or part of 2022 whose salaries were paid by other Government departments/offices.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	41	138,747	123,108
Recovery plans in place	18	78,116	61,874

Four overpayment recovery plans, in respect of four individuals, to the value of €11,878 were transferred to other departments in the year.

5.7 Severance/redundancy

During 2022, terminated staff members were not paid any redundancy or severance payments.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

A Review Board was established in 2020 to re-examine certain findings of the draft final report of the investigation into the accident involving Rescue 116 at Blacksod, Co Mayo on 14 March 2017. The Review Board was established in line with Statutory Instrument (SI) No 460 of 2009: Air Navigation (Notification and Investigation of Accidents, Serious Incidents and Incidents) Regulations 2009.

The Review Board report was published on 5 November 2021 and found the probable cause of the crash was poor weather, the helicopter's altitude and the crew being unaware of a 282ft obstacle on the flight path to the initial route waypoint of one of the operator's pre-programmed Flight Management System (FMS) routes.

Fixed purpose commission	Year of appointment	Cumulative expenditure to end of 2022 €000	2022 €000	2021 €000
Review Board	2020	<u>1,502</u>	<u>1,136</u>	<u>266</u>

6.2 Compensation and legal cost

Payments/costs paid by the Department in the year

	Claims by			Total 2022	Total 2021
	employees	members of the public ^a			
	Personal injuries	Loss or damage	Personal injuries		
Number of cases	1	5	7	13	16
	€000	€000	€000	€000	€000
Department's own legal costs	2	—	64	66	14
Payments by/on behalf of Department					
Compensation	8	220	—	228	769
Legal costs	6	1,255	210	1,471	298
Other costs	22	32	—	54	6
2022 Total	38	1,507	274	1,819	1,087
2021 Total	343	—	744	1,087	

Notes ^a Amounts paid to individuals range from €178 to €580,000.

^b At 31 December 2022, there were 19 claims under active management by the State Claims Agency with a combined estimated outstanding value of €2 million.

- Personal injuries: employees 1, members of public 16
- Property related: 2

^c Included in accruals is an amount of €136,880 being legal costs due to the State Claims Agency as at 31 December 2023.

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
Number of cases	1	11	12
	€000	€000	€000
Department's own legal costs	2	72	74
Payments to/on behalf of Department			
Compensation	8	700	708
Legal costs	6	1,331	1,337
Other costs	3	16	19
Total	19	2,119	2,138

6.3 Late payment interest

No interest payments were made in terms of the European Communities (Late Payment in Commercial Transactions) Regulation 2012.

6.4 Fraud and suspected fraud

No fraud was detected during the period under review.

6.5 EU funding

The outturn shown in A.3 Active travel infrastructure includes payment in respect of activities which are co-financed from the European Regional Development Fund (ERDF). The Department received €356,000 in funding. Several delays and extensions in INTERREG greenways projects resulted in timing delays with claims and no claims were paid in 2022.

Subhead description	2022	2022	2021
	Estimate	Outturn	Outturn
	€000	€000	€000
A.3 Active travel infrastructure	356	—	551

6.6 Deferred surrender

Deferred surrender comprises savings in 2022 of €137.9 million in capital expenditures in the following subheads that were carried over to 2023.

	€000
A.4 Greenways	17,000
B.3 Carbon reduction	20,560
B.4 Public service provision payments	450
B.5 Public transport investment	77,956
C.3 Road improvement/maintenance	9,000
C.5 Vehicle and driver licencing expenses	2,340
D.3 Regional airports	4,900
E.3 Maritime administration and Irish Coast Guard (IRCG)	5,250
E.4 Miscellaneous	500
	137,956

Appendix A Accounts of bodies and funds under the aegis of the Department of Transport

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at 22 September 2023, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/ Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Bus Éireann	2022	12 Apr 2023	20 Jun 2023	6 Jul 2023
Bus Átha Cliath	2022	11 Apr 2023	7 Jul 2023	7 Jul 2023
Commission for Aviation Regulation	2022	26 Apr 2023	26 Apr 2023	15 Aug 2023
Commission for Railway Regulation	2021	12 Dec 2022	20 Dec 2022	2 Mar 2023
Córas Iompair Éireann (CIE)	2022	7 Jun 2023	8 Jun 2023	5 Jul 2023
Daa plc	2022	24 Mar 2023	27 Mar 2023	18 Apr 2023
Dublin Port Company	2022	31 Mar 2023	4 Apr 2023	28 Jun 2023
Iarnród Éireann	2022	7 Jun 2023	22 Jun 2023	6 Jul 2023
Irish Aviation Authority	2022	6 Apr 2023	6 Apr 2023	4 May 2023
Marine Casualty Investigation Board	2022	15 Jun 2023	17 Jun 2023	30 Jun 2023
Medical Bureau of Road Safety	2022	6 Jul 2023	7 Jul 2023	—
Motor Tax Account	2022	9 Jun 2023	29 Jun 2023	22 Sep 2023
National Transport Authority	2022	23 May 2023	26 May 2023	14 Sep 2023
Port of Cork Company	2022	29 Mar 2023	24 Apr 2023	4 May 2023
Port of Waterford Company	2022	24 Apr 2023	17 Apr 2023	28 Jun 2023
Road Safety Authority	2022	26 Jun 2023	30 Jun 2023	—
Shannon Foynes Port Company	2022	31 Mar 2023	38 Apr 2023	28 Jun 2023
Shannon Group PLC	2022	27 Mar 2023	27 Mar 2023	25 Apr 2023
Transport Infrastructure Ireland	2022	26 Jun 2023	14 Jul 2023	7 Sep 2023

Appropriation Account 2022

Vote 32

Enterprise, Trade and Employment

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 2022 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 payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €714.992 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, National Development Plan Delivery and Reform in circular 22 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

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 has provided details of ten 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, National Development Plan Delivery and Reform (DPENDPDR).

Non-compliance with procurement rules

The Department complied within the guidelines with the exception of six contracts (in excess of €25,000), totalling €298,730 (exclusive of VAT), as set out below:

- One contract with a value of €74,966 related to the provision of secure data backup solutions for the Office of the Director of Corporate Enforcement (ODCE). It was decided that the product provided by the supplier was the only suitable one in order to ensure the integrity of investigations and related data. The Corporate Enforcement Authority (CEA) subsumed the functions of the ODCE on 7 July 2022.
- A second cumulative contract with an overall value €62,249 that covered the purchase of five discrete cleaning services across the Department's offices, each of which expired during the year without a new contract being in place. In one instance, a procurement process has now been completed and in the remaining four cases, the procurement process is in progress.
- A third contract with a value of €56,831 related to the provision of legal services and advice in relation to the implementation of emergency measures taken in response to the invasion of Ukraine in the form of the Ukraine Credit Guarantee Scheme, due to the urgency of the situation in Ukraine, it was not possible to carry out procurement in this instance.
- A fourth contract with a value of €41,748 related to the provision of translation services for the Workplace Relations Commission (WRC) for which the contract expired during the year. The framework contract agreed by the OGP for translation services was not made available until December 2022. The WRC is currently engaged in the process of accessing this service from the new OGP framework.
- A fifth contract with an overall value of €34,111 related to the purchase of certain office supplies and stationery by a number of offices of the Department. The offices have been reminded of the importance of compliance with procurement rules in these matters.
- A sixth contract with a value of €28,825, which expired in 2021, related to the provision of ICT consumables. A number of the Department's offices continued to use the services of the original supplier notwithstanding the fact that the OGP concluded a framework agreement in this area. The offices concerned have been advised of the framework and arranged the provision of these consumables in accordance with that agreement.

The above contracts have been included in the 40/2002 annual return referenced above.

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 2022 that require disclosure in the appropriation account.

Dr Orlaigh Quinn
Accounting Officer
Department of Enterprise, Trade and Employment

30 March 2023

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 2022 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 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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
20 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports 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 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Jobs and enterprise development			
	<i>Original</i>	561,011		
	<i>Deferred surrender</i>	78,500		
	<i>Supplementary</i>	647,440		
			1,286,951	584,946
				722,576
B	Innovation			
	<i>Original</i>	237,559		
	<i>Deferred surrender</i>	1,160		
	<i>Supplementary</i>	6,280		
			244,999	200,612
				218,741
C	Regulation			
	<i>Original</i>	105,255		
	<i>Supplementary</i>	780		
			106,035	99,116
				85,760
Gross expenditure				
	<i>Original</i>	903,825		
	<i>Deferred surrender</i>	79,660		
	<i>Supplementary</i>	654,500		
			1,637,985	884,674
				1,027,077
	<i>Deduct</i>			
D	Appropriations-in-aid		62,396	78,577
				69,051
Net expenditure				
	<i>Original</i>	841,429		
	<i>Deferred surrender</i>	79,660		
	<i>Supplementary</i>	654,500		
			1,575,589	806,097
				958,026

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. €54.5 million of unspent allocations in respect of the capital elements of subheads A.5 and A.7 were carried forward to 2023.

	2022	2021
	€	€
Surplus	769,491,787	236,333,519
Deferred surrender	(54,500,000)	(79,660,000)
Surplus to be surrendered	<u>714,991,787</u>	<u>156,673,519</u>

Dr Orlaigh Quinn

Accounting Officer

Department of Enterprise, Trade and Employment

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	841,033	987,847
Pay	34,981	30,723
Non pay	8,660	8,507
Gross expenditure	884,674	1,027,077
<i>Deduct</i>		
Appropriations-in-aid	78,577	69,051
Net expenditure	806,097	958,026
Changes in capital assets		
Purchases cash	(1,629)	
Depreciation	1,504	
Loss on disposals	46	1,625
Changes in net current assets		
Decrease in closing accruals	(6,969)	
Decrease in inventories	213	9,424
Direct expenditure	799,262	969,075
Expenditure borne elsewhere		
Net allied services expenditure (cash) (note 1.1)	28,511	26,022
Notional rents (non-cash)	2,847	2,847
Net programme cost	830,620	997,944

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.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	87	61
Vote 12	Superannuation and Retired Allowances	22,916	21,550
Vote 13	Office of Public Works	4,672	3,622
Vote 18	National Shared Services Office	123	120
Vote 20	Garda Síochána	251	162
Vote 43	Office of the Government Chief Information Officer	123	147
Central Fund – ministerial pensions		339	360
		28,511	26,022

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	6,109	6,030
Current assets			
Bank and cash		84,093	111,324
Inventories	2.2	—	213
Prepayments	2.3	1,832	1,733
Accrued income	2.4	308	168
Other debit balances	2.5	980	536
Total current assets		87,213	113,974
Less current liabilities			
Accrued expenses	2.6	2,882	1,269
Deferred income	2.7	2,840	11,183
Other credit balances	2.8	5,627	5,216
Net Exchequer funding	2.9	79,446	106,644
Total current liabilities		90,795	124,312
Net current assets/(liabilities)		(3,582)	(10,338)
Net assets		2,527	(4,308)
Represented by:			
State funding account	2.10	2,527	(4,308)

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Motor vehicles	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets ^{a, b}					
Cost or valuation at 1 January 2022	38,310	3,221	—	7	41,538
Additions	299	—	207	1,123	1,629
Transfers	1,045	—	—	(1,045)	—
Disposals	(450)	(142)	—	—	(592)
Cost or valuation at 31 December 2022	39,204	3,079	207	85	42,575
Accumulated depreciation					
Opening balance at 1 January 2022	32,619	2,889	—	—	35,508
Depreciation for the year	1,429	72	3	—	1,504
Depreciation on disposals ^c	(400)	(146)	—	—	(546)
Cumulative depreciation at 31 December 2022	33,648	2,815	3	—	36,466
Net assets at 31 December 2022	5,556	264	204	85	6,109
Net assets at 31 December 2021	5,691	332	—	7	6,030

- Notes ^a The Corporate Enforcement Authority (CEA), which was established as an independent agency on 7 July 2022, subsumed the functions of the Office of the Director of Corporate Enforcement (ODCE). For accounting purposes, the pre and post establishment assets of the ODCE and CEA were treated as assets of the Department for the whole of 2022, with ownership of the assets transferring to the CEA for nil charge on 1 January 2023.
- ^b Opening balances of cost and accumulated depreciation carried forward from 1 January 2021 include items acquired below the threshold of €10,000.
- ^c Accumulated depreciation on disposals for furniture and fittings includes depreciation of €4,000 relating to prior years which was previously not included in the note.

2.2 Inventories

at 31 December	2022	2021
	€000	€000
Consumables ^a	—	213
	—	213

Note ^a In line with guidance issued under circular 22/2022 Requirements for Appropriation Accounts 2022, DETE no longer classifies high-volume, low-value items as inventories and instead these are fully expensed in the year.

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
IT services and support	1,709	1,483
Administration	123	250
	1,832	1,733

2.4 Accrued income

at 31 December	2022	2021
	€000	€000
Income due from Competition and Consumer Protection Commission	214	105
Employment permit income due	52	40
Income due to DETE offices for services	42	23
	308	168

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to OPW	35	25
Miscellaneous debit balances	785	483
Recoupable expenditure		
Travel	30	
Shared services	130	
	160	28
	980	536

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Employment permit refunds due	1,638	694
Administration expenses	421	295
Inter-departmental recoupments	147	132
IT services and support	136	76
Legal expenses	268	72
Temporary Partial Credit Guarantee Scheme	272	—
	2,882	1,269

2.7 Deferred income

at 31 December	2022	2021
	€000	€000
Employment permit receipts for unprocessed applications	1,277	9,691
CRO customer balances	1,563	1,492
	2,840	11,183

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,180	1,084
Pay related social insurance	715	623
Local property tax	7	6
Professional services withholding tax	161	149
Value added tax on intra EU acquisitions	68	115
Universal social charge	223	198
	2,354	2,175
Share of patent renewal fees payable to the European Patents Office	1,907	1,932
Staff pay-overs	656	463
Employers pension (asset)/liability	53	(16)
Recoupable salaries	159	159
Other miscellaneous balances	498	503
	5,627	5,216

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	714,992	156,674
Deferred surrender	54,500	79,660
Exchequer grant undrawn	(690,046)	(129,690)
Net Exchequer funding	79,446	106,644
Represented by:		
Debtors		
Bank and cash	84,093	111,324
Other debit balances	980	536
	85,073	111,860
Creditors		
Due to the State	(2,354)	(2,175)
Other credit balances	(3,273)	(3,041)
	(5,627)	(5,216)
	79,446	106,644

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		(4,308)	6,741
Disbursements from the Vote			
Estimate provision	Account	1,575,589	
Deferred surrender	Account	(54,500)	
Surplus to be surrendered	Account	(714,992)	
Net vote		806,097	958,026
Expenditure (cash) borne elsewhere	1.1	28,511	26,022
Non cash expenditure – notional rent	1	2,847	2,847
Net programme cost	1	(830,620)	(997,944)
Balance at 31 December		2,527	(4,308)

2.11 Commitments

a) Global commitments ^a	2022	2021
at 31 December	€000	€000
Procurement of goods and services	121,084	177,338
Non-capital grant programmes	3,837	3,965
Capital grant programmes	1,153,153	1,258,845
Total of legally enforceable commitments	1,278,074	1,440,148
b) Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	3,965	10,854
Grants paid in the year	(14,546)	(19,355)
New grant commitments	15,621	14,784
Grants cancelled	(1,203)	(2,318)
Closing balance	3,837	3,965
c) Capital grant programmes	2022	2021
	€000	€000
Opening balance	1,258,845	2,115,494
Adjustment ^b	—	(757,945)
Grants paid in the year	(488,434)	(617,225)
New grant commitments	533,993	826,602
Grants cancelled	(151,251)	(308,081)
Closing balance	1,153,153	1,258,845

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

^b 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.

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021 ^a
	€000	€000	€000	€000	€000
Agency commitments					
IDA Ireland (A.5)	19,800	46,800	136,000	202,600	140,000
Enterprise Ireland (A.7)	388,286	34,456	170,428	593,170	576,212
Enterprise Ireland (B.4)	9,547	4,202	9,751	23,500	23,500
Department commitments					
INTERREG (A.10)	14,479	2,640	3,697	20,816	20,816
Strategic Banking Corporation of Ireland loan schemes (A.14)	99,340	55,709	12,484	167,533	100,049
	531,452	143,807	332,360	1,007,619	860,577

Note ^a Excludes projects completed by end of 2021.

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 2021.

IDA Ireland (A.5)

Increase in expected total spend: €63 million

The increase relates to five new projects with an average commitment of €13 million for each project.

Enterprise Ireland (A.7)

Increase in expected total spend: €17 million

The increase principally relates to one new project for €20 million and a net decrease in commitments of €3 million over eight projects.

Strategic Banking Corporation of Ireland loan schemes (A.14)

Increase in expected total spend: €67 million

The increase was due to the commencement of the Growth and Sustainability Loan Scheme.

2.12 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	141	46

2.13 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 had been negatively impacted by Covid-19 and closed 30 June 2022. The CCGS provided 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 was available to SMEs, small mid-caps (an enterprise that is not an SME but has fewer than 500 employees) and primary producers that met the eligibility criteria.

In the case of both the CGS and the CCGS, the guarantee was 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 2022, a total of €521.6 million in loans outstanding was covered by both schemes (2021: €502.8 million). The total maximum exposure for the Department in relation to loans outstanding at 31 December 2022 was €410.44 million (2021: €395.86 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 is set out below.

	2022	2012-2022
	€000	€000
Receipts in relation to premiums paid by SMEs	2,164	6,226
Scheme expenditure		
Scheme administration	(1,269)	(6,387)
Claims paid	(3,429)	(4,642)
Total cost of scheme	<u>(4,698)</u>	<u>(11,029)</u>
Net cost of scheme	<u>(2,534)</u>	<u>(4,803)</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.

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	32,425		
	<i>Supplementary</i>	<u>2,000</u>		
		34,425	34,981	30,723
ii	Travel and subsistence	500	606	153
iii	Learning and development and incidental expenses	1,505	1,636	1,605
iv	Postal and telecommunications services	300	306	332
v	Office equipment and external IT services	4,173	4,191	4,179
vi	Office premises expenses	743	646	869
vii	Consultancy services and value for money and policy reviews	1,280	913	877
viii	Advertising and information resources	360	362	492
		43,286	43,641	39,230

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €1.28 million; outturn €913,000

A number of consultancy projects that had been approved for funding in 2022 did not proceed as anticipated due to delays/cancellations/reprioritisation.

Programme A Jobs and Enterprise Development

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.1	Administration – pay				
	<i>Original</i>	12,062			
	<i>Supplementary</i>	<u>740</u>			
			12,802	12,889	11,564
A.2	Administration – non pay		2,922	2,554	2,491
A.3	Agency legacy pensions		40,292	40,283	39,912
A.4	InterTrade Ireland		11,586	11,585	11,025
A.5	IDA Ireland				
	<i>Original</i>	220,538			
	<i>Deferred surrender</i>	7,500			
	<i>Supplementary</i>	<u>1,500</u>			
			229,538	226,410	201,333
A.6	NSAI – grant for administration and general expenses		9,270	8,015	6,850
A.7	Enterprise Ireland				
	<i>Original</i>	197,016			
	<i>Deferred surrender</i>	41,000			
	<i>Supplementary</i>	<u>(50,898)</u>			
			187,118	172,321	338,872
A.8	Local enterprise development		43,781	39,081	58,119
A.9	Temporary partial credit guarantee scheme				
	<i>Original</i>	15,000			
	<i>Deferred surrender</i>	30,000			
	<i>Supplementary</i>	<u>(9,452)</u>			
			35,548	4,698	2,172
A.10	Matching funding for INTERREG		4,500	2,640	3,665
A.11	Subscriptions to international organisations, etc.		3,000	3,073	2,764
A.12	Commissions, committees and special inquiries		201	1	50
A.13	Legal costs and other services		130	76	21
A.14	Strategic Banking Corporation of Ireland loan schemes				
	<i>Original</i>	710			
	<i>Supplementary</i>	<u>55,000</u>			
			55,710	55,709	38,335

		Estimate provision		2022	2021
		€000	€000	Outturn €000	Outturn €000
A.15	Humanitarian relief scheme				
	Original	1			
	Supplementary	550			
			551	105	403
A.16	Micro Finance Ireland		1	—	5,000
A.17	National Design Centre		1	—	—
A.18	Temporary Business Energy Support Scheme (TBESS)				
	Original	—			
	Supplementary	650,000			
			650,000	5,506	—
			1,286,951	584,946	722,576

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 €54.565 million lower than originally provided (inclusive of deferred surrender). There was an excess of €459,000 related to administration expenditure which was mainly due to additional pay costs arising from the extended Building Momentum pay agreement. The balance of the variance, an underspend of €55.024 million, was mainly due to the following.

A.6 NSAI - grant for administration and general expenses

Estimate provision €9.27 million; outturn €8.015 million

The underspend of €1.255 million was principally due to difficulties in recruiting additional staff in a tight labour market environment.

A.7 Enterprise Ireland

Estimate provision €238.016 million; outturn €172.321 million

The underspend of €65.695 million was made up of savings of €68.583 million in capital expenditure, offset by an excess of €2.888 million in current expenditure.

The capital expenditure underspend of €68.583 million resulted from a number of factors including lower than anticipated demand for schemes such as the Sustaining Enterprise Fund. In the case of a number of other schemes such as the Regional Enterprise Development Fund, the Online Retail Scheme and the Capital Investment Scheme, whilst being fully subscribed, draw down was somewhat slower than expected. Finally, a number of schemes such as the Digital and Climate Transition Funds and the Regional Enterprise Innovation Scoping Scheme were launched somewhat later in the year than had been expected which affected the draw downs on these schemes.

In terms of the current expenditure excess of €2.888 million, this principally related to the fact that there were a higher number of retirements in the year than had been expected thus requiring additional expenditure to cover the cost of the related retirement lump sums

A.8 Local enterprise development

Estimate provision €43.781 million; outturn €39.081 million

The underspend of €4.7 million was made up of an underspend of €3.65 million in capital expenditure and an underspend of €1.05 million in current expenditure.

The capital underspend arose due to the Local Enterprise Offices (LEOs) having sufficient operating surpluses to meet their grant and training requirements so that the full capital allocation was not required in 2022.

The current funding provided to the local enterprise development programme is to support the administration costs of the 31 LEOs as they promote enterprise development across the country. The €1.05 million underspend in current expenditure was due mainly to difficulties experienced in filling staff vacancies across a number of offices.

A.9 Temporary Partial Credit Guarantee Scheme

Estimate provision €45 million; outturn €4.698 million

The funding allocated to the Temporary Partial Credit Guarantee Scheme is to cover the cost of implementing loan schemes under the Credit Guarantee Acts. Essentially, the allocation covers the cost of claims to finance providers under the State guarantee in respect of defaulted loans, the administration costs incurred by the Strategic Banking Corporation of Ireland in operating the scheme, and other costs such as legal advice and services. Schemes operating under the Guarantee legislation are based on contingent liability, whereby there is no cost to the State unless a participating enterprise is unable to pay back a loan and the finance provider calls on the guarantee of the outstanding balance, which in most instances is limited to 80%.

As regards the operation of the Scheme, loans to the value of €708 million were drawn down under the Covid Credit Guarantee Scheme between its launch in September 2020 and its closure in June 2022. The claims on the guarantee in respect of the Covid Scheme were considerably lower than had been estimated, with the result that the drawdown of the programme was significantly reduced.

A.10 Matching funding for INTERREG

Estimate provision €4.5 million; outturn €2.64 million

The provision for INTERREG is based on forecasting from the Special EU Programmes Body (SEUPB), which is responsible for the management of the programme. The SEUPB has informed the Department that accurate forecasting for this programme can be difficult and forecasts provided can be subject to significant variation. The total funding required from DETE for the seven years of the programme has not changed and still stands at €20.816 million.

A.12 Commissions, committees and special enquiries

Estimate provision €201,000; outturn €1,000

This underspend of €200,000 relates to costs associated with Joint Economic Commissions (JEC). The JEC plenary with Russia was rescheduled from 2021 until 2022, but this has now been postponed indefinitely.

A.13 Legal costs and other services

Estimate provision €130,000; outturn €76,000

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 transpired, the actual level of contingency expenditure was less than had been estimated.

A.14 Strategic Banking Corporation of Ireland loan schemes

Estimate provision € 710,000; outturn: €55.709 million

The estimate of €710,000 was by way of provision to meet the expected costs arising from the remaining commitments under the Future Growth Loan Scheme (FGLS). The costs of these commitments were duly paid as expected.

Following on from a review of the FGLS, the Government agreed to roll out a successor to the scheme. The Growth and Sustainability Loan Scheme (GSLS) was developed to build upon the success of the FGLS. €55 million in funding was secured in the supplementary estimate approved for the Vote by the Dáil in December 2022 to support the GSLS. The additional allocation is intended to cover the administrative costs of the SBCI and the European Investment Bank Group (EIBG) as well as covering the 'first loss' costs related to loan defaults under the new scheme.

The advance payment of the DETE contribution to the scheme is required to secure the risk share on the scheme, whereby 64% of the risk is borne by EIBG, 16% by the SBCI and 20% by the participating finance providers. It is the case that in addition to the DETE contribution, the Scheme is also supported by the Department of Agriculture, Food and the Marine (DAFM). The contribution ratio is DETE 60% and DAFM 40%.

An open call was published by SBCI on 3 February 2023 inviting finance providers to submit applications to take part in the scheme. In line with legal requirements this process will take a few months to complete. It is expected that the GSLS will be launched in the market in the first half of 2023.

A.15 Humanitarian relief scheme

Estimate provision €1,000; outturn €104,948

The Humanitarian Relief Scheme is an ad hoc scheme to provide assistance in defined circumstances to small companies, community and voluntary organisations adversely affected by flooding events across the country. The scheme provides a contribution towards the costs of returning business premises and community, voluntary, sporting bodies to their pre-flood condition including the replacement of flooring, fixtures and fittings and damaged stock. The scheme is administered by the Irish Red Cross on behalf of DETE. The nominal allocation of €1k reflects the uncertainty of foretelling emergency events. As it transpired funding of €104,948 was required to meet the cost of providing assistance in relation to a number of flooding events in Wexford and Cork and provision was secured for this purpose in the supplementary estimate.

A.18 Temporary Business Energy Support Scheme (TBESS)

Estimate provision €nil; outturn €5.506 million

The Temporary Business Energy Support Scheme (TBESS), which was announced as part of Budget 2023 cost of living package of measures, was introduced to support businesses impacted by increases in their electricity or natural gas (energy) costs. The Revenue Commissioners were charged with the responsibility of administering applications under the Scheme, albeit the funding to support the Scheme was provided from the DETE Vote. Provision of €650 million was provided for in the supplementary estimate approved for DETE Vote by the Dáil in December to support the TBESS scheme in 2022. The actual drawdown of expenditure under the Scheme in 2022 was significantly less than had been estimated for a number of reasons. Principally the legislation giving effect to the Scheme was not enacted until late in December which left a very short window for the payment of claims. Other factors such as low awareness of the Scheme, existing energy provider contractual arrangements, billing cycles, etc. also affected the drawdown of expenditure under the Scheme in 2022.

Programme B Innovation

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	7,715		
	<i>Supplementary</i>	480		
			8,195	7,375
B.2	Administration – non pay		2,374	2,428
B.3	Intellectual Property Office of Ireland		3,274	3,120
B.4	Science and Technology Development Programme			
	<i>Estimate provision</i>	135,304		
	<i>Deferred surrender</i>	1,160		
			130,133	152,056
B.5	Subscriptions to international organisations, etc.			
	<i>Original</i>	21,842		
	<i>Supplementary</i>	5,800		
			27,651	27,717
B.6	Commissions, committees and special inquiries		1	1
B.7	Legal costs and other services		—	—
B.8	Disruptive Technologies Innovation Fund		28,750	26,044
		244,999	200,612	218,741

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 €38.107 million lower than originally provided (inclusive of deferred surrender). There was an excess of €716,000 related to administration expenditure which was mainly due to additional pay costs arising from the extended Building Momentum pay agreement. The balance of the variance, an underspend of €38.823 million, was mainly due to the following.

B.5 Subscriptions to international organisations, etc.

Estimate provision €21.842 million; outturn €27.651 million

The excess of €5.809 million principally arose as a result of an additional €5.8 million provided to the European Space Agency (ESA) through the supplementary estimate approved by Dáil Éireann in December 2022. This funding enabled Irish companies to secure a commensurate level of ESA contracts thereby increasing the level of employment in these 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 2022 there was no expenditure.

B.8 Disruptive Technologies Innovation Fund*Estimate provision €67 million; outturn €28.75 million*

The Disruptive Technologies Innovation Fund (DTIF) is one of the four headline funds under the National Development Plan (NDP). Under the NDP, a total of €500 million in funding has been committed to support collaborative disruptive innovation and commercially orientated projects over the lifetime of the Plan. Since the launch of the DTIF in 2018, a total of almost €190 million in funding support has been awarded to eligible projects under the first four calls of the scheme so far.

Expenditure in 2022 was somewhat less than had been estimated for a number of reasons. Principally, claims from client companies under the DTIF were slower than had been originally profiled at the start of the year. In addition, a number of project consortia sought 'no cost' extensions to their projects due to the impact of Covid-19 restrictions. Another factor which affected drawdown was that the announcement of the results of call 4 under the scheme had to be delayed pending completion of 'undertakings in difficulty' assessments on the enterprise partners by Enterprise Ireland as required by EU state aid rules. Notwithstanding the underspend in 2022, the commitment to provide €500 million in funding support for eligible DTIF projects over the lifetime of the NDP remains.

Programme C Regulation

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
C.1	Administration – pay				
	<i>Original</i>	12,648			
	<i>Supplementary</i>	780			
			13,428	13,663	11,784
C.2	Administration – non pay		3,567	3,732	3,588
C.3	Workplace Relations Programme		20,116	19,737	17,422
C.4	Grants for trade union education and advisory services – cash limited		900	853	866
C.5	Health and Safety Authority – grant for administration and general expenses		26,471	24,671	22,422
C.6	Trade union amalgamations		60	—	—
C.7	Office of the Director of Corporate Enforcement		7,750	5,175	5,004
C.8	Competition and Consumer Protection Commission		18,323	18,158	14,023
C.9	Personal Injuries Assessment Board		2,610	2,526	295
C.10	Consumer support		70	64	67
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses		8,016	7,200	6,677
C.12	Irish Auditing and Accounting Supervisory Authority		1,679	1,232	1,410
C.13	Subscriptions to international organisations, etc.		1,324	1,318	1,481
C.14	Commissions, committees and special inquiries		361	220	162
C.15	Legal costs and other services		870	271	325
C.16	Low Pay Commission		490	296	234
			106,035	99,116	85,760

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 €6.139 million lower than originally provided. There was an excess of €1.18 million related to administration expenditure which was mainly due to additional pay costs arising from the extended Building Momentum pay agreement. The balance of the variance, a net underspend of €7.319 million, was mainly due to the following.

C.5 Health and Safety Authority – grant for administration and general expenses

Estimate provision €26.471 million; outturn €24.671 million

The underspend of €1.8 million was primarily due to savings on pay because of difficulties in recruiting staff in a tight labour market environment and particularly so in the case of specialist grade inspectors.

C.7 Office of the Director of Corporate Enforcement

Estimate provision €7.75 million; outturn €5.175 million

The Corporate Enforcement Authority (CEA), which subsumed the functions of the Office of the Director of Corporate Enforcement, was formally established as a statutorily independent agency in July 2022. The underspend of €2.575 million on the CEA's 2022 allocation was made up of a pay underspend of €1.243 million and non-pay underspend of €1.332 million.

In terms of pay, the underspend arose principally because of difficulties in recruiting staff in a tight labour market as well as some churning of staff in the course of the year.

As regards the underspend on non-pay, this essentially relates to the fact that legal costs in the year were somewhat lower than had been expected. It is the case that legal costs for the CEA are difficult to forecast as it has little or no control over the timing of when the cases will be determined, the outcome of the cases in terms of costs orders, and it is not possible to anticipate the scale of costs that other parties may seek.

C.11 Companies Registration Office and Registry of Friendly Societies

Estimate provision €8.016 million; outturn €7.2 million

The underspend of €816,000 on the Companies Registration Office's (CRO) 2022 allocation was made up of an underspend of €33,000 in pay and €783,000 in non-pay. The pay underspend mainly related to delays in filling vacancies which arose in the course of the year. The non-pay underspend arose for a number of reasons including the fact that certain enforcement activities were suspended for much of 2022 as part of the mitigation measures to assist enterprises in the course of the pandemic. In addition, a number of IT projects including the development of the CRO's website and the automation of an integrity validation system were not commenced in 2022 as had been anticipated.

C.12 Irish Auditing and Accounting Supervisory Authority

Estimate provision €1.679 million; outturn €1.232 million

The underspend of €447,000 arose mainly from savings in both travel and subsistence and office costs due to the impact of Covid-19 and an underspend in consultancy, which is largely a contingency amount to enable the Authority fund statutory investigations and inquiries should the need arise.

C.14 Commissions, committees and special inquiries

Estimate provision €361,000; outturn €220,000

The underspend of €141,000 arose mainly as a result of an underspend on the Balance for Better Business initiative and on the Company Law Review Group (CLRG).

As regards the Balance for Better Business initiative, the underspend arose due to the decision of the Balance for Better Business Group to provide press services “in-house”.

As regards the CLRG, the underspend in expenditure in this area arose from the fact that meetings of the group were held remotely, reducing administration costs.

C.15 Legal costs and other services

Estimate provision €870,000; outturn €271,000

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 transpired, the actual level of contingency expenditure was less than had been estimated.

C.16 Low Pay Commission

Estimate provision €490,000; outturn €295,784

The underspend of €194,216 arose as a result of a number of factors. Principally, the level of research activity undertaken by the Low Pay Commission (LPC) in the course of the year was less than had been anticipated. In addition, a number of bursaries commissioned by the LPC were not completed within the expected time frame. Savings were also achieved due to the continued use of online platforms for meetings of the Commission, consultations, etc. thus reducing administration costs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
Employment rights and industrial relations				
1	Receipts from the Social Insurance Fund	75	136	112
2	Employment permit fees	14,500	27,671	22,375
3	Employment agency licences	355	486	408
4	WRC fixed penalty notices	22	2	—
5	WRC court award costs	20	59	189
Insurance and company law				
6	Companies Registration Office	16,200	17,389	16,268
7	Registry of Friendly Societies	50	—	—
8	Beneficial ownership of companies and industrial and provident societies	50	406	148
Trade, competition and market rights				
9	Receipts under the Trade Marks Act 1963 and Patents Act 1964	10,000	10,338	10,272
10	Occasional trading licences	1	—	—
11	Competition and Consumer Protection Commission – Consumer Credit	501	542	587
12	Competition and Consumer Protection Commission – Court Costs	1	1	38
13	Competition and Consumer Protection Commission – Fixed Payment Notices	6	1	3
14	Merger notifications	550	608	584
Other				
15	ODCE legal	50	12	—
16	Miscellaneous	200	577	422
17	Enterprise policy ^a	9,149	8,570	6,684
18	Competition and Consumer Protection Commission ^b	1,205	971	1,171
19	PIAB superannuation	1,154	1,203	1,224
20	HSA superannuation	650	650	626

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
21	Temporary Loan Guarantee Scheme	1,200	2,164	1,348
22	Expert Group on Future Skills Needs	557	481	523
23	Receipts from additional superannuation contributions on public service remuneration	5,900	6,310	6,069
Total		62,396	78,577	69,051

- Notes ^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 agency 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 €16.181 million higher than the estimate. Explanations for variances are set out below.

2 Employment permit fees

Estimate €14.5 million; realised €27.671 million

The number of applications for employment permits increased significantly in 2022. This continued the trend of increasing numbers of previous years. From the start of January to the end of December 2022, approximately 36,000 applications were received, representing a 30% increase over the same period in 2021. The increase experienced in 2022 represented a 12 year high in the number of applications which directly resulted in the excess of €13.17 million in fees received for this service.

3 Employment agency licences

Estimate €355,000; realised €486,000

The number of employment agency licence applications exceeded the estimate mainly due to the lifting of Covid-19 related restrictions and resultant higher demand for recruitment. In 2022, licences issued rose to 936 from 820 in 2021.

6 Companies Registration Office

Estimate €16.2 million; realised €17.389 million

There was a significant increase in late payment fees which primarily contributed to the excess of €1.189 million. Accurate forecasting in this area can be difficult.

8 Beneficial ownership of companies and industrial and provident societies

Estimate €50,000; realised €406,000

The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021 obliges financial institutions and other prescribed bodies to inspect the Register of Beneficial Owners as part of their due diligence obligations. The experience of the operation of the Register is limited as it has only been in place since 2021. This makes estimating receipts for the usage of the Register somewhat difficult. As it transpired, the excess of €356,000 was in part due to the introduction of customer accounts top-ups which impacted receipts as designated persons utilised same and topped up by large amounts. It is expected that recent decisions of the European Court may impact on the rights of access to the Register and will likely therefore result in a reduced volume and value of receipts in 2023.

16 Miscellaneous

Estimate €200,000; realised €577,000

The excess of €377,000 in miscellaneous receipts mainly relates to monies received by the Intellectual Property Office of Ireland arising from its participation in a number of European Patent Office and European Intellectual Property Office co-operation activities and programmes.

17 Enterprise policy

Estimate €9.149 million; realised €8.57 million

The shortfall of €579,000 arose mainly due to European Regional Development Fund (ERDF) reimbursements being less than anticipated.

18 Competition and Consumer Protection Commission

Estimate €1.205 million; realised €971,000

The receipts in this area derive from fees imposed by the Competition and Consumer Protection Commission on regulated entities to defray the cost of certain regulatory functions that it carries out. The fees received by the Commission from the entities concerned are in part recoupment of expenditure incurred under subhead C.8. The shortfall of €234,000 was primarily due to savings in pay arising from difficulties experienced in recruiting staff in a tight labour market.

21 Temporary Loan Guarantee Scheme

Estimate €1.2 million; realised €2.164 million

Schemes operating under the Credit Guarantee Act, which include 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 led 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 guarantees. Premiums received are based on the number of loans, the size of the company and the term of the loans. Premiums received were €964,000 higher than expected due to the demand lead nature of the scheme.

23 Receipts from additional superannuation contributions on public service remuneration

Estimate €5.9 million; realised €6.31 million

The excess of €410,000 in additional superannuation contributions receipts arose directly as a result of the increase in staff numbers recruited in the course of the year.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Local Enterprise Offices – current ^a	12	—
Local Enterprise Offices – capital ^b	44	—
Enterprise Ireland- excess own resource income ^c	1,567	102,937
Enterprise Ireland- return of unused Restart grant ^d	10	9,138
Miscellaneous	21	—
Transferred to the Exchequer	(1,654)	(112,075)
Balance at 31 December	—	—

- Notes
- ^a Local Enterprise Offices – current: this related to unused funds in subhead A.8 for pay and non-pay.
 - ^b Local Enterprise Offices – capital: this related to unused funds in subhead A.8 for particular capital programmes.
 - ^c Enterprise Ireland – excess own resource income: this related to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by PER for their own use in the year.
 - ^d 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 €10,000 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	2022	2021
Number of staff at year end		
Department and Offices:		
Department ^a	569	536
Intellectual Property Office of Ireland	43	40
Workplace Relations Commission	206	190
Office of Director of Corporate Enforcement ^b	—	35
Companies Registration Office	117	106
Labour Court	35	32
	970	939
Agencies ^c	1,823	1,761
	2,793	2,700

Notes ^a Includes the staff of the Secretariat of the Low Pay Commission.

^b The Office of Director of Corporate Enforcement was replaced by a separate agency, the Corporate Enforcement Authority, on 7 July 2022. Employee numbers for 2022 are included in the figures for DETE agencies.

^c 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.

5.2 Pay – Department, offices and agencies

	2022	2021
	€000	€000
Pay	189,836	172,965
Higher, special or additional duties allowances	1,093	1,151
Other allowances	2,598	2,694
Overtime	591	291
Employer's PRSI	14,656	13,331
Total pay	208,774	190,432

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

	2022	2021
	€000	€000
Pay ^{a, b}	51,613	49,040
Higher, special or additional duties allowances	734	715
Other allowances	990	1,167
Overtime	433	182
Employer's PRSI	4,148	3,809
Total pay ^{c d}	57,918	54,913

- Notes
- ^a Includes pension payments to 29 former members of the Labour Court and the Competition and Consumer Protection Commission (CCPC).
 - ^b Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.
 - ^c 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.11 and C.16). The amount included for pay in Note 1 refers to administrative subheads only.
 - ^d 2021 figures include the Office of Director of Corporate Enforcement. This was replaced by a separate agency the Corporate Enforcement Authority on the 7 July 2022.

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees ^a	
From	To	2022	2021
20,000	59,999	668	702
60,000	69,999	80	61
70,000	79,999	69	56
80,000	89,999	61	37
90,000	99,999	28	20
100,000	109,999	21	23
110,000	119,999	18	7
120,000	129,999	1	—
130,000	139,999	1	2
140,000	149,999	—	1
150,000	159,999	3	2
160,000	169,999	4	2
170,000	179,999	4	1
180,000	189,999	2	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

Note ^a Includes staff of the offices of the Department.

5.5 Allowances and overtime payments – Department staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	91	10	54,429	46,053
Other allowances	43	12	153,649	237,683
Overtime	142	7	17,920	16,027
Extra remuneration in more than one category ^a	27	17	25,079	38,683

Note ^a 2021 figures include the Office of Director of Corporate Enforcement. This was replaced by a separate agency the Corporate Enforcement Authority on the 7 July 2022.

5.6 Agencies

The agencies included here are the Corporate Enforcement Authority, Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority of 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.

	2022	2021
	€000	€000
Pay	138,223	123,925
Higher, special or additional duties allowances	359	436
Other allowances	1,608	1,527
Overtime	158	109
Employer's PRSI	10,508	9,522
Total pay ^a	150,856	135,519

Note ^a 2022 figures include the Corporate Enforcement Authority. This replaced the Office of Director of Corporate Enforcement on 7 July 2022.

5.7 Allowances and overtime payments — agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	76	7	54,429	52,031
Other allowances	276	25	91,948	99,355
Overtime	59	4	28,910	28,652
Extra remuneration in more than one category	17	1	14,095	101,618

Note ^a 2022 figures include the Corporate Enforcement Authority. This replaced the Office of Director of Corporate Enforcement on 7 July 2022.

5.8 Other remuneration arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €2,220. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €417,712 in respect of eight officers who were serving outside the Department for 2022 and whose salary was paid by the Department.

5.9 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	213	201

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

5.10 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	63	132,704	144,545
Recovery plans in place	20	77,635	99,896

One overpayment recovery plan in respect of one individual to the value of €1,048 was transferred to one other department in the year.

5.11 Severance/redundancy

There were no severance or redundancy payments made by the Department in 2022.

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		2022 Outturn €000	2021 Outturn €000
A.4	InterTrade Ireland	2,482	1,284
A.10	Matching funding for INTERREG	5,581	2,934
B.3	Intellectual Property Office of Ireland	326	235
B.4	Enterprise Ireland	843	2,436
C.5	Health and Safety Authority	11	6
		9,243	6,895

6.2 Commissions, committees and special inquiries

		2022 €000	2021 €000
Year of establishment			
Permanent/open-ended			
Joint Labour Committees	1946	3	6
Joint Economic Commissions	2020	—	49
Company Law Review Group	2000	25	50
Departmental Audit Committee	2004	3	3
Balance for Better Business	2021	190	105
		221	213

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2022	2021
Number of cases	5	7	12	9
	€000	€000	€000	€000
Department's own legal costs	27	—	27	238
Payments by/on behalf of Department				
Compensation	42	—	42	—
Legal costs	—	184	184	23
Other costs	—	—	—	—
2022 total	69	184	253	261
2021 total	82	179	261	

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 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 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.

	2022	2021
	€000	€000
Received from Revenue Commissioners	33	26
Paid into the Exchequer	33	27

6.5 Deferred surrender

Deferred surrender comprises savings in 2022 of €54.5 million in capital expenditures in the following subheads that were carried over to 2023.

	€000
Subhead	
A.5 IDA Ireland	30,500
A.7 Enterprise Ireland	24,000
	54,500

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.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
IDA Ireland	2021	15 Jun 2022	21 Jun 2022	8 Aug 2022
National Standards Authority of Ireland	2021	29 Sep 2022	30 Sep 2022	2 Nov 2022
Enterprise Ireland	2021	14 Jun 2022	28 Jun 2022	13 Jul 2022
Health and Safety Authority	2021	30 Jun 2022	1 Jul 2022	28 Jul 2022
Competition and Consumer Protection Commission	2021	28 Jun 2022	5 Jul 2022	8 Jul 2022
Personal Injuries Assessment Board	2021	8 Jun 2022	30 Jun 2022	28 Jul 2022
Irish Auditing and Accounting Supervisory Authority	2021	2 Jun 2022	27 Jun 2022	27 Jun 2022
InterTrade Ireland	2021	30 Sep 2022	20 Oct 2022	8 Mar 2023
Corporate Enforcement Authority ^a	N/a	—	—	—

Note ^a The Corporate Enforcement Authority was established on 7 July 2022 and has yet to present financial statements.

Appropriation Account 2022

Vote 33

**Tourism, Culture, Arts, Gaeltacht,
Sport and Media**

Introduction

As Accounting Officer for Vote 33, 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 2022 for the salaries and expenses of the Office of the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, including certain services administered by that Office and for payment of certain subsidies and grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €31.494 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Heritage assets

Certain heritage assets including artefacts and manuscripts have not been valued.

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 Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer for the Justice Vote and the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to my 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 and the Audit Committee have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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

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 has provided details of one non-competitive contract in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €155,366 (exclusive of VAT). The contract had previously been awarded under a competitive process but was extended while revised arrangements were being put in place. A new contract is now in place for this item.

The above contract has been included in the 40/2002 annual return referenced above.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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.

Covid-19 control issues

The onset of the Covid-19 pandemic in 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. As a result of the pandemic, the Department introduced a number of procedural and control changes. Under the Department's risk and control framework an additional and specific Covid-19 risk register was put in place to identify the key risk facing the Department as a result of the Covid-19 pandemic. The maintenance of this separate register has been discontinued and consideration of Covid-19 related risks was incorporated into the standard risk register which is reviewed and updated by the Management Board on a quarterly basis.

Katherine Licken

Accounting Officer

Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

29 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Opinion on the appropriation account

I have audited the appropriation account for Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2022 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 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Tourism, Culture, Arts, Gaeltacht, Sport and Media 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.

Accountability for central government funding of local authorities

Chapter 4 of my report on the accounts of the public services for 2022 looks at the compliance of certain central government departments, including Tourism, Culture, Arts, Gaeltacht, Sport and Media, with circular 13/2014 *Management and accountability for grants from Exchequer funds* in respect of grant funding to local authorities.

Seamus McCarthy

Comptroller and Auditor General

15 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Tourism services			
	<i>Original</i>	288,472		
	<i>Supplementary</i>	1,331		
			289,803	281,716
				221,533
B	Arts and culture			
	<i>Original</i>	371,441		
	<i>Deferred surrender</i>	7,000		
	<i>Supplementary</i>	1,434		
			379,875	366,847
				313,254
C	Gaeltacht			
	<i>Original</i>	85,641		
	<i>Deferred surrender</i>	1,500		
	<i>Supplementary</i>	568		
			87,709	77,894
				72,641
D	Sports and recreation services			
	<i>Original</i>	181,173		
	<i>Deferred surrender</i>	9,900		
	<i>Supplementary</i>	35,233		
			226,306	212,871
				207,370
E	Broadcasting			
	<i>Original</i>	295,693		
	<i>Supplementary</i>	15,044		
			310,737	288,457
				272,094
Gross expenditure				
	<i>Original</i>	1,222,420		
	<i>Deferred surrender</i>	18,400		
	<i>Supplementary</i>	53,610		
			1,294,430	1,227,785
				1,086,892
	<i>Deduct</i>			
F	Appropriations-in-aid		252,606	237,455
				234,822
Net expenditure				
	<i>Original</i>	969,814		
	<i>Deferred surrender</i>	18,400		
	<i>Supplementary</i>	53,610		
			1,041,824	990,330
				852,070

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. Unspent allocations in respect of capital elements of the following subheads were carried over to 2023: subheads B.7 (€3.5 million), B.17 (€3 million), C.3 (€1.25 million), C.4 (€1.75 million), C.8 (€500,000), D.4 (€1 million) and D.7 (€9 million).

	2022	2021
	€	€
Surplus	51,493,987	40,919,030
Deferred surrender	(20,000,000)	(18,400,000)
Surplus to be surrendered	<u>31,493,987</u>	<u>22,519,030</u>

Katherine Licken

Accounting Officer

Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

29 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	1,201,967	1,064,724
Pay	22,764	19,504
Non pay	3,054	2,664
Gross expenditure	1,227,785	1,086,892
<i>Deduct</i>		
Appropriations-in-aid	237,455	234,822
Net expenditure	990,330	852,070
Changes in capital assets		
Purchases cash	(29)	
Depreciation	462	
Loss on disposal	1	434
		401
Changes in net current assets		
Decrease in closing accruals	(22,961)	
Increase in stock	(52)	(23,103)
		(1,845)
Direct expenditure	967,751	850,626
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	13,462	13,421
Notional rents	1,136	1,362
Net programme cost	982,349	865,409

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 33 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	41	30
Vote 12 Superannuation and Retired Allowances	11,247	10,432
Vote 13 Office of Public Works	1,431	2,192
Vote 18 National Shared Services Office	42	39
Vote 24 Justice – Financial Shared Services Centre	538	524
Vote 20 Garda Síochána	9	—
Vote 43 Office of the Government Chief Information Officer	—	58
Central Fund – ministerial pensions	154	146
	13,462	13,421

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	3,619	4,160
Current assets			
Bank and cash	2.2	29,110	23,185
Inventories	2.3	114	62
Prepayments	2.4	27,991	11,901
Other debit balances	2.5	181	8,893
Accrued income	2.6	2	—
Total current assets		57,398	44,041
Less current liabilities			
Accrued expenses	2.7	1,039	7,909
Deferred income	2.8	1	—
Other credit balances	2.9	953	1,042
Net Exchequer funding	2.10	28,338	31,036
Total current liabilities		30,331	39,987
Net current assets		27,067	4,054
Net assets		30,686	8,214
Represented by:			
State funding account	2.11	30,686	8,214

2.1 Capital assets

	Land and buildings	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	3,596	8,682	2,124	14,402
Additions	—	29	—	29
Transferred ^a	—	(360)	—	(360)
Disposals	—	(92)	—	(92)
Cost or valuation at 31 December 2022	3,596	8,259	2,124	13,979
Accumulated depreciation				
Opening balance at 1 January 2022	771	7,608	1,863	10,242
Depreciation for the year	72	373	17	462
Depreciation on transfers ^a	—	(253)	—	(253)
Depreciation on disposals	—	(91)	—	(91)
Cumulative depreciation at 31 December 2022	843	7,637	1,880	10,360
Net assets at 31 December 2022	2,753	622	244	3,619
Net assets at 31 December 2021	2,825	1,074	261	4,160

Note ^a A number of ICT assets transferred to Vote 34, which is managed by the Department of Housing, Local Government and Heritage (DHLGH). Further ICT assets will be transferred to DHLGH when an ongoing validation process is completed in 2023.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balance and cash	29,054	23,016
Petty cash balance	2	2
Commercial bank account balances ^a	54	167
	29,110	23,185

Note ^a The commercial bank account balances in 2022 include €23,514 (2021: €133,512) in respect of a commercial bank account operated by the Department of Justice – Financial Shared Services.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Stationery	8	6
Equipment consumables	1	4
Janitorial supplies and first aid	3	1
IT consumables	102	51
	114	62

2.4 Prepayments

	2022	2021
	€000	€000
Office equipment and external IT services	148	119
General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery	1,373	—
Cultural infrastructure and development	3,487	630
Culture Ireland	483	—
National Museum of Ireland	2,348	—
National Library of Ireland	1,600	780
National Gallery of Ireland	1,360	—
Gaeltacht support schemes	1,130	541
Irish language support schemes	1,005	1,116
20 Year Strategy for the Irish Language 2010-2030	271	389
Sport Ireland	14,030	—
Broadcasting Fund	—	8,000
Miscellaneous	756	326
	27,991	11,901

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Office of Public Works	135	8,654
Paypath	—	192
Other debit suspense items	46	47
	181	8,893

2.6 Accrued income

at 31 December	2022	2021
	€000	€000
National Archives	2	—
	<u>2</u>	<u>—</u>

2.7 Accrued expenses

	2022	2021
	€000	€000
National Archives	102	190
Cultural infrastructure and development	—	6,657
Culture Ireland	69	188
Decade of Centenaries 1912-1922	15	205
Irish language support schemes	177	504
Major events	—	111
Miscellaneous	676	54
	<u>1,039</u>	<u>7,909</u>

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
National Archives	1	—
	<u>1</u>	<u>—</u>

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	388	341
Pay related social insurance	225	193
Professional services withholding tax	44	47
Value added tax	5	25
Pension deductions	—	7
	<u>662</u>	<u>613</u>
Crowley Bequest Fund (Note 7.2)	142	148
Other	149	281
	<u>953</u>	<u>1,042</u>

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus	31,494	22,519
Deferred surrender	20,000	18,400
Exchequer grant undrawn	(23,156)	(9,883)
Net Exchequer funding	28,338	31,036
Represented by:		
Debtors		
Bank and cash	29,110	23,185
Debit balances: suspense	181	8,893
	29,291	32,078
Creditors		
Due to the State	(662)	(613)
Credit balances: suspense	(291)	(429)
	(953)	(1,042)
	28,338	31,036

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		8,214	12,356
Disbursements from the Vote			
Estimate provision	Account	1,041,824	
Deferred surrender	Account	(20,000)	
Surplus to be surrendered	Account	(31,494)	
Net vote		990,330	852,070
Expenditure (cash) borne elsewhere	1.1	13,462	13,421
Non cash expenditure – fixed assets transfers	2.1	(107)	(5,586)
Non cash expenditure – notional rent	1	1,136	1,362
Net programme cost	1	(982,349)	(865,409)
Balance at 31 December		30,686	8,214

2.12 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	25,759	29,953
Non-capital grant programmes (b)	125,138	28,322
Capital grant programmes (c)	216,106	108,823
Capital projects	31,704	20,066
Total of legally enforceable commitments	398,707	187,164
b) Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	28,322	23,911
Grants paid in the year	(40,763)	(22,287)
New grant commitments	138,346	27,603
Grants cancelled	(767)	(905)
Closing balance	125,138	28,322
c) Capital grant programmes	2022	2021
	€000	€000
Opening balance	108,823	107,154
Grants paid in the year	(48,532)	(29,907)
New grant commitments	156,252	32,901
Grants cancelled	(437)	(1,325)
Closing balance	216,106	108,823

2.13 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	98	68

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	23,213		
	<i>Supplementary</i>	588		
		23,801	22,764	19,504
ii	Travel and subsistence	700	461	109
iii	Training and development and incidental expenses	1,294	659	815
iv	Postal and telecommunications services	393	309	183
v	Office equipment and external IT services	2,111	1,277	1,230
vi	Office premises expenses	572	346	327
vii	Consultancy services and value for money and policy reviews	440	2	—
		29,311	25,818	22,168

Significant variations

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

ii Travel and subsistence

Estimate provision €700,000; outturn €461,000

The saving was due to significantly limited levels of travel across all areas of the Department as a consequence of the impact of Covid-19.

iii Training and development and incidental expenses

Estimate provision €1.294 million; outturn €659,000

The saving was due to the curtailment of planned activity under this subhead due to the effects of the Covid-19 pandemic on the Department's activities and a lag in resuming these activities following the lifting of restrictions.

v Office equipment and external IT services

Estimate provision €2.111 million; outturn €1.277 million

The saving was due to the residual impact of Covid-19 coupled with the war in Ukraine affecting the global supply chain for suitable hardware.

vi Office premises expenses

Estimate provision €572,000; outturn €346,000

The saving was due to the curtailment of planned activity under this subhead due to the effects of the Covid-19 pandemic on the Department's activities and a lag in resuming these activities following the lifting of restrictions.

vii Consultancy services and value for money and policy reviews

Estimate provision €440,000; outturn €2,000

The saving was due to a policy of keeping such expenditure to a minimum in the light of budgetary pressures and the ongoing impact of Covid-19.

Programme A Tourism services

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	2,437		
	<i>Supplementary</i>	62		
			2,499	2,132
A.2	Administration – non pay		523	303
A.3	Fáilte Ireland			
	<i>Original</i>	148,886		
	<i>Supplementary</i>	952		
			149,838	147,338
A.4	Tourism Ireland Limited			
	<i>Original</i>	18,303		
	<i>Supplementary</i>	317		
			18,620	18,620
A.5	Tourism Marketing Fund		81,823	81,823
A.6	Tourism product development		36,500	31,500
		289,803	281,716	221,533

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €6.756 million lower than originally provided. €525,000 of this related to administration expenditure and has already been explained and the balance of the variance of €6.231 million was mainly due to the following.

A.6 Tourism product development

Estimate provision €36.5 million; outturn €31.5 million

The saving of €5 million relative to the estimate provision was due to some capacity issues with grantees which meant that moneys allocated could not be used and could therefore not be drawn down.

Programme B Arts and culture

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	10,216		
	<i>Supplementary</i>	258		
			10,474	9,065
B.2	Administration – non pay		1,205	1,041
B.3	Payments to match resources generated by National Archives		40	35
B.4	General expenses of the National Archives and National Archives Advisory Council		1,981	1,396
B.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Note 7.1)			
	<i>Original</i>	24,933		
	<i>Supplementary</i>	3,171		
			28,104	15,596
B.6	Regional museums, galleries, cultural centres and projects			
	<i>Original</i>	20,370		
	<i>Supplementary</i>	1,780		
			22,150	70,063
B.7	Cultural infrastructure and development			
	<i>Estimate provision</i>	22,100		
	<i>Deferred surrender</i>	6,000		
			28,100	14,070
B.8	Culture Ireland		5,190	2,905
B.9	An Chomhairle Ealaíon (part funded by the National Lottery)			
	<i>Original</i>	130,046		
	<i>Supplementary</i>	5,134		
			135,180	130,046
B.10	General expenses of the National Museum of Ireland			
	<i>Original</i>	16,778		
	<i>Supplementary</i>	4,152		
			20,930	15,178
B.11	General expenses of the National Library of Ireland			
	<i>Original</i>	9,133		
	<i>Supplementary</i>	786		
			9,919	8,383

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
B.12	Fis Éireann/Screen Ireland				
	<i>Original</i>	36,743			
	<i>Supplementary</i>	75			
			36,818	36,818	30,093
B.13	General expenses of the National Gallery of Ireland				
	<i>Original</i>	12,257			
	<i>Supplementary</i>	1,618			
			13,875	13,875	11,381
B.14	European City of Culture				
	<i>Estimate provision</i>	—			
	<i>Deferred surrender</i>	1,000			
			1,000	—	—
B.15	Decade of Centenaries 1912-1922		5,000	4,963	4,002
B.16	Cultural supports				
	<i>Original</i>	25,000			
	<i>Supplementary</i>	(12,000)			
			13,000	11,373	—
B.17	Live performance supports				
	<i>Original</i>	50,000			
	<i>Supplementary</i>	(3,540)			
			46,460	39,650	—
			379,875	366,847	313,254

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €11.594 million lower than originally provided. €454,000 of this related to administration expenditure and has already been explained and the balance of the variance of €11.140 million was mainly due to the following.

B.5 General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Note 7.1)

Estimate provision €24.933 million; outturn €28.104 million

This variance arises mainly due to additional year-end allocations announced as part of budget 2023, to help offset escalating energy costs and other general cost-of-living increases in relation to other essential goods and services, arising as a result of increased energy costs.

Following a technical supplementary estimate, funding of €2.798 million was moved from other subheads to help offset these escalating costs and an additional €373,000 was provided to cover additional costs as result of the Building Momentum pay agreement.

B.6 Regional museums, galleries, cultural centres and projects

Estimate provision €20.37 million; outturn €21.764 million

The variance arises mainly due to additional end-year allocations announced as part of budget 2023, to help offset escalating energy costs and other general cost-of-living increases in relation to other essential goods and services, arising as a result of increased energy costs.

A technical supplementary estimate of €1.78 million was provided to cover this variance.

B.7 Cultural infrastructure and development

Estimate provision €28.1 million; outturn €24.588 million

The saving of €3.512 million relative to the estimate provision was due to a number of large scale projects across a number of schemes which did not progress within their time frame due to various issues including Covid-19 related delays. €3.5 million of this funding was carried forward into 2023.

B.8 Culture Ireland

Estimate provision €4.6 million; outturn €5.19 million

Funding was transferred from other subheads with sanction of the Department of Public Expenditure, National Development Plan Delivery and Reform to meet the increased demand for support to present Irish arts internationally as the world returned to pre-pandemic order.

B.10 General expenses of the National Museum of Ireland

Estimate provision €16.778 million; outturn €21.481 million

This variance arises mainly due to additional end-year allocations announced as part of budget 2023, to help offset escalating energy costs and other general cost-of-living increases in relation to other essential goods and services, arising as a result of increased energy costs.

A technical supplementary estimate of €3.907 million was provided to cover this variance.

A supplementary estimate of €245,000 was also provided to cover additional costs as a result of the Building Momentum pay agreement.

B.11 General expenses of the National Library of Ireland

Estimate provision €9.133 million; outturn €9.919 million

This variance arises mainly due to additional end-year allocations announced as part of budget 2023, to help offset escalating energy costs and other general cost-of-living increases in relation to other essential goods and services, arising as a result of increased energy costs.

A technical supplementary estimate of €619,000 was provided to cover this variance.

A supplementary estimate of €167,000 was also provided to cover additional costs as a result of the Building Momentum pay agreement.

B.13 General expenses of the National Gallery of Ireland

Estimate provision €12.257 million; outturn €13.785 million

This variance arises mainly due to additional end-year allocations announced as part of budget 2023, to help offset escalating energy costs and other general cost-of-living increases in relation to other essential goods and services, arising as a result of increased energy costs.

A technical supplementary estimate of €1.416 million was provided to cover this variance. A supplementary estimate of €202,000 was also provided to cover additional costs as a result of the Building Momentum pay agreement.

B.14 European City of Culture

Estimate provision €1 million; outturn €nil

The €1 million provision was not drawn down in 2022 as the legacy framework was under development during this period with the commencement of legacy initiatives moving to 2023 as a result.

B.16 Cultural supports

Estimate provision €25 million; outturn €11.373 million

The saving of €13.627 million relative to the estimate provision was due to the payment of Basic Income for Artists beginning later in the year than originally expected due to the volume of applications to the scheme.

B.17 Live performance supports

Estimate provision €50 million; outturn €39.65 million

The saving of €10.35 million relative to the estimate provision was mainly due to all public health restrictions being lifted in 2022 resulting in people returning to work and venues being back to full capacity and a consequent reduction in demand for State supports. €3 million of this funding was carried forward into 2023.

Programme C Gaeltacht

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	<i>Original</i>	5,652		
	<i>Supplementary</i>	<u>144</u>		
		5,796	4,764	4,403
C.2	Administration – non pay	1,607	884	773
C.3	Gaeltacht support schemes	11,199	8,035	8,338
C.4	Irish language support schemes (part funded by National Lottery)	9,950	6,515	6,359
C.5	An Coimisinéir Teanga			
	<i>Original</i>	1,087		
	<i>Supplementary</i>	<u>22</u>		
		1,109	1,099	881
C.6	Údarás na Gaeltachta – administration			
	<i>Original</i>	13,080		
	<i>Supplementary</i>	<u>306</u>		
		13,386	13,386	13,041
C.7	Údarás na Gaeltachta – current programme expenditure	5,750	6,000	4,750
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises			
	<i>Estimate provision</i>	14,454		
	<i>Deferred surrender</i>	<u>1,500</u>		
		15,954	15,454	13,980
C.9	Cross border co-operation / Comhoibriú thuaidh theas			
	<i>Original</i>	17,062		
	<i>Supplementary</i>	<u>96</u>		
		17,158	17,227	16,017
C.10	Language planning process	5,800	4,530	4,099
		87,709	77,894	72,641

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €9.247 million lower than originally provided. €1.611 million of this related to administration expenditure and has already been explained and the balance of the variance of €7.636 million was mainly due to the following.

C.3 Gaeltacht support schemes

Estimate provision €11.199 million; outturn €8.035 million

The saving of €3.164 million relative to the estimate provision was due to delays with capital projects going ahead and a reduction in the number of applications received due to increased costs of refurbishment and, community facilities being closed due to the Covid-19 pandemic and Covid-19 restrictions continuing to have an impact on some current programmes which were unable to operate fully. €1.25 million of this funding was carried forward into 2023.

C.4 Irish language support schemes

Estimate provision €9.95 million; outturn €6.515 million

The saving of €3.435 million relative to the estimate provision was due to envisaged capital projects which did not materialise during 2022 and other applicant capital projects which have not reached drawdown stage yet. €1.75 million of this funding was carried forward into 2023.

C.10 Language planning process

Estimate provision €5.8 million; outturn €4.53 million

The saving of €1.27 million relative to the estimate provision arises primarily due to a lesser number of language plans being approved than originally anticipated, and slower than expected progress in relation to the implementation of existing plans.

Programme D Sports and recreation services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay			
	<i>Original</i>	3,153		
	<i>Supplementary</i>	80		
			3,233	2,807
D.2	Administration – non pay		680	348
D.3	Sports capital and equipment programme			
	<i>Estimate provision</i>	34,535		
	<i>Deferred surrender</i>	6,000		
			40,535	23,735
D.4	Local authority swimming pool programme		4,000	2,768
D.5	Sport Ireland (part funded by national lottery)			
	<i>Original</i>	105,810		
	<i>Supplementary</i>	35,153		
			140,963	164,745
D.6	Dormant accounts funding for sports measures		12,000	12,000
D.7	Large scale sport infrastructure fund			
	<i>Estimate provision</i>	14,600		
	<i>Deferred surrender</i>	3,900		
			18,500	417
D.8	Major events		6,395	5,399
			226,306	212,871
				207,370

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €21.798 million lower than originally provided. Administration expenditure was €412,000 lower than originally planned. The balance of the variance of €21.386 million was mainly due to the following.

D.4 Local authority swimming pool programme

Estimate provision €4 million; outturn €2.768 million

The saving of €1.232 million relative to the estimate provision was mainly because progress on one significant project was delayed and had not opened by the end of 2022. €1 million of this funding was carried forward into 2023.

D.5 Sport Ireland

Estimate provision €105.81 million; outturn €147.409 million

This variance arises mainly due to an additional €35 million being made available to sports clubs and organisations to help alleviate the impact of increased costs for a view to ensuring that everyone could continue to enjoy the benefits of sport and physical activity over the winter months.

A supplementary estimate of €35.153 million was provided to cover this cost and also, to cover additional costs as a result of the Building Momentum pay agreement.

Funding was also transferred from other subheads with sanction of the Department of Public Expenditure, National Development Plan Delivery and Reform in order to allow for the completion of a range of National Sports Campus projects and for a number of other initiatives.

D.7 Large scale sport infrastructure fund

Estimate provision €18.5 million; outturn €1.896 million

The saving of €16.604 million relative to the estimate provision was mainly due to the continued impact of Covid-19 on the progress of this scheme. €9 million of this funding was carried forward into 2023.

D.8 Major events

Estimate provision €6.395 million; outturn €5.364 million

The saving of €1.031 million relative to the estimate provision was mainly due to the Euro 2028 bid costs that were expected will not now be incurred until 2023 and further potential events and costs did not materialise in 2022.

Programme E Broadcasting

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay			
	<i>Original</i>	1,755		
	<i>Supplementary</i>	44		
			1,799	2,079
				1,464
E.2	Administration – non pay		541	313
				327
E.3	Grant to Raidió Telefís Éireann for broadcasting licence fees			
	<i>Original</i>	208,622		
	<i>Supplementary</i>	15,000		
			223,622	211,226
				196,087
E.4	Payment to An Post for collection of broadcasting licence fees		12,457	9,964
				9,885
E.5	Deontas i leith Theilifís na Gaeilge		44,933	45,049
				40,733
E.6	Broadcasting Fund		27,385	19,826
				23,598
		310,737	288,457	272,094

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall the expenditure in relation to Programme E was €7.236 million lower than originally provided.

Administration expenditure was €96,000 higher than originally provided.

The balance of the variance of €7.332 million was mainly due to the following.

E.4 Payment to An Post for collection of broadcasting licence fees

Estimate provision €12.457 million; outturn €9.964 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and it is therefore difficult to estimate precisely the level of payments to be made to An Post. The An Post payment is based on a commission rates applied to TV licence sales which incentivises An Post to maximise annual sales.

E.6 Broadcasting Fund

Estimate provision €27.385 million; outturn €19.826 million

The underspend in the subhead arose because payments to the Broadcasting Fund are primarily based on the level of TV licence fee receipts. These are dependent on the level of actual television licence sales and the number of free television licences issued by the Department for Social Protection. It is difficult to estimate precisely the annual level of receipts and therefore the corresponding payments to the Broadcasting Fund. Licence sales were down on target which impacted on TV licence funding for the BAI. In addition, provision of €5.495 million was made to meet certain establishment costs of Coimisiún na Meán (the new media regulator). However, as the enabling legislation was not enacted until December 2022, expenditure was lower than anticipated giving rise to savings of €5.441 million.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 Tourism Ireland pension receipts	300	348	341
2 National Archives fees	40	57	35
3 Miscellaneous receipts	636	773	895
4 Receipts from additional superannuation contributions on public service remuneration	2,366	3,237	2,728
5 Dormant accounts funding	12,000	12,000	10,000
6 Sport Ireland pension receipts	134	80	92
7 Broadcasting licence fees	237,130	220,960	220,731
Total	252,606	237,455	234,822

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €15.151 million less than the estimate. Explanations for variances are set out below:

3 Miscellaneous receipts

Estimate €636,000; realised €773,000

The variance of €137,000 was mainly due to higher than anticipated pension receipts from agencies.

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.366 million; realised €3.237 million

The variance of €871,000 was mainly due to higher than anticipated additional superannuation contributions receipts from agencies.

7 Broadcasting licence fees

Estimate €237.13 million; realised €220.96 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection. The 2022 estimate for television licence receipts included scope for additional potential revenue which could be generated but was not fully realised.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	22	31
Receipts from Gaeltacht loans	—	1
Receipts from voluntary surrender of ministerial salaries	21	21
Transferred to the Exchequer	(43)	(31)
Balance at 31 December	—	22

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	416	365
Agencies ^a	1,492	1,462
	1,908	1,827

Note ^a Includes staffing of the following agencies: Arts Council, Broadcasting Authority of Ireland, Chester Beatty, Crawford Art Gallery, Fáilte Ireland, Foras na Gaeilge, Irish Museum of Modern Art, National Concert Hall, National Gallery of Ireland, National Library of Ireland, National Museum of Ireland, Screen Ireland, Sport Ireland, Ulster Scots, Tourism Ireland, Údarás na Gaeltachta

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	20,721	17,807
Higher, special or additional duties allowances	45	64
Other allowances	176	159
Overtime	39	30
Employer's PRSI	1,783	1,444
Total pay ^a	22,764	19,504

Agency staff remuneration ^b

	2022	2021
	€000	€000
Pay	96,189	80,843
Higher, special or additional duties allowances	302	255
Other allowances	327	189
Overtime	340	221
Employer's PRSI	4,564	4,441
Total pay	101,722	85,949

Note ^a The total pay figure is distributed across a number of subheads.

Note ^b The details in relation to allowances and overtime and payments relating to staff of bodies/agencies are based solely on returns submitted by those bodies/agencies.

Following updated information provided to the Department from our agencies in 2022, €21,000 of expenditure that had been classified by our agencies as pay in the 2021 appropriation account was reclassified by them as higher, special or additional duties allowances in this year's account.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Departmental staff				
Higher, special or additional duties allowances	7	2	13,870	15,453
Other allowances	17	2	22,755	22,002
Overtime	28	1	11,082	10,591
Extra remuneration in more than one category	3	3	16,091	16,432
Agency staff				
Higher, special or additional duties allowances	66	7	15,832	13,411
Other allowances	225	6	36,207	30,000
Overtime	203	3	17,564	9,765
Extra remuneration in more than one category	168	6	19,079	7,772

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	266	247
60,000	69,999	25	33
70,000	79,999	40	32
80,000	89,999	26	19
90,000	99,999	11	10
100,000	109,999	11	9
110,000	119,999	5	4
120,000	129,999	1	2
130,000	139,999	2	2
140,000	149,999	2	—
150,000	159,999	—	2
160,000	169,999	2	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

5.5 Other remuneration arrangements

Six retired civil servants in receipt of a civil service pension were re-engaged on a fee basis as a total cost of €47,252. The payments made were consistent with the principles of the Public Service (Single Service and other Provisions) Act 2012.

The account includes expenditure of €20,100 in respect of one officer who was serving outside the Department for part of 2022 and whose salary was paid by the Department.

This account does not include expenditure in respect of seven officers who were serving outside the Department for all or part of 2022 in other Government department/offices who paid those officers directly.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	29	71,944	63,983
Recovery plans in place	10	27,998	1,383

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>202</u>	<u>190</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 National Lottery funding

		2022		2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
B.9	An Chomhairle Ealaíon (part funded by National Lottery)	135,180	135,180	130,046
C.4	Irish language support schemes (part funded by National Lottery)	9,950	6,515	6,359
D.3	Sports capital and equipment programme	40,535	40,013	23,735
D.5	Sport Ireland (part funded by National Lottery)	140,963	147,409	164,745
		326,628	329,117	324,885

A full list of grantees under subhead C.4 and subhead D.3 is available on the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media website.

6.2 Deferred surrender

Deferred surrender comprises savings in 2022 of €20 million in capital expenditure in the following subheads that were carried over to 2023.

		€000
Description of subhead		
B.7	Cultural infrastructure and development	3,500
B.17	Live performance supports	3,000
C.3	Gaeltacht support schemes	1,250
C.4	Irish language support schemes (part funded by National Lottery)	1,750
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises	500
D.4	Local authority swimming pool programme	1,000
D.7	Large scale sport infrastructure fund	9,000
		20,000

6.3 Arbitration and conciliation costs

Expenditure in 2022 includes a payment of €6.657 million including VAT (2021: nil) made to a contractor to cover costs as a result of conciliation proceedings. There was one case in 2022 (2021: nil cases).

Note 7 Miscellaneous Accounts

7.1 Payments towards general expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Subhead B.5)

	2022	2021
	€000	€000
Payments		
Irish Museum of Modern Art	8,184	6,410
Chester Beatty Library	3,750	3,216
National Concert Hall	13,614	4,237
Crawford Gallery, Cork	2,556	1,733
	28,104	15,596

7.2 The Crowley Bequest Fund

The bequest was accepted by the State in 1997, to be used to undertake a project involving the listing, microfilming and publishing of records of the Chief Secretary's Office for the period 1815-1853. The charge on the fund represents conservation and salary costs associated with this project.

Accounts of receipts and payments for the year ended 31 December 2022

	2022	2021
	€000	€000
Balance on 1 January	148	148
Payments	(6)	—
Balance on 31 December	142	148

7.3 Statement of loans for Gaeltacht housing

Loans issued towards Gaeltacht housing under the Housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof.

	2022	2021
	€000	€000
Opening balance on 1 January	176	173
Annual penal interest accrued	4	4
Repayments of principal	—	(1)
Closing balance on 31 December	180	176

Appendix A Accounts of bodies and funds under the aegis of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

The following table lists the bodies and funds under the aegis of the Department where the Minister has an obligation to present financial statements. It indicates, as at the end of March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Irish Museum of Modern Art	2021	24 May 2022	9 Sep 2022	28 Nov 2022
Chester Beatty Library	2021	13 Apr 2022	5 May 2022	28 Nov 2022
National Concert Hall	2021	30 Jun 2022	30 Jun 2022	25 Oct 2022
Crawford Art Gallery	2021	24 Jun 2022	7 Jul 2022	4 Nov 2022
Arts Council	2021	30 Jun 2022	28 Jul 2022	12 Oct 2022
National Museum of Ireland	2021	30 Jun 2022	16 Aug 2022	4 Nov 2022
National Library of Ireland	2021	9 Aug 2022	8 Sep 2022	10 Nov 2022
Screen Ireland	2021	20 Dec 2022	16 Jan 2023	10 Mar 2023
National Gallery of Ireland	2021	8 Mar 2023	16 Mar 2023	—
Údarás na Gaeltachta	2021	24 Dec 2022	1 Feb 2023	—
An Foras Teanga	2020	18 May 2022	10 Nov 2022	16 Feb 2023
An Coimisinéir Teanga	2021	20 Dec 2022	23 Dec 2022	8 Feb 2023
Fáilte Ireland	2021	12 Sep 2022	7 Oct 2022	24 Nov 2022
Sport Ireland	2021	26 Sep 2022	12 Oct 2022	14 Dec 2022
Tourism Ireland	2021	25 Nov 2022	9 Dec 2022	13 Jan 2023
Broadcasting Authority of Ireland	2021	29 Jun 2022	29 Jun 2022	28 Sep 2022
Raidió Telefís Éireann	2021	29 Apr 2022	29 Apr 2022	18 Jul 2022
Teilifís na Gaeilge	2021	9 Jun 2022	30 Jun 2022	28 Sep 2022

Appropriation Account 2022

Vote 34

Housing, Local Government and Heritage

Introduction

As Accounting Officer for Vote 34, 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 2022 for the salaries and expenses of the Office of the Minister for Housing, Local Government and Heritage, including grants to local authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies, and grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €246.736 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles, the Statement on Internal Financial Control and notes 1 to 7 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Valuation of assets

Ownership of six national parks is vested in the Minister of Housing, Local Government and Heritage. These are: the Burren, Connemara, Glenveagh, Killarney, Wicklow Mountains and Wild Nephin national parks.

Land, buildings and heritage assets located within the national parks have not been valued, and are not reflected in the statement of fixed assets. Other assets located at the parks, such as equipment and vehicles, are included in the statement of fixed assets.

Depreciation

Land is not depreciated. Other assets are depreciated monthly on a straight line basis over their estimated useful life starting in the month the asset was placed in service on the following basis

- buildings 5% per annum
- motor vehicles 20% per annum
- plant and machinery 10% per annum
- radar equipment 6.66% per annum.

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

Payroll and human resources functions are provided to the Department on a shared services basis by the National Shared Services Office (Vote 18).

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 resources and shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for 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. Its work is informed by analysis of risks, including 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 am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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 has provided details of 25 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €1,423,352 (ex. VAT) in 2022 as set out below:

- A contract for ecological, database and GIS support contractors with expenditure of €1,056,750 (ex. VAT) that was extended for an additional year to ensure continuity of services under a single supplier contract that expired in August 2022. A further 12 month extension to August 2023 was applied to ensure continuity of services. The Department does not anticipate a further contract as resources are being put in place for the project.
- An extension of the contract with BT Communications Ireland Ltd for renewal of the WebEx licences with a value of €120,786 (ex. VAT) was required to allow the continuation of a critical business system used by Department on a daily basis until Microsoft Teams is delivered by the Office of the Government Chief Information Officer (OGCIO) in 2023.
- An ICT telephony services contract with expenditure during the year of €104,080 (ex. VAT) continues pending the completion of a procurement process. The Department intends to put a compliant contract in place in 2023.
- To meet the statutory obligations under the Official Languages Act 2003, a contract originally awarded with a competitive process to provide Irish language translation service rolled over while an Office of Government Procurement (OGP) framework was being established with expenditure during the year of €65,602 (ex. VAT). A competitive procurement process, using the OGP framework, has since been completed.
- A contract for the eradication of invasive laurel with expenditure of €76,134 was extended to meet the Department's obligations to prevent deterioration of woodland.

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 by the Management Board and assists the Management Board to respond accordingly, allocating resources if required, to ensure risks are managed to an acceptable level.

The risk register details mitigation measures and responsibility for operation of controls assigned to specific staff.

As part of continuous improvements around risk identification and management, the Department recently launched and implemented eRisk, which is a central risk management system through which Business Units can identify and report key risks. Mitigation actions to minimise the identified risks are also recorded.

This central electronic register is being collated and the first iteration of the register will be presented to Management Board for review in April 2023.

Ongoing monitoring and review

The risk register is reviewed centrally and the high-level risks are reviewed on a regular basis by the Management Board. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

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

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss.

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

26 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Housing, Local Government and Heritage

Opinion on the appropriation account

I have audited the appropriation account for Vote 34 Housing, Local Government and Heritage for the year ended 31 December 2022 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 34 Housing, Local Government and Heritage for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Housing, Local Government and Heritage and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2022.

Payment of EU fine

The Accounting Officer has disclosed in note 6.2 that, in 2022, the Department paid €2.76 million to the European Commission arising from a judgement of the Court of Justice of the European Union in November 2019. The Court case concerned the failure by Ireland to ensure that a retrospective environmental impact assessment was carried out in relation to a windfarm constructed in County Galway.

The fine imposed by the Court of Justice comprised a €5 million lump-sum payment (paid in 2020) plus a daily fine of €15,000 while the infringement continued, plus legal costs. Correspondence from the Commission indicated that Ireland had met the terms of the judgment by 5 February 2022 and that the daily fines would cease. The final instalment of €1.245 million covering the period 13 November 2021 to 4 February 2022 was paid to the European Commission on 8 March 2023. This brought the total amount paid in respect of the judgement to €17.226 million.

Utilisation of the Land Aggregation Scheme sites

Chapter 11 of my report on the accounts of the public services for 2022 gives an update on the progress under this scheme.

Virement of voted funds for housing

Chapter 5 of my report on the accounts of the public services for 2022 includes a section on the circumstances in which funding was vired from the Housing Assistance Payment Scheme to the Capital Loans and Subsidy Scheme.

Accountability for central government funding of local authorities

Chapter 4 of my report on the accounts of the public services for 2022 looks at the compliance of certain central government departments, including Housing, Local Government and Heritage, with circular 13/2014 *Management and accountability for grants from Exchequer funds* in respect of grant funding to local authorities.

Seamus McCarthy

Comptroller and Auditor General

27 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 34 Housing, Local Government and Heritage

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Housing			
	<i>Original</i>	3,643,813		
	<i>Deferred surrender</i>	247,300		
	<i>Supplementary</i>	<u>(40,000)</u>		
		3,851,113	3,386,529	2,782,675
B	Water Services			
	<i>Original</i>	1,576,350		
	<i>Supplementary</i>	<u>1,000</u>		
		1,577,350	1,512,217	1,371,624
C	Local Government			
	<i>Original</i>	268,795		
	<i>Supplementary</i>	<u>156,401</u>		
		425,196	427,558	720,217
D	Planning			
	<i>Original</i>	225,196		
	<i>Deferred surrender</i>	25,000		
	<i>Supplementary</i>	<u>(117,400)</u>		
		132,796	106,711	109,854
E	Met Éireann	43,161	36,118	33,659
F	Heritage			
	<i>Estimate provision</i>	175,812		
	<i>Deferred surrender</i>	3,500	179,312	
			163,348	124,995
Gross expenditure				
	<i>Original</i>	5,933,127		
	<i>Deferred surrender</i>	275,800		
	<i>Supplementary</i>	<u>1</u>		
		6,208,928	5,632,481	5,143,024
	<i>Deduct</i>			
G	Appropriations-in-aid	<u>61,089</u>	<u>71,378</u>	<u>66,076</u>
Net expenditure				
	<i>Original</i>	5,872,038		
	<i>Deferred surrender</i>	275,800		
	<i>Supplementary</i>	<u>1</u>		
		<u>6,147,839</u>	<u>5,561,103</u>	<u>5,076,948</u>

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. With the agreement of the Minister for Public Expenditure, National Development Plan Delivery and Reform, €340 million of unspent allocations in respect of the capital elements of Programmes A, B, D, and F was carried forward to 2023.

	2022	2021
	€	€
Surplus	586,735,590	392,471,868
Deferred surrender	(340,000,000)	(275,800,000)
Surplus to be surrendered	<u>246,735,590</u>	<u>116,671,868</u>

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		5,516,315	5,041,916
Pay		91,782	79,557
Non pay		24,384	21,551
Gross expenditure		5,632,481	5,143,024
<i>Deduct</i>			
Appropriations-in-aid		71,378	66,076
Net expenditure		5,561,103	5,076,948
Changes in capital assets			
Purchases cash	(6,396)		
Depreciation	2,735		
Loss on disposals	5	(3,656)	(1,819)
Changes in net current assets			
Decrease in closing accruals	(3,227)		
Decrease in inventories	833	(2,394)	2,321
Direct expenditure		5,555,053	5,077,450
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		31,906	30,625
Notional rents		4,231	4,006
Net programme cost		5,591,190	5,112,081

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 34 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	37
Vote 12	Superannuation and Retired Allowances	27,848	28,134
Vote 13	Office of Public Works	2,130	702
Vote 18	National Shared Services Office	156	141
Vote 20	Garda Síochána	9	—
Vote 43	Office of the Government Chief Information Officer	1,615	1,504
Central Fund – ministerial pensions		107	107
		31,906	30,625

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	67,153	63,425
Current assets			
Bank and cash	2.2	364,675	384,818
Inventories	2.3	83	916
Prepayments	2.4	1,565	1,466
Accrued income	2.5	9,866	8,971
Housing Agency revolving acquisitions fund	7.2	67,754	68,070
Other debit balances	2.6	2,109	2,143
Total current assets		446,052	466,384
Less current liabilities			
Accrued expenses	2.7	24,067	20,721
Deferred income	2.8	4,648	10,364
Other credit balances	2.9	21,377	25,436
Net Exchequer funding	2.10	345,407	361,525
Total current liabilities		395,499	418,046
Net current assets		50,553	48,338
Net assets		117,706	111,763
Represented by:			
State funding account	2.11	117,706	111,763

2.1 Capital assets

	Land and buildings ^a	Plant, machinery and motor vehicles	Furniture and fittings	Office and IT equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2022	47,490	11,712	3,891	25,292	9,389	97,774
Prior year adjustments ^b	—	(11)	—	92	10	91
Additions	1,035	2,962	294	796	1,488	6,575
Disposals	—	(46)	—	(73)	—	(119)
Cost or valuation at 31 December 2022	48,525	14,617	4,185	26,107	10,887	104,321
Accumulated depreciation						
Opening balance at 1 January 2022	2,218	7,932	2,373	21,826	—	34,349
Prior year adjustments ^b	—	(91)	(7)	296	—	198
Depreciation for the year	350	1,046	57	1,282	—	2,735
Depreciation on disposals	—	(46)	—	(68)	—	(114)
Cumulative depreciation at 31 December 2022	2,568	8,841	2,423	23,336	—	37,168
Net assets at 31 December 2022	45,957	5,776	1,762	2,771	10,887	67,153
Net assets at 31 December 2021	45,272	3,780	1,518	3,466	9,389	63,425

Notes ^a Excludes national park land, buildings and heritage assets.

^b A review of the fixed asset register in 2022 resulted in prior year adjustments being required.

- Two assets acquired in 2021 were omitted from the fixed asset register.
- Revision of capital assets under development for 2021.
- Revision of depreciation charge in regard to heritage assets transferred into the Department in 2021.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	364,386	384,787
Commercial bank account balance	289	31
	364,675	384,818

2.3 Inventories ^a

at 31 December	2022	2021
	€000	€000
Livestock	51	91
IT consumables	21	235
Other	11	257
Meteorological consumables	—	146
Building materials	—	68
Stationery	—	44
Fuels and fertilisers	—	42
Cleaning materials	—	33
	83	916

Note ^a A change in accounting policy adopted in 2022 has resulted in the de-recognition of high-volume, low-value inventory items valued under €1,000.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software support	1,248	1,151
International contribution	100	150
Administration	31	4
Other prepayments	186	161
	1,565	1,466

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Foreshore receipts	6,418	5,105
Pension levy	3,367	2,243
Met Éireann receipts	77	1,592
Audit fees	3	20
Services and charges at National Parks and Wildlife Service sites	1	11
	9,866	8,971

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Heritage projects		
Fáilte Ireland Strategic Partnership	388	361
BirdWatch Ireland 2020/2021	253	202
Raised Bog LIFE restoration project ^a	241	—
Killarney House	161	161
Tomies Wood	142	142
Other projects	336	241
Advances to OPW	301	789
Recoupable salary costs	152	134
Recoupable travel pass scheme	27	40
Recoupable travel costs	3	6
Imprests	14	3
Other debit suspense items	91	64
	2,109	2,143

Note ^a The LIFE programme is the EU's funding instrument supporting environment, nature conservation and climate action projects through the EU. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value.

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	286	291
Programme accrual		
A Housing	19,325	14,735
B Water	26	69
C Local Government	141	128
D Planning	1,990	3,923
E Met Éireann	46	72
F Heritage	1,264	884
Administration expenses	989	619
	24,067	20,721

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
Foreshore licences	4,648	10,364
	4,648	10,364

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,368	1,166
Pay related social insurance	939	787
Value added tax	827	1,337
Professional services withholding tax	728	511
Pension contributions	325	270
Universal social charge	276	233
	<u>4,463</u>	<u>4,304</u>
LIFE integrated project ^b	3,984	3,326
LIFE Wild Atlantic Nature ^b	3,364	3,578
LIFE on Machair ^b	2,338	2,221
Rural Regeneration and Development Fund ^c	2,273	2,447
Urban Development Fund ^a	1,428	6,683
LIFE Atlantic Crex ^b	881	1,241
WaterLANDS Project	734	—
Kerry LIFE Project ^b	367	182
Payroll deductions held in suspense	340	326
LIFE Insular ^b	26	—
Raised Bog LIFE restoration project ^b	—	158
Other credit suspense items	1,179	970
	<u>21,377</u>	<u>25,436</u>

Notes ^a See Note 7.1.

^b The LIFE programme is the EU's funding instrument supporting environment, nature conservation and climate action projects through the EU. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value.

^c The balance shown above relates to advanced funding from the Rural Regeneration and Development Fund (RRDF) pending receipt of verified claims in respect of individual projects. The RRDF was established as part of Project Ireland 2040 and provides investment to support rural renewal for suitable projects in towns and villages with a population of less than 10,000, and outlying areas. It is administered by the Department of Rural and Community Development.

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus	246,736	116,672
Deferred surrender	340,000	275,800
Exchequer grant undrawn	(241,329)	(30,947)
Net Exchequer funding	345,407	361,525
Represented by:		
Debtors		
Bank and cash	364,675	384,818
Debit balances: suspense	2,109	2,143
	366,784	386,961
Creditors		
Due to the State	(4,463)	(4,304)
Credit balances: suspense	(16,914)	(21,132)
	(21,377)	(25,436)
	345,407	361,525

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		111,763	107,816
Disbursements from the Vote			
Estimate provision	Account	6,147,839	
Deferred surrender	Account	(340,000)	
Surplus to be surrendered	Account	(246,736)	
Net vote		5,561,103	5,076,948
Expenditure (cash) borne elsewhere	1.1	31,906	30,625
Non cash expenditure – notional rent	1	4,231	4,006
Assets transferred in to the Department	2.1	—	4,494
Reclassification of heritage assets		(107)	(45)
Net programme cost	1	(5,591,190)	(5,112,081)
Balance at 31 December		117,706	111,763

2.12 Commitments**a) Global commitments**

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	5,791	6,358
Non-capital grant programmes	1,182,917	1,174,083
Capital grant programmes	2,514,797	2,075,841
Public private partnership projects	573,156	603,377
Total of legally enforceable commitments	4,276,661	3,859,659

b) Non-capital grant programmes

	2022	2021
	€000	€000
Opening balance	1,174,083	1,074,726
Grants paid in the year	(1,116,559)	(1,022,108)
New grant commitments	1,125,393	1,121,465
Closing balance	1,182,917	1,174,083

c) Capital grant programmes

	2022	2021
	€000	€000
Opening balance	2,075,841	2,333,985
Grants paid in the year	(1,752,402)	(1,490,604)
New grant commitments	2,191,358	1,232,460
Closing balance	2,514,797	2,075,841

d) Major capital project commitments

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
		€000	€000	€000	€000	€000
Housing projects						
<i>Construction Jointly funded ^a</i>						
Ashline, Kilrush Road Ennis, Clare						
	Local authority	1,548	—	—	1,548	1,548
	Department	5,652	3,100	234	8,986	8,986
		7,200	3,100	234	10,534	10,534
Beechgrove, Clonakilty, Cork						
	Local authority	1,427	138	—	1,565	1,427
	Department	13,397	2,029	198	15,624	15,762
		14,824	2,167	198	17,189	17,189
Poulavone, Ballincollig, Cork City						
	Local authority	213	—	—	213	—
	Department	2,699	48	20,613	23,360	—
		2,912	48	20,613	23,573	—
Priory Hall refurbishment, Donaghmede, Dublin 13						
	Local authority	10,288	—	—	10,288	10,288
	Department	24,216	—	13,696	37,912	37,912
		34,504	—	13,696	48,200	48,200
Dominick Street (East Side), Dublin 1						
	Local authority	3,434	—	—	3,434	3,434
	Department	23,411	—	2,458	25,869	25,869
		26,845	—	2,458	29,303	29,303
Bunratty Road: (Phase 1), Dublin 17						
	Local authority	3,788	—	—	3,788	3,788
	Department	23,618	—	1,812	25,430	25,430
		27,406	—	1,812	29,218	29,218

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
		€000	€000	€000	€000	€000
O'Devaney Gardens (Phase 1A) Dublin 7						
	Local authority	1,139	—	—	1,139	1,139
	Department	14,671	7,774	4,146	26,591	19,530
		15,810	7,774	4,146	27,730	20,669
Cornamona, Ballyfermot, Dublin 12						
	Local authority	1,017	—	—	1,017	1,017
	Department	18,162	1,539	1,658	21,359	21,359
		19,179	1,539	1,658	22,376	22,376
Cork Street, Chamber Street, Dublin 8						
	Local authority	1,593	567	—	2,160	1,593
	Department	15,096	236	2,961	18,293	18,860
		16,689	803	2,961	20,453	20,453
North King Street, Sean Foster Place, Dublin 7						
	Local authority	882	—	—	882	882
	Department	10,421	536	1,087	12,044	12,044
		11,303	536	1,087	12,926	12,926
Ballyogan Rise, Ballyogan, Dun Laoghaire-Rathdown						
	Local authority	89	8,924	—	9,013	89
	Department	604	6,179	3,254	10,037	18,961
		693	15,103	3,254	19,050	19,050
Rosemount Court, Dun Laoghaire-Rathdown						
	Local authority	5,413	—	—	5,413	5,413
	Department	6,205	—	305	6,510	6,510
		11,618	—	305	11,923	11,923

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Fitzgerald Park, Dun Laoghaire-Rathdown					
Local authority	5,041	—	—	5,041	5,041
Department	4,630	—	412	5,042	5,042
	9,671	—	412	10,083	10,083
Kilternan Close, Dun Laoghaire-Rathdown					
Local authority	6,985	—	—	6,985	6,985
Department	2,709	—	12,261	14,970	14,970
	9,694	—	12,261	21,955	21,955
Racecourse Common, Lusk (Phase 2.1) Fingal					
Local authority	2,260	—	—	2,260	2,260
Department	9,603	5	13	9,621	9,621
	11,863	5	13	11,881	11,881
Cappagh Lands (Phase 3), Cappagh Road, Finglas					
Local authority	—	4,896	—	4,896	—
Department	6,179	5,232	2,383	13,794	18,690
	6,179	10,128	2,383	18,690	18,690
Church Fields, Phase 2B, Mulhuddart, Dublin 15, Fingal					
Local authority	—	4,733	—	4,733	—
Department	1,672	10,201	4,485	16,358	21,091
	1,672	14,934	4,485	21,091	21,091
Ballymoneen Road,(Phase 2), Galway City					
Local authority	663	—	—	663	663
Department	17,443	—	432	17,875	17,443
	18,106	—	432	18,538	18,106

		Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Garraí Beag, Monivea Road, Ballybaan More, Galway City						
	Local authority	327	—	—	327	327
	Department	4,611	1,182	8,030	13,823	13,823
		4,938	1,182	8,030	14,150	14,150
St. Aiden's, Brookfield, Tallaght						
	Local authority	4,276	—	—	4,276	4,276
	Department	14,949	3	594	15,546	15,546
		19,225	3	594	19,822	19,822
St. Cuthbert's, Clondalkin (Phase 1) South Dublin						
	Local authority	2,988	—	—	2,988	2,988
	Department	8,405	70	747	9,222	9,222
		11,393	70	747	12,210	12,210
Ballyboden, Rathfarnham						
	Local authority	2,303	—	—	2,303	2,303
	Department	9,791	2	735	10,528	10,528
		12,094	2	735	12,831	12,831
Riversdale, Clondalkin, Dublin 22						
	Local authority	539	648	—	1,187	539
	Department	2,378	4,369	4,923	11,670	12,318
		2,917	5,017	4,923	12,857	12,857
St. Marks Avenue, Clondalkin, Dublin 22						
	Local authority	299	1,073	—	1,372	299
	Department	716	5,197	3,334	9,247	10,320
		1,015	6,270	3,334	10,619	10,619

		Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Nangor Road, Clondalkin, Dublin 22						
	Local authority	663	332	—	995	663
	Department	1,460	7,412	19,417	28,289	28,621
		2,123	7,744	19,417	29,284	29,284
Balgaddy F, Griffeen Avenue, Lucan, Dublin						
	Local authority	102	—	—	102	—
	Department	119	339	26,449	26,907	—
		221	339	26,449	27,009	—
Ashtown Lane, Wicklow Town, Wicklow						
	Local authority	660	560	—	1,220	660
	Department	10,560	741	507	11,808	12,368
		11,220	1,301	507	13,028	13,028
<i>Department funded</i>						
Tullow Road, Carlow		13,266	27	—	13,293	13,282
Cluain Greine Ennis, Clare		—	17,110	168	17,278	18,535
Church Road, Cork City		11,851	—	139	11,990	11,990
Deanrock, Togher Cork City		16,286	—	943	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City		—	6,819	8,011	14,830	14,185
Former Bolands Mill, Old Mallow Road, Cork City		2,800	10,103	4,994	17,897	17,437
Watercourse Road, Blackpool, Cork, Cork City		3,356	6,113	2,178	11,647	11,647
Church Road, Black Rock, Cork City		—	2,043	9,210	11,253	—
Wolsey Court, Blackpool, Cork City		—	—	15,914	15,914	15,773
Clarendon Brooks, Carrs Hill, Douglas, Cork		12,910	243	121	13,274	13,274
Hazelbrook, Ballyviniter, Mallow, Cork		13,194	3,072	258	16,524	16,524
Kilmoney, Carrigaline, Cork		1,761	8,520	7,326	17,607	17,607
Convent Road, Carndonagh, Donegal		—	—	11,720	11,720	11,720

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Admiran, Stranorlar, Donegal	—	—	10,588	10,588	10,588
Bonham Street, Dublin 8	19,056	693	1,303	21,052	21,052
Cherry Orchard, Ballyfermot/Woodbank/Rathvilly, Dublin 10	16,728	—	3,145	19,873	19,873
Springvale, Chapelizod, Dublin 8	25,561	843	2,860	29,264	29,264
O'Devaney Gardens - Mixed Tenure Development, Dublin 7	—	—	129,090	129,090	—
Shanganagh Castle, Dun Laoghaire-Rathdown	2,895	3,527	70,698	77,120	—
Ballymastone, Donabate, Finglas	—	—	70,585	70,585	70,585
Garraí Caol (Coast Road Site) Dublin Road, Galway City	1,000	6,158	6,758	13,916	14,266
Radharc na Gréine, (Glasshouse site), Monivea Road (Phase 1), Galway City	19,084	—	—	19,084	19,084
Cullairbaun, Athenry	—	8,752	10,218	18,970	17,915
Fána Bhuí, Tuam, Galway	6,835	3,927	281	11,043	10,565
Kylebroughlan, Moycullen, Galway	13,229	—	100	13,329	13,329
Tullahill, Loughrea, Galway	16,924	20	—	16,944	16,944
Lohercannon, Tralee, Kerry	9,327	5,697	590	15,614	15,614
Newtown, Ardclough Rd, Celbridge, Kildare	—	20,588	153	20,741	18,190
Hebron Road, Kilkenny	802	15,284	127	16,213	16,213
Old Christians site, Rathbane, Limerick	10,580	384	380	11,344	11,344
Gort Buí, Ballymakenny Road, Drogheda, Louth	14,009	95	213	14,317	14,252
Boice Court (Phase 2), Drogheda, Louth	—	3,861	23,277	27,138	—
Mount Avenue, Dundalk, Louth	80	1,237	32,336	33,653	—
Wadman Park, Haynestown, Dundalk, Louth	17,329	—	88	17,417	17,417
Ard an Radhairc, Carrickmacross, Monaghan	2,257	8,164	148	10,569	—
Rehins Fort, Foxford Road, Ballina, Mayo	1,624	5,352	4,591	11,567	11,567

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Golf Course Road, Westport, Mayo	380	71	14,475	14,926	—
Gort na Glaise, Farganstown, Navan, Meath	4,325	306	26,981	31,612	—
Castle Street, Ashbourne, Meath	2,535	289	23,366	26,190	—
Lagore, Dunshaughlin, Meath	1,175	2,712	7,078	10,965	—
Raheen, Clara, Offaly	545	1,481	13,167	15,193	—
Ursuline Convent, Sligo	—	2,139	19,601	21,740	20,646
Ballygunner, Waterford City	3,057	2,319	13,974	19,350	—
Mount William, Williamstown, Waterford	13,546	—	163	13,709	13,709
Clonhasten, Enniscorthy, Wexford	—	—	11,255	11,255	11,255
Kilbride Lane, Bray, Wicklow	17,079	—	263	17,342	17,342
Three Trouts, Greystones, Wicklow	3,692	2,076	11,894	17,662	—
Merrymeeting View, Rathnew, Wicklow	11,468	—	349	11,817	11,817
Total	621,860	228,090	708,221	1,558,171	1,070,482

Capital Assistance Scheme*Jointly funded ^a*

25-26 Ushers Island, Ushers Quay, Dublin 8

Local authority	265	—	—	265	529
Department	4,438	6,334	23,003	33,775	33,511
	4,703	6,334	23,003	34,040	34,040

St. Michael's Estate, Inchicore, Dublin 8

Local authority	167	—	—	167	—
Department	224	1,140	20,532	21,896	—
	391	1,140	20,532	22,063	—

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
<i>Department funded</i>	€000	€000	€000	€000	€000
Block 70, The Plaza, Parkwest, Dublin 12	—	13,986	213	14,199	14,199
Ellis Court, Benburb Street, Dublin 7	4,509	5,095	1,367	10,971	—
Aldborough Manor, Hawkins Wood, Greystones, Wicklow	—	36,980	571	37,551	—
Total	9,603	63,535	45,686	118,824	48,239

Regeneration*Jointly funded^a*

Dolphin House, Dublin 8

Local authority	1,490	—	—	1,490	1,490
Department	22,610	—	1,747	24,357	24,357
	24,100	—	1,747	25,847	25,847

Department funded

St. Teresa's Gardens, Dublin	22,104	—	875	22,979	22,979
Cork Regeneration (Phase 2A), Knocknaheeny, Cork City	11,417	—	436	11,853	11,853
Cork Regeneration (Phase 2B), Knocknaheeny, Cork City	2,124	685	12,309	15,118	—
Cork Regeneration (Phase 1C), Knocknaheeny, Cork City	1,106	463	14,572	16,141	—
Lord Edward Street, Limerick ^b	19,258	—	330	19,588	19,588
Southill Area Centre, Limerick	12,775	18	33	12,826	12,826
Cosgrave Park/ Dalgaish Park, Limerick	1,421	3,865	17,240	22,526	22,526
Southill Area Centre- Phase 2, Limerick	401	3,455	8,846	12,702	12,702
Total	94,706	8,486	56,388	159,580	128,321

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Infrastructure					
South Docks, Cork City	7,019	204	4,407	11,630	11,790
Dodder Bridge, Dublin City	638	—	11,172	11,810	11,810
Cherrywood, Dun Laoghaire-Rathdown	3,616	54	7,720	11,390	11,660
Maynooth, Kildare	890	74	12,101	13,065	11,030
Adamstown, South Dublin	9,799	5,549	652	16,000	15,175
Total	21,962	5,881	36,052	63,895	61,465
Urban renewal/regeneration					
Tallaght Town Centre, South Dublin	537	2,088	7,711	10,336	—
Total	537	2,088	7,711	10,336	—

Note ^a Some projects are funded jointly by the Department and by certain local authority's own funds from Local Property Tax (LPT) retentions (80% of LPT receipts in a local authority area are retained locally). There is potential for the Department's commitments in subsequent years to be reduced if local authorities are in a position to use their own funds from LPT retention.

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 2021.

O'Devaney Gardens (Phase 1A) Dublin City

Increase in expected total spend: €7.061 million

The increase in the cost of this scheme relates to revised post contract approval issued in 2022 due to materials inflation and increased finance costs.

Cluain Greine Ennis, Clare

Decrease in expected total spend: €1.257 million

Original budget included Part Vs. Units reduced from 61 to 55 and revised budget issued removing Part V element.

Denroche's Cross, Glasheen Road, Cork City

Increase in expected total spend: €645,000

Project costs increased as revised Stage 4 approval granted due to increase in construction costs.

Cullairbaun, Athenry

Increase in expected total spend: €1.055 million

Construction cost inflation gave rise to the submission of a revised Stage 1-4 submission with an increase of approx. €1 million across the 58-unit scheme. This was approved May 2022 and 2 payments were made in 2022.

Newtown, Ardclough Rd, Celbridge, Kildare

Increase in expected total spend: €2.551 million

An additional six units were added to the contract under a Part V agreement costing €1,516,656. Also, the developer requested a revision of the construction costs to address material and labour price inflation since the original turnkey price was agreed and this was approved amounting to an addition €1,034,345 on the delivery costs.

Ursuline Convent, Sligo

Increase in expected total spend: €1.094 million

Revised increased budget approval issued on 1 Jun 2022.

Maynooth, Co. Kildare

Increase in expected total spend: €2.035 million

Since it was initially approved in 2017 the project has been subject to a process of detailed design, planning and site investigations. On foot of this the estimated cost of the project has increased. This increase arises both from the scale of the works required and also due to inflationary factors over the period.

Adamstown, South Dublin

Increase in expected total spend: €825,000

Under the OGP's Covid-19 co-operation and inflation/supply chain co-operation frameworks local authorities can claim additional costs associated with the delivery of their LIHAF projects caused by these extraordinary items. This necessitated an upwards adjustment of the individual project budgets to accommodate the additional approved expenditure.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme. To date, the contracts for two bundles have been entered into. These utilise what is termed an 'availability-based' PPP model, in which a private sector company designs, builds, finances, maintains and operates the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units, and runs for 25 years from the completion of construction on each site. It incorporates all construction and lifecycle costs for 25 years under the contract, including

- initial construction cost of the units
- maintenance costs
- operating costs
- lifecycle cost
- tenancy management
- financing costs
- service provision, which includes building and asset management, void management, tenant helpdesk services etc.

The figures also include forecast inflation for the full 25 year contract period. The payments comprise two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

The only way of directly comparing different models of social housing delivery is by looking at the overall costs incurred. Guidelines from the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR) on the use of PPPs, requires a comprehensive value for money process to confirm that a PPP project provides value for money (VFM) to the State.

There are four VFM tests performed by the National Development Finance Agency for the social housing PPPs as follows:

1. A preliminary appraisal of a programme.
2. The preparation of the comprehensive Public Sector Benchmark (PSB) which represents the full estimated life costs of procuring the project using traditional public sector procurement methods.
3. Comparison of the cost of the highest-rated tender to the PSB.
4. Updates the third VFM test with any changes that may have occurred during the Preferred Tender stage in order to confirm that the winning bid compares favourably to the PSB and represents VFM.

Bundle 1

Bundle 1 was completed in Q2 2021, and provides 534 units across six sites in the Greater Dublin Area. Two of the sites are located in Dublin City, with one each in South Dublin, Kildare, Wicklow and Louth. Dublin City Council was appointed to act as the lead local authority and contracting authority for the delivery of Bundle 1.

Bundle 2

Bundle 2 was completed in Q4 2021 and provides 465 units across eight sites. Three of the sites are located in the Cork County local authority area, with one each in Galway City, Waterford, Clare, Kildare and Roscommon. Cork County Council was engaged as lead local authority and contracting authority for Bundle 2.

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Project total 2022 ^b	Project total 2021
	€000	€000	€000	€000	€000
Bundle 1 ^a	26,200	10,571	308,076	344,847	339,726
Bundle 2 ^a	2,360	26,827	265,080	294,267	292,211
Total	28,560	37,398	573,156	639,114	631,937

Note ^a This table reflects unitary charge (UC) obligations for social housing PPP bundles undertaken to date, including VAT on construction and estimated VAT on the UC payments.

^b The increase in the project totals in 2022 are due to higher than projected inflation in 2022. As is standard for PPP projects, the projections assume an annual inflation rate of 2% per annum on the indexable element of the UC. The updated figures include the actual inflation rate for 2022 which was higher than the 2% assumed rate. This impacts future years as the assumed 2% is then being applied to a higher base indexable element.

2.13 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	45	72

2.14 Contingent liabilities

The Department is involved in a number of legal proceedings, which may generate liabilities, depending on the outcome of current, pending and possible future EU and other legal actions. Any actual amount or the timing of potential liabilities is uncertain.

Defective Concrete Blocks Scheme:

The Defective Concrete Blocks Scheme is an exceptional voluntary contribution in the form of a grant scheme established by the Department and approved by Government to assist certain homeowners to remediate defects to their dwellings. This scheme will create an estimated call of €2.15 billion (excl. inflation) on Exchequer funds over a fifteen year period. The Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022 was enacted on 23 July 2022, but has not yet been commenced. The related regulations once finalised will allow the enhanced grant scheme to commence in 2023.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	93,851	91,782	79,557
ii	Travel and subsistence	2,033	1,989	978
iii	Training and development and incidental expenses	2,809	2,414	2,124
iv	Postal and telecommunications services	1,439	1,356	1,296
v	Office equipment and external IT services	20,814	14,814	14,236
vi	Office premises expenses	8,116	2,877	2,542
vii	Consultancy services and value for money and policy reviews	127	62	—
viii	Research (statistics and economics)	200	—	72
ix	Protected disclosures (investigation services)	81	3	38
x	Recruitment and HR operations	332	305	265
xi	Statistical data analytical unit	596	40	—
xii	Geographical information system	200	524	—
		130,598	116,166	101,108

Significant variations

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

v Office equipment and external IT services

Estimate provision €20.814 million; outturn €14.814 million

The expenditure was €6 million lower than the estimate provision due a number of factors including global supply chain issues that resulted in hardware delivery delays for projects including the Oracle upgrade project. Delays were also experienced in the progression of a number of Met Éireann projects and the rollout of a planned 3 - 4 month forecaster training course for ten meteorologists being postponed due to recruitment issues.

vi Office premises expenses

Estimate provision €8.116 million; outturn €2.877 million

The expenditure was €5.239 million lower than the estimate provision largely due to works not progressing as expected in 2022 for the Custom House regeneration plan, due to factors outside the Department's control.

viii Research (statistics and economics)

Estimate provision €200,000; outturn €nil

No expenditure was incurred during 2022, largely due to delays in the procurement of market survey services to a research project focused on social housing household-level outcomes, which arose because of a lack of industry capacity (three tender processes were required to secure a market survey firm). The contract for market survey services was signed in November 2022.

xi Statistical data analytical unit

Estimate provision €596,000; outturn €39,790

The expenditure was €556,210 lower than the estimate provision due to a reallocation of €396,000 to subhead xii Geographical information system for administrative purposes. The residual underspend was €160,210, which was due to a delay in procurement for the metadata register project.

xii Geographical information system

Estimate provision €200,000; outturn €524,093

As noted above €396,000 of the estimate provision for the Geographical information system originally included under subhead xi was reallocated to this subhead for administrative purposes resulting in a revised increased provision of €596,000 of which €524,093 was spent.

Programme A Housing

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
			Outturn	Outturn
			€000	€000
A.1	Administration – pay	21,375	22,089	17,244
A.2	Administration – non pay	5,192	3,085	2,320
A.3	Local authority housing			
	<i>Original</i>	1,237,894		
	<i>Deferred surrender</i>	247,300		
	<i>Supplementary</i>	<u>(237,000)</u>		
		1,248,194	1,088,785	960,676
A.4	Social housing current expenditure programme	344,650	368,786	271,900
A.5	Rental accommodation scheme	133,000	113,910	121,995
A.6	Housing assistance payment scheme	584,650	538,961	541,693
A.7	Capital assistance scheme			
	<i>Original</i>	96,000		
	<i>Supplementary</i>	<u>72,000</u>		
		168,000	167,982	93,047
A.8	Capital loans and subsidy scheme	54,500	62,728	53,880
A.9	Communal facilities	500	79	122
A.10	Mortgage to rent	23,000	7,602	13,988
A.11	Capital advance leasing facility	293,905	207,560	220,350
A.12	Traveller accommodation and support	24,510	26,920	21,301
A.13	Accommodation for homeless	193,850	242,450	223,500
A.14	Housing for people with a disability and older people	2,741	1,190	838
A.15	Estate regeneration and refurbishment	50,000	37,547	43,779
A.16	Energy efficiency – retrofitting	85,000	64,142	25,284
A.17	Repair and leasing scheme	12,000	9,949	4,276
A.18	Private housing grants	65,000	66,334	53,990
A.19	Mortgage allowances	500	397	471
A.20	Affordable housing/shared ownership subsidy	3,000	1,457	1,855
A.21	LIHAF	32,000	17,028	19,903
A.22	Pyrite and mica remediation – cash limited	60,000	28,753	19,050

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.23	Housing and Sustainable Communities Agency			
	Original	11,594		
	Supplementary	125,000		
			136,594	135,294
A.24	Residential Tenancies Board		11,018	11,138
A.25	Rental accommodation inspection		10,130	6,878
A.26	Approved Housing Bodies Regularity Authority		2,484	2,189
A.27	Planned maintenance/voids		30,000	28,945
A.28	Cost rental equity loan		70,000	50,874
A.29	Commission on Housing		716	259
A.30	DPGS/improvements/remedials		25,000	18,266
A.31	First Home Scheme		44,000	40,000
A.32	Affordable Housing Fund		60,000	8,839
A.33	Croí Cónaithe (Cities) Fund		50,000	1,473
A.34	Other services		5,604	4,640
		3,851,113	3,386,529	2,782,675

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 €504.584 million lower than originally provided. There was an underspend of €1.393 million related to administration expenditure which has already been explained. Although Programme A shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €503.191 million, was mainly due to the following.

A.3 Local authority housing

Estimate provision €1.485 billion; outturn €1.089 billion

The subhead includes deferred surrender of €247.3 million carried forward from 2021. The expenditure was €396.409 million lower than the estimate provision primarily due to challenges in the delivery of new homes caused by increased energy prices, increased construction costs and material supply chain disruption. €237 million of this underspend was transferred to other programmes via supplementary estimate including €125 million to A.23 to establish a Land Acquisition Fund. €60 million of this underspend was carried forward to 2023 as deferred surrender. As in previous years, an amount of local authority housing was also supported via the LPT to the value of €45.3 million in 2022.

A.4 Social housing current expenditure programme

Estimate provision €344.65 million; outturn €368.786 million

The increase in expenditure of €24.136 million relative to the estimate provision was due to an increase in the volume of delivery under the leasing programme and an increase in the number of claims submitted for recoupment in 2022.

A.5 Rental accommodation scheme

Estimate provision €133 million; outturn €113.91 million

The expenditure was €19.09 million lower than the estimate provision mainly due to a change in recoupment procedure in respect of the amount of differential rent collected which resulted in a reduction of net rental expenditure under the scheme. Other factors include a higher than expected number of households leaving RAS in 2022, the effects of the introduction of a cap in rental increases (due as part of rental legislation introduced in 2021), and a saving from a provision for an administrative fee, the sanction process for which did not conclude in 2022, all of which contributed to the less than anticipated spend in 2022.

A.6 Housing assistance payment scheme

Estimate provision €584.65 million; outturn €538.961 million

The expenditure was €45.689 million lower than the estimate provision mainly due to rental costs for supporting HAP tenancies being lower than anticipated, largely due to fewer tenancy set-ups in 2022. Claims submitted by the HAP Shared Services Centre for costs associated with additional financial supports to assist homeless households in finding HAP tenancies, were also below what was expected.

A.7 Capital assistance scheme

Estimate provision €96 million; outturn €167.982 million

The subhead includes a supplementary estimate of €72 million of which additional expenditure of €71.982 million was used to deliver 200 units of accommodation over the target of 400 units set for 2022. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €12.73 million.

A.8 Capital loans and subsidy scheme

Estimate provision €54.5 million; outturn €62.728 million

The expenditure was €8.228 million higher than the estimate provision mainly due a reallocation of €8 million of the application of LPT self-funding to the four Dublin local authorities. As in previous years, funding for the scheme is provided through the Exchequer and the LPT. While the cost of the scheme has not increased in 2022, additional vote funding was required from the Exchequer to cover reallocated LPT funding.

A.9 Communal facilities

Estimate provision €500,000; outturn €78,770

Communal facility projects provide additional facilities to complement CAS construction projects. The expenditure was €421,230 lower than the estimate provision due to a lower number of requests for funding for communal facility projects, which are demand led.

A.10 Mortgage to rent

Estimate provision €23 million; outturn €7.602 million

Expenditure was €15.398 million lower than the estimate provision mainly due to a considerable reduction in the number of local authority mortgage to rent cases, which significantly impacted associated spend. Mortgage to rent is a demand led scheme and case completion rates are dependent on the level of borrower engagement that can be achieved by lenders. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €1.05 million. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.11 Capital advance leasing facility

Estimate provision €293.905 million; outturn €207.56 million

The expenditure was €86.345 million lower than the estimate provision due to a number of factors that impeded the delivery of the scheme including; increased energy prices, increasing construction costs, material supply chain disruption, and lack of skilled labour. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €16.02 million. €85 million of this underspend was carried forward to 2023 as deferred surrender.

A.12 Traveller accommodation and support

Estimate provision €24.51 million; outturn €26.92 million

The increase in expenditure of €2.41 million relative to the estimate provision was due to a significant increase in local authority activity in 2022. The additional activity related to an increase in traveller specific group housing, acquisitions and loans for caravans. There was also a high level of claims relating to the refurbishment and provision of halting site bays. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €669,689.

A.13 Accommodation for homeless

Estimate provision €193.85 million; outturn €242.45 million

Emergency accommodation and related services to support those homeless are a critical service provision. The additional expenditure of €48.6 million over the initial provision reflects the unpredictability and the demand led nature of homeless services. In 2022 inflationary pressures, the sharp increases in homeless presentations, as well as the significant increases in the cost of providing unscheduled accommodation and the cold weather response contributed to high levels of expenditure.

A.14 Housing for people with a disability and older people

Estimate provision €2.741 million; outturn €1.19 million

The expenditure was €1.551 million lower than the estimate provision mainly due to claims in respect of the Tenancy Sustainment expenditure being lower than expected. Other factors include funding not drawn down due to project delays and a delay in the introduction of a housing grant scheme for older people to allow them to remain living in their own homes. €1 million of this underspend was carried forward to 2023 as deferred surrender.

A.15 Estate regeneration and refurbishment

Estimate provision €50 million; outturn €37.547 million

The expenditure was €12.453 million lower than the estimate provision mainly due to fewer claims being received than local authorities had initially indicated for 2022. This was due in part to increased energy prices, increasing construction costs and material supply chain disruption. These challenges added to projected timelines for various stages of projects.

A.16 Energy efficiency - retrofitting

Estimate provision €85 million; outturn €64.142 million

The expenditure was €20.858 million lower than the estimate provision mainly due to delays experienced by local authorities due to the continued impact of Covid-19, the setting up of the new ten year programme and managing resources and training.

A.17 Repair and leasing scheme

Estimate provision €12 million; outturn €9.949 million

The expenditure was €2.051 million lower than the estimate provision due to an underspend by vacant homes and repair and leasing schemes capital expenditure being less than expected. €1 million of this underspend was carried forward to 2023 as deferred surrender.

A.19 Mortgage allowance

Estimate provision €500,000; outturn €397,209

The expenditure was €102,791 lower than the estimate provision despite a nominal increase in the number of claims received in 2022. The underspend was due to a combination of applicants receiving lower subsidies as they progress through their five year payment period, and the slowdown in new applications received due to increased property prices and reduced income.

A.20 Affordable housing/shared ownership subsidy

Estimate provision €3 million; outturn €1.457 million

The underspend of €1.543 million relative to the estimate provision was due to a lower than anticipated number of eligible households under the affordable housing and shared ownership schemes, (these schemes are not live to new applicants so only previously approved households can fall in and out of qualifying for the subsidy as the economy turns). As the economy improved in 2022 applicants, who were originally approved under the schemes, fell outside the qualifying income bands for the schemes, leaving expenditure lower than anticipated.

A.21 LIHAF

Estimate provision €32 million; outturn €17.028 million

Local Infrastructure Housing Activation Fund (LIHAF) expenditure was €14.972 million lower than the estimate provision due to project delays as a result of procurement issues and legal challenges in the planning system. One project was delayed as it is to be delivered as part of the BusConnects project. In addition, three projects were cancelled by local authorities during the year. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.22 Pyrite and mica remediation — cash limited

Estimate provision €60 million; outturn €28.753 million

The full €20 million allocated to the Pyrite Remediation Scheme in 2022 was drawn down, but the Defective Concrete Block Scheme expenditure was €31.247 million lower than the estimate provision due to the considerable time lag between grant approval and the drawdown of funding. The main factors affecting drawdown include; remediation options carried out, the type of works (which can vary between 2 and 15 months) and delays by homeowners in starting work after receipt of approval. €31 million of this underspend was carried forward to 2023 as deferred surrender.

A.23 Housing and Sustainable Communities Agency

Estimate provision €11.594 million; outturn €135.294 million

The subhead includes a supplementary estimate of €125 million to establish a Land Acquisition Fund. The fund was established to facilitate the purchase of land on behalf of local authorities, to ensure that the necessary land banks are available to meet delivery targets. €125 million was transferred to the Housing Agency in December 2022 to establish the fund.

A.25 Rental accommodation inspection

Estimate provision €10.13 million; outturn €6.878 million

The expenditure was €3.252 million lower than the estimate provision due to some local authorities not reaching their inspection targets because of staff being redeployed to assess Ukrainian refugee accommodation and difficulties recruiting and retaining staff. The Department's subvention to local authorities, in respect of the enforcement of the Standards for Rented Houses Regulations, is based on the level of inspection activity, which fell considerably during lockdown.

A.26 Approved Housing Bodies Regulatory Authority

Estimate provision €2.484 million; outturn €2.189 million

The expenditure was €295,000 lower than the estimate provision as legal fees and further professional fees were less than expected as no investigations or appeals took place in 2022. Additional underspend arose due to delays in the implementation of the registration process along with unsuccessful recruitment campaigns.

A.28 Cost rental equity loan

Estimate provision €70 million; outturn €50.874 million

The underspend of €19.127 million was mainly due to delays in the delivery of some homes originally projected under the Cost rental equity loan scheme for delivery in 2022, slipping into early 2023. This was mainly due to planning and construction related delays. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.29 Commission on Housing

Estimate provision €716,000; outturn €258,785

The expenditure was €457,215 lower than the estimate provision due to some elements of the Commission's work programme expected to occur before end Q4 2022 now taking place during Q1 and Q2 2023. These include the administration and operational costs of the Commission's activity, the procurement of discrete research to advance the Commission's work programme and the payment of Commission member's fees.

A.30 DPGS/improvements/remedials

Estimate provision €25 million; outturn €18.266 million

The expenditure was €6.734 million lower than the estimate provision due to a reduced number of claims submitted to the Department by local authorities under the Disabled Person Grants Scheme (DPGS).

A.31 First Home Scheme

Estimate provision €44 million; outturn €40 million

The First Home Scheme Ireland DAC drew down €40 million from the Minister in fulfilment of his commitments as part of the joint venture. It is envisaged that the next call on the Minister (and other shareholders) to contribute funds will be in Q1 or Q2 2023. The underspend of €4 million was carried forward to 2023 as deferred surrender.

A.32 Affordable Housing Fund

Estimate provision €60 million; outturn €8.839 million

The underspend of €51.161 million was mainly due to fewer local authorities than anticipated submitting Affordable Housing Fund claims in 2022. The nature of these projects is that the significant portion of expenditure arises when projects are well into construction. Projects in design, planning, tender or early construction phases do not incur expenditure to the same level but will increase significantly as these projects progress through construction. €48 million of this underspend was carried forward to 2023 as deferred surrender.

A.33 CROÍ Cónaithe (Cities) Fund

Estimate provision €50 million; outturn €1.473 million

The underspend of €48.527 million was due to conditions applicable under the new Croí Cónaithe (Cities) scheme introduced in 2022. Under the scheme, a subsidy will be paid out after an apartment is sold, with apartment construction taking two years to complete, no subsidies were paid out in 2022. €45 million of this underspend was carried forward to 2023 as deferred surrender.

A.34 Other services

Estimate provision €5.604 million; outturn €4.64 million

The underspend of €964,142 was due to a number of factors including external project management costs, associated with the delivery of the initial large scale Cost rental projects by local authorities and other project costs, not arising as projected. Separately, the legislation providing for a statutory registration body for builders to be put in place required additional time. It was enacted in July 2022 with the statutory body appointed in January 2023. Substantial expenditure in this area did not therefore arise in 2022.

Programme B Water

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	3,295	6,571	5,754
B.2	Administration – non pay	799	647	596
B.3	Water quality programme	25,252	20,646	21,423
B.4	Rural water programme	62,650	54,520	48,056
B.5	Irish Water			
	<i>Original</i>	1,459,200		
	<i>Supplementary</i>	1,000		
		1,460,200	1,415,040	1,276,059
B.6	Local authorities	13,600	12,771	17,892
B.7	Legacy water environmental issues	8,000	287	165
B.8	Marine environment	3,200	1,688	1,507
B.9	Water Advisory Body	320	47	48
B.10	Other services	34	—	124
		1,577,350	1,512,217	1,371,624

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 €64.133 million lower than originally provided. There was an overspend of €3.124 million which related to administration expenditure and has already been explained. Although Programme B shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €67.257 million, was mainly due to the following.

B.3 Water quality programme

Estimate provision €25.252 million; outturn €20.646 million

The expenditure was €4.606 million lower than the estimate provision due to the delay in the finalisation of the river basin management plan which resulted in delays in the start of various work programmes, events and activities. Also funding in regard to the EU INTERREG V (environmental measures) programme is multiannual, with the amount required in any given year being dependent on the amount drawn down in the previous year. In 2022 the drawdown by projects was slower than projected. €1.8 million of this underspend was carried forward to 2023 as deferred surrender.

B.4 Rural water programme

Estimate provision €62.65 million; outturn €54.52 million

The expenditure was €8.13 million lower than the estimate provision due mainly to €5 million for the new Waste Water Collection and Treatment Needs for Villages and Settlements without access to Public Waste Water Services not being spent due to the application for funding process being ongoing. In addition, planning and completion of projects were delayed due to previous Covid-19 restrictions along with reduced availability of local authority staff resources. €4 million of this underspend was carried forward to 2023 as deferred surrender.

B.6 Local authorities

Estimate provision €13.6 million; outturn €12.771 million

The expenditure was €828,965 lower than the estimate provision mainly due to a lower than anticipated recoupment of expenditure by local authorities on the operation of the Water Services Transition Office. In addition, expenditure on the transfer of water services' asset to Uisce Éireann^a was less than expected along with lower than anticipated recoupment of legacy water services loans held by local authorities.

B.7 Legacy water environmental issues

Estimate provision €8 million; outturn €286,527

The expenditure was €7.713 million lower than the estimate provision mainly due to an underspend on developer provided infrastructure projects, as a result of the time required for the projects to reach completion.

B.8 Marine environment

Estimate provision €3.2 million; outturn €1.688 million

The expenditure was €1.512 million lower than the estimate provision due to a reduced funding drawdown by external agencies because of a delay in commencing some elements of support work.

B.9 Water Advisory Body

Estimate provision €320,000; outturn €46,675

The expenditure was €273,325 lower than the estimate provision as the work of the Water Advisory Board (WAB) is demand led and difficult to predict. In December 2022 the Water Services (Amendment) Act gave rise to the dissolution of the WAB, as a result PR research and a planned survey could not proceed. In addition, due to Covid-19 restrictions, several WAB meetings were held online in 2022 and so lower meeting costs have been incurred and less travel and subsistence has been paid.

Note ^a Irish Water is known as Uisce Éireann with effect from 31 December 2022.

Programme C Local Government

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay		9,663	10,315
C.2	Administration – non pay		2,345	1,471
C.3	Local Government Fund			
	<i>Original</i>	224,800		
	<i>Supplementary</i>	156,401		
			381,201	387,501
C.4	Fire and emergency services		19,315	23,716
C.5	Franchise		4,694	2,084
C.6	Valuation Tribunal		2,137	1,148
C.7	Other services		5,841	1,323
			425,196	427,558
				720,217

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 €158.763 million higher than originally provided. There was an underspend of €221,875, which related to administration expenditure and has already been explained. Although Programme C shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an overspend of €158.985 million, was mainly due to the following.

C.3 Local Government Fund

Estimate provision €224.8 million; outturn €387.501 million

The increase in expenditure of €162.701 million was mainly due to the need for additional supports in a number of areas within the sector and include funding towards Covid-19 Rates Waiver Q1, Supplementary Support for local authorities for rising energy costs, impact of 2022 pay agreements on local authorities and Global Appeals Refund.

C.4 Fire and emergency services

Estimate provision €19.315 million; outturn €23.716 million

Expenditure was €4.401 million above the estimate provision due mainly to the easing of Covid-19 restrictions and the knock on effect which saw the recommencement of several fire service infrastructure construction projects (station builds/ refurbishments). In some instances, supply chain issues that had affected the purchase of essential specialist fire appliances and equipment also eased more quickly than anticipated and during the year additional opportunities for the purchase of specialist equipment and vehicles became apparent to local authorities.

C.5 Franchise

Estimate provision €4.694 million; outturn €2.084 million

The expenditure was €2.61 million lower than the estimate provision largely due to delays in the procurement process for the Voter.ie project to upgrade it to a national system; slower than anticipated progress on data quality work for the electoral registration modernisation project; and An Coimisiún Toghcháin being established in early 2023 rather than 2022.

C.6 Valuation Tribunal

Estimate provision €2.137 million; outturn €1.148 million

The expenditure was €989,033 lower than the estimate provision due to a number of factors which include hearings being held remotely by the Tribunal since the Covid-19 emergence, the upgrade of the Valuation Tribunal database being delayed, and a delay in increasing staff complement.

C.7 Other services

Estimate provision €5.841 million; outturn €1.323 million

The expenditure was €4.518 million lower than the estimate provision mainly due to the election of the Mayor of Limerick not taking place as predicted in 2022. In addition €426,000 of expenditure was not required to be recouped in regard to malicious injuries, which is demand led and difficult to predict.

Programme D Planning

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	7,468	5,522	4,097
D.2	Administration – non pay	1,813	1,099	767
D.3	An Bord Pleanála	22,166	22,166	17,127
D.4	Planning Tribunal	1,650	1,364	657
D.5	Office of the Planning Regulator	3,760	3,588	2,992
D.6	Planning policy	2,320	603	715
D.7	National, regional and urban planning	1,185	2,011	163
D.8	My plan	285	263	152
D.9	Urban renewal/regeneration			
	Original	134,010		
	Deferred surrender	25,000		
	Supplementary	(105,000)		
		54,010	45,156	40,898
D.10	Development contribution rebate scheme	1	—	—
D.11	Ordnance Survey Ireland	19,578	19,578	18,625
D.12	Land Development Agency	7,100	534	16,600
D.13	Foreshore	4,100	687	765
D.14	Marine spatial planning	1,800	733	783
D.15	Environmental planning policy	350	123	36
D.16	Maritime area regulatory authority	2,000	471	—
D.17	Other services			
	Original	15,610		
	Supplementary	(12,400)		
		3,210	2,813	5,477
		132,796	106,711	109,854

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €143.485 million lower than originally provided. There was an underspend of €2.66 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €140.825 million, was mainly due to the following.

D.4 Planning Tribunal

Estimate provision €1.65 million; outturn €1.364 million

The expenditure was €286,299 lower than the estimate provision as it is dependent on the submission of third party claims that are difficult to predict.

D.6 Planning policy

Estimate provision €2.32 million; outturn €603,206

The expenditure of €1.717 million was lower than anticipated mainly due to a €1 million over estimation. In addition, there was an underspend of €717,000 due to slower than expected invoicing for ePlanning and lower than anticipated activity on renewable policy measures. The over estimation will be rectified during the 2023 estimate process.

D.7 National regional and urban planning

Estimate provision €1.185 million; outturn €2.011 million

The expenditure of €825,821 higher than anticipated mainly due to an under estimation. The under estimation will be rectified during the 2023 estimate process.

D.9 Urban renewal/regeneration

Estimate provision €159.101 million; outturn €45.156 million

The subhead includes deferred surrender of €25 million carried forward from 2021. The expenditure was €113.945 million lower than the estimate provision due to slower progress on large scale projects, approved under call 1. Expenditure in 2022 was mainly in respect to smaller scale regional call 1 projects. Projects under call 2 remained at the early stages of development. €105 million of this underspend was transferred to other programmes via supplementary estimate.

D.12 Land Development Agency

Estimate provision €7.1 million; outturn €534,691

The expenditure was €6.565 million lower than the estimate provision. Exchequer funding for the Land Development Agency (LDA) covers specific non-economic functions detailed under S.29 of the LDA Act. The capital expenditure incurred in 2022 for non-economic functions was lower than expected. €5 million of this underspend was carried forward to 2023 as deferred surrender.

D.13 Foreshore

Estimate provision €4.1 million; outturn €687,333

The expenditure was €3.413 million lower than the estimate provision due to a number of factors including spend on legal fees and valuations being less than estimated and anticipated legal case settlements not materialising during the year. In addition, the provision included contingency to cover unexpected events on the foreshore requiring urgent attention. Such events did not arise.

D.14 Marine spatial planning

Estimate provision €1.8 million; outturn €732,888

The expenditure was €1.067 million lower than the estimate provision due to delays in further development of Marineplan.ie and the marine planning policy statement. In addition a pilot DMAP project expected to be carried out on seagrass is no longer going ahead as seagrass will now be protected under the Marine Protected Areas legislation when enacted.

D.15 Environmental planning policy

Estimate provision €350,000; outturn €123,299

The expenditure was €226,701 lower than the estimate provision due to Covid-19 related delays impacting on delivery.

D.16 Maritime area regulatory authority

Estimate provision €2 million; outturn €471,601

The expenditure was €1.529 million lower than the estimate provision due to delays in finalising the lease, fit out and purchase of equipment for MARA's new premises.

D.17 Other services

Estimate provision €15.61 million; outturn €2.813 million

The expenditure was €12.797 million lower than the estimate provision mainly due to delays incurred on the Cork Events Centre project. €12.4 million of this underspend was transferred to other programmes via supplementary estimate.

Programme E Met Éireann

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	15,081	14,871	13,816
E.2	Administration – non pay	17,620	12,074	11,145
E.3	Subs to international meteorological organisations	8,200	8,167	7,729
E.4	Flood forecasting and warning service	2,260	1,006	969
		43,161	36,118	33,659

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €7.043 million lower than originally provided. There was an underspend of €5.756 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.287 million, was mainly due to the following.

E.4 Flood forecasting and warning service

Estimate provision €2.26 million; outturn €1.006 million

The expenditure was €1.254 million lower than the estimate provision due to delays in the progression of projects including flood forecasting database, coastal model review, tide gauge and limited success in recruiting new hydrometeorologists.

Programme F Heritage

			2022	2021
			Estimate provision	Outturn
			€000	€000
F.1	Administration – pay	36,969	32,414	28,836
F.2	Administration – non pay	8,978	6,008	5,470
F.3	Heritage Council (part funded by the National Lottery)	12,061	11,445	9,651
F.4	Built heritage	16,670	15,711	10,396
F.5	National heritage (National Parks and Wildlife Service)	30,112	31,523	25,794
F.6	Irish Heritage Trust	2,100	2,500	2,150
F.7	Built heritage investment scheme	4,000	3,739	2,906
F.8	Peatlands restoration, conservation and management			
	<i>Estimate provision</i>	10,280		
	<i>Deferred surrender</i>	3,500		
		13,780	9,094	9,874
F.9	Waterways Ireland	44,082	44,952	29,918
F.10	Strategic built heritage projects	7,350	2,917	—
F.11	Climate adaptation	200	119	—
F.12	Narrow Water bridge	3,000	2,899	—
F.13	Other service	10	27	—
		179,312	163,348	124,995

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme F was €15.964 million lower than originally provided. There was an underspend of €7.525 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €8.439 million, was mainly due to the following.

F.3 Heritage Council (part funded by National Lottery)

Estimate provision €12.061 million; outturn €11.445 million

The expenditure was €616,334 lower than the estimate provision due to some capital projects under Historic Towns Initiative not proceeding to profile.

F.4 Built heritage

Estimate provision €16.67 million; outturn €15.711 million

The expenditure was €958,722 lower than the estimate provision mainly due to some projects progressing slower than anticipated.

F.6 Irish Heritage Trust

Estimate provision €2.1 million; outturn €2.5 million

The expenditure was €400,000 higher than the estimate provision mainly due to the Irish Heritage Trust being granted an additional €400,000 in capital funding for the second phase of an urgent re-render project at Fota House, an Irish Heritage Trust property in Cork.

F.7 Built heritage investment scheme

Estimate provision €4 million; outturn €3.739 million

The expenditure of €261,143 was lower than the estimate provision due to a number of factors, in main project delays owing to the supply of traditional craft skills.

F.8 Peatlands restoration, conservation and management

Estimate provision €13.78 million; outturn €9.094 million

The subhead includes deferred surrender of €3.5 million carried forward from 2021. The expenditure of €4.686 million was lower than the estimate provision due to lower than anticipated level of expenditure on the raised bog designated peatlands restoration and rehabilitation programme and a delay in a complex site acquisition. €4.2 million of this underspend was carried forward to 2023 as deferred surrender.

F.10 Strategic built heritage projects

Estimate provision €7.35 million; outturn €2.917 million

The expenditure of €4.434 million was lower than the estimate provision mainly due to capital works at Moore Street not proceeding in 2022, as originally profiled.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated €000	Realised €000	Realised €000
1	Fees payable by local authorities, etc., for audit of their accounts	1,956	2,120	2,168
2	Receipts from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation) Act, 2005)	741	741	741
3	Met Éireann receipts	12,000	9,723	10,596
4	Miscellaneous receipts	755	1,295	652
5	Foreshore receipts	2,400	7,682	2,300
6	OSI	430	398	395
7	Receipts from additional superannuation contributions on public service remuneration	35,978	43,368	40,516
8	ERDF receipts INTERREG V environment measures	2,500	2,157	5,502
9	Dormant Accounts Fund – Housing First Implementation	3,000	3,000	3,000
10	ERDF receipts – INTERREG Atlantic Area Programme	120	67	—
11	ERDF receipts – RAGES Project	14	—	—
12	Services and charges at national parks and wildlife sites	465	400	161
13	Rents (incl receipts from lettings of fishing rights etc.)	90	78	45
14	Valuation Tribunal appeal fees	100	61	—
15	Dormant Account Fund - traveller accommodation	540	288	—
Total		61,089	71,378	66,076

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriation-in-aid were €10.289 million greater than the estimate. Explanations for the variances are set out below.

1 Fees payable by local authorities, etc., for audit of their accounts

Estimate provision €1.956 million; realised: €2.12 million

The increase of €163,543 was because demands for audit fees are issued on an ongoing basis as audits are completed and income was higher than expected in 2022.

3 Met Éireann receipts

Estimate provision €12 million; realised: €9.723 million

The shortfall of €2.277 million was mainly due to an over estimation of receipts.

4 Miscellaneous receipts

Estimate provision €755,000; realised: €1.295 million

The increase of €539,661 was because miscellaneous receipts are difficult to predict reliably.

5 Foreshore receipts

Estimate provision €2.4 million realised €7.682 million

The increase of €5.282 million was due to an increased number of licences granted for cables in 2022 and where licence holders opted for up-front payments instead of annual rental payments.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate provision €35.978 million; realised €43.368 million

The increase of €7.39 million was mainly attributable to an increased level of recruitment and remuneration in the local authority sector along with some 2021 superannuation contributions being received in 2022.

8 ERDF receipts INTERREG V environment measures

Estimate provision €2.5 million; realised €2.157 million

The shortfall of €343,101 relates directly to drawdown in B.3.4, this can vary based on how much is drawn down in any one year.

15 Dormant Account Fund - traveller accommodation

Estimate provision €540,000; realised €288,072

The shortfall of €251,928 was due to some local authorities being unable to complete their approved Dormant Account projects before year end.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	80	503
Residential Tenancies Board pension contributions	121	193
Refunds	—	61
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	310	10
Voluntary surrender of pay	53	53
Transferred to the Exchequer	(564)	(820)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	1,560	1,366
Ordnance Survey Ireland	213	213
Local Government Management Agency	107	102
An Bord Pleanála	197	180
Residential Tenancies Board	90	89
Housing and Sustainable Communities Agency	133	118
Housing Finance Agency	19	15
Office of the Planning Regulator	28	24
Land Development Agency	70	54
The Heritage Council	25	19
Approved Housing Bodies Regulatory Authority	19	18
Waterways Ireland	340	344
Total	2,801	2,542

5.2 Pay – Department

	2022	2021
	€000	€000
Pay	83,832	71,534
Higher, special or additional duties allowances	481	474
Other allowances	1,831	1,755
Overtime	1,150	1,075
Employer's PRSI	7,562	6,259
Total pay	94,856	81,097

5.2 Pay – Agencies

	2022	2021
	€000	€000
Pay	68,282	59,831
Higher, special or additional duties allowances	86	90
Other allowances	1,699	994
Overtime	1,104	1,008
Employer's PRSI	6,395	5,589
Total pay	77,566	67,512

5.3 Allowances and overtime payments – Department ^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	217	11	40,482	22,002
Other allowances	192	84	36,350	33,745
Overtime	263	24	36,994	32,613
Extra remuneration in more than one category	208	76	45,859	40,805

Note ^a The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to F.

5.3 Allowances and overtime payments – agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	24	—	8,000	17,960
Other allowances	269	40	18,496	15,680
Overtime	254	32	27,000	23,614
Extra remuneration in more than one category	213	88	38,279	13,276

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	946	788
60,000	69,999	111	123
70,000	79,999	167	165
80,000	89,999	122	80
90,000	99,999	54	53
100,000	109,999	50	42
110,000	119,999	24	10
120,000	129,999	8	4
130,000	139,999	4	—
140,000	149,999	1	1
150,000	159,999	—	6
160,000	169,999	6	3
170,000	179,999	1	—
180,000	199,999	—	—
200,000	209,999	1	—
210,000	219,999	—	1
220,000	229,999	1	—

5.5 Other remuneration arrangements

Twenty retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €68,805. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €148,764 in respect of three officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	52	124,139	133,688
Recovery plans in place	8	12,034	30,628

Five individuals with overpayments to the value of €4,503 transferred into the Department during the year.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	224	214
	224	214

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the 2013 Single Public Service Pension Scheme and his entitlements in that regard do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Tribunal of inquiry into certain planning matters and payments ^a	1997	142,665	1,364	658
Fixed purpose commissions				
Housing Commission ^b	2021	259	259	—
		142,924	1,623	658

Note ^a There will be further payments associated with the Tribunal. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. On the basis of a Tribunal estimate and expenditure to the end of 2022, additional costs of some €3 million may arise, primarily relating to third party legal representation.

^b In line with commitments in the Programme for Government and Housing for All: A New Housing Plan for Ireland, the Housing Commission was established by Government in December 2021 to independently examine and review the housing system in Ireland. The Commission's terms of reference cover a wide range of issues connected to housing, one of which is to consider the complex constitutional issues arising in this area and to propose appropriate wording for a referendum on housing. The Commission is scheduled to conclude its work by end of quarter three 2023.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year ^{a, b}					
	Claims by			Total	Total
	employees	members of the public	EU fines	2022	2021
Number of cases	1	12	1	14	25
	€000	€000	€000	€000	€000
Department's own legal costs	27	214	—	241	—
EU fines ^c	—	—	2,760	2,760	5,476
Payments by/on behalf of Department					
Compensation	—	9	—	9	88
Legal costs	—	—	—	—	615
Other legal costs	—	8	—	8	13
Total	27	231	2,760	3,018	6,192
2021 Total	13	703	5,476	6,192	8,606

Notes ^a At 31st December 2022, the following claims are outstanding

- Personal injury: 28 (2021: 4)
- Other claims: 5 (2021: 1)
- EU fines: 0 (2021: 1)

^b At 31 December 2022, the Department has included in other creditors due, €502,122 being the total outstanding legal costs due to the State Claims Agency.

^c EU Fines Derrybrien Windfarm:

In 2022 the Department paid €2.76 million in fines to the Court of Justice of the Europe Union in relation to the judgement in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm). The judgement required a retrospective environmental impact assessment to be carried out with respect to prior development consents granted for the windfarm. An Bord Pleanála refused the application on Friday 4 February 2022 and the ESB subsequently decided to decommission the wind farm. Correspondence from the Commission received 1 February 2023, indicates that Ireland has now met the terms of the judgement and daily fines being applied against the State will cease. The final instalment of €1.245 million for daily fines covering the period 13 November 2021 and 4 February 2022 was paid to the European Commission on 8 March 2023. This brings the total amount paid to €17,226,000.

Cumulative costs of cases completed in 2022

	Claims by		EU fines	Total
	employees	members of the public		
Number of cases	1	8	1	10
	€000	€000	€000	€000
Department's own legal costs	32	429	—	461
EU fines	—	—	17,226	17,226
Payments by/on behalf of Department				
Compensation	—	—	—	—
Legal costs	—	3	—	3
Other legal costs	—	—	—	—
Total	32	432	17,226	17,690

6.3 Late payment interest

	2022	2021
	€	€
Total of interest and compensation payments	10,149	10,384

6.4 National Lottery funding

		2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
A.9	Communal facilities	500	78	122
A.18	Private housing grants	6,209	6,209	6,121
F.3	Heritage Council	12,061	11,445	9,651
		18,770	17,732	15,894

These payments are part funded by the National Lottery and details are available on the Department's website:

<https://www.gov.ie/en/collection/129d3-national-lottery-funding/>

6.5 EU funding

The outturn shown in Subhead B.3 and B.8 includes payments in respect of activities which are co-financed by the European Regional Development Fund. Estimates of expenditure and actual outturns were as follows.

		2022 Estimate €000	2022 Outturn €000	2021 Outturn €000
Subhead description				
B.3	Water quality programme	3,263	2,176	3,972
B.8	Marine environment	75	30	—

6.6 Fraud and suspected fraud

The Department is aware of an alleged fraud involving a local authority relating to payments for the provision of water services. This case is under investigation by An Garda Síochána and the Department awaits the outcome of the investigation.

6.7 Deferred surrender

Deferred surrender comprises of savings in 2022 of €340 million in capital expenditures in the following subheads that were carried over to 2023.

		€000
A.3	Local authority housing	60,000
A.10	Mortgage to rent	10,000
A.11	Capital advance leasing facility	85,000
A.14	Housing for people with a disability and older people	1,000
A.17	Repair and leasing scheme	1,000
A.21	LIHAF	10,000
A.22	Pyrite & mica remediation – cash limited	31,000
A.28	Cost rental equity loan	10,000
A.31	First home scheme	4,000
A.32	Affordable Housing Fund	48,000
A.33	Croí Cónaithe (Cities) Fund	45,000
B.3	Water quality programme	1,800
B.4	Rural water programme	4,000
B.5	Irish Water	20,000
D.12	Land Development Agency	5,000
F.8	Peatlands restoration, conservation and management	4,200
		340,000

6.8 Land Development Agency

As provided for in Section 25(2)(b) of the Land Development Agency (LDA) Act 2021, on establishment of the Land Development Agency DAC the Minister for Public Expenditure, National Development Plan Delivery and Reform was allotted shares in the Land Development Agency with a nominal value of €99 million, and the Minister for Housing, Local Government and Heritage was allotted shares with nominal value of €1 million.

In March 2022, the Minister for Finance directed the NTMA to transfer €100 million out of the assets of the Irish Strategic Investment Fund (ISIF) to the LDA for the purpose of discharging the Ministers' respective liabilities arising as a result of their subscription for shares.

6.9 First Home Scheme Ireland DAC

The First Home Scheme is administered by the First Home Scheme Ireland Designated Activity Company (DAC), which was incorporated by the Department in December 2021 and transformed in July 2022 into a joint venture between the Minister and the participating mortgage lenders (initially AIB, Bank of Ireland, and Permanent TSB). The Company's shareholders are the Governor and Company of the Bank of Ireland (1 share), Allied Irish Banks plc (1 share), Permanent TSB plc (1 share) and the Department for Housing, Local Government and Heritage (1 share).

The overall funding for the Scheme, both for the deployment of capital through the equity share model and also for the establishment and initial operating costs of the DAC, is €400 million over a planned four-year delivery period from the launch in mid-2022. This committed funding comprises €200 million from the Department and €200 million collectively from the participating mortgage lenders, meaning a 50:50 division between the State and the private sector. The Department transferred €40 million into the DAC in 2022.

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2022	2021
	€000	€000
Opening balance	6,683	8,385
Receipts	—	—
Expenditure for the year	(5,255)	(1,702)
	1,428	6,683

The Urban Development Fund is a European Regional Development Fund (ERDF) programme to support integrated regeneration initiatives in designated urban centres. The scheme is operated by regional assemblies who are managing authorities responsible for verifying eligible expenditure on approved projects. The Department makes funds available (on instruction by the managing authority and subject to the managing authority's verification) to reimburse local authorities on a matching funding basis. Applications for eligibility under the Fund were adjudicated on in December 2015 with the programme running for the period to the end of 2020. Payments under the programme will continue into the first half of 2024. The balance in the Fund reflects pre-financing made available from the ERDF pending receipt of verified claims in respect of projects concerned.

7.2 Housing Agency Revolving Acquisitions Fund

	2022	2021
	€000	€000
Opening balance	68,070	68,460
Non-recoverable costs ^a	(319)	(413)
Rental income	3	23
Closing balance at 31 December	67,754	68,070

Note ^a Certain costs incurred by the Housing Agency (HA) such as legal and professional fees and other housing acquisition costs are non-recoverable and therefore reduce the overall balance of the Fund. The non-recoverable costs figure for 2022 above is made up of €263,939 of non-recoverable costs plus a reversal of a 2021 bad debt provision of €55,890.

The Housing Agency Acquisitions (HAA) Fund is a revolving fund that was established with effect from 1 January 2017 with the objective of acquiring vacant properties from banks, investors and from the open market (primarily for Housing First properties) in areas with high levels of social housing demand over the period to 2021. The Agency sold the houses, at cost, to approved housing bodies in order to replenish the Fund. On completion of the programme, the Agency will refund the Department any closing balance of the Fund.

Under the commitment in Housing for All, a review of the HAA fund was completed in 2022. This review investigated the challenges faced by the fund, the most significant of which was the reduced availability of suitable units from banks and equity funds. This was primarily due to the sale of non-performing loans to non-banking entities and changes in how non-performing loans were being dealt with. The review also explored opportunities that centred on potentially repurposing the fund to support other initiatives within Housing for All, particularly for social housing applicants experiencing homelessness. The Department is currently engaging with the Department of Public Expenditure, National Development Plan Delivery and Reform discussing possible re-purposing proposals for the fund.

7.3 Land Acquisition Fund

	2022	2021
	€000	€000
Opening balance	—	—
Transfer to fund	125,000	—
Expenditure for the year	—	—
Closing balance at 31 December	125,000	—

The Land Acquisition Fund was established in December 2022. A review of land available to local authorities completed in 2022, highlighted a shortage of land available to meet Housing for All social housing build targets. The fund was established to facilitate the purchasing of land on behalf of local authorities, to ensure that the necessary land banks are available to meet delivery targets. The management of the fund is overseen by the Department of Housing, Local Government and Heritage and the Housing Agency is responsible for the day-to-day operation of the fund, including financial management, the acquisition process and onward transfer of the land acquired to local authorities. An allocation of €125 million was made to the Housing Agency in December 2022 to establish the fund.

Appendix A Accounts of bodies and funds under the aegis of the Department of Housing, Local Government and Heritage

The following table lists the bodies and funds under the aegis of the Department in 2022 and where the Department has an obligation to present financial statements. It indicates, as at end March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Bord Pleanála	2021	22 Dec 2022	6 Mar 2023	23 Mar 2023
Eiría and Gas Networks Ireland	2021	30 Mar 2022	29 Apr 2022	27 Jul 2022
Housing Finance Agency	2021	31 Mar 2022	27 Apr 2022	26 Jul 2022
Housing and Sustainable Communities Agency ^a	2021	25 Nov 2022	10 Jan 2023	25 Jan 2023
Irish Water	2021	30 Mar 2022	07 Jun 2022	13 Jul 2022
Local Government Fund	2021	31 Jul 2022	31 Jul 2022	7 Sep 2022
Local Government Management Agency	2021	25 May 2022	11 Nov 2022	17 Jan 2023
Residential Tenancies Board	2021	28 Jun 2022	30 Jun 2022	16 Nov 2022
Ordnance Survey Ireland	2021	14 Dec 2022	22 Feb 2023	10 Mar 2023
Office of Planning Regulator	2021	19 May 2022	30 May 2022	18 Jul 2022
Land Development Agency ^b	2021/2022	31 Aug 2022	5 Sep 2022	—
The Heritage Council	2021	27 Jun 2022	4 Jul 2022	31 Jan 2023
Waterways Ireland ^c	2020	14 Dec 2021	12 Apr 2022	2 Aug 2022
Approved Housing Bodies Regulatory Authority ^d	2021	29 Jul 2022	5 Aug 2022	11 Oct 2022

Note ^a Includes Pyrite Resolution Board

^b Accounting period from 1 January 2021 to 31 March 2022 (15 months)

^c Waterways Ireland is a cross border entity and is therefore subject to joint audit by the Comptroller and Auditor General and the Northern Ireland Comptroller and Auditor General. The accounts are required to be simultaneously presented to the Oireachtas and Northern Ireland Assembly. This has an impact on the audit timelines.

^d Accounting period from 1 February to 31 December 2021 (11 months)

Appropriation Account 2022

Vote 35

Army Pensions

Introduction

As Accounting Officer for Vote 35, 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 2022 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.685 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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 pension payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for 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, with an independent Chair, 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.

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 internal audit unit operates independently and its work is informed by analysis of the financial risks to which the Department, including the Army Pensions Vote, 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

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.

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 monthly 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 2022 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Army Pensions

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 35 Army Pensions

Opinion on the appropriation account

I have audited the appropriation account for Vote 35 Army Pensions for the year ended 31 December 2022 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 35 Army Pensions for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Defence 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

30 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 35 Army Pensions

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision for Defence Forces' pension benefits			
	<i>Original</i>	270,650		
	<i>Supplementary</i>	<u>9,287</u>		
		279,937	278,353	259,903
Gross expenditure				
	<i>Original</i>	270,650		
	<i>Supplementary</i>	<u>9,287</u>		
		279,937	278,353	259,903
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	5,000		
	<i>Supplementary</i>	<u>(37)</u>		
		4,963	5,064	4,983
Net expenditure				
	<i>Original</i>	265,650		
	<i>Supplementary</i>	<u>9,324</u>		
		274,974	273,289	254,920

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	<u>1,684,953</u>	<u>2,729,751</u>

Jacqui McCrum
Accounting Officer
Army Pensions

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022 €000	2021 €000
Programme cost	278,276	259,835
Pay	70	64
Non pay	7	4
Gross expenditure	278,353	259,903
<i>Deduct</i>		
Appropriations-in-aid	5,064	4,983
Net expenditure	273,289	254,920
 Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,888	2,875
Net programme cost	276,177	257,795

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 35 borne elsewhere, in respect of the administration of pension benefits and other services.

	2022 €000	2021 €000
Vote 18 National Shared Services Office	1,077	1,121
Vote 36 Defence	1,787	1,728
Vote 43 Office of the Government Chief Information Officer	24	26
	2,888	2,875

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Current assets			
Bank and cash		188	2,819
Other debit balances		1	1
Total current assets		189	2,820
Less current liabilities			
Other credit balances	2.1	102	2,499
Net Exchequer funding	2.2	87	321
Total current liabilities		189	2,820
Net current assets		—	—
Net assets		—	—
Represented by:			
State funding account	2.3	—	—

2.1 Other credit balances

at 31 December	2022 €000	2021 €000
Amounts due to the State		
Income tax	12	2,054
Universal social charge	(1)	327
Local property tax	—	61
Professional services withholding tax	1	1
	12	2,443
 Pension payments held in suspense	 90	 56
	102	2,499

2.2 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,685	2,730
Exchequer grant undrawn	(1,598)	(2,409)
Net Exchequer funding	87	321
Represented by:		
Debtors		
Bank and cash	188	2,819
Debit balances: suspense	1	1
	189	2,820
Creditors		
Due to the State	(12)	(2,443)
Credit balances: suspense	(90)	(56)
	(102)	(2,499)
	87	321

2.3 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		—	—
Disbursements from the Vote			
Estimate provision	Account	274,974	
Surplus to be surrendered	Account	(1,685)	
Net vote		273,289	254,920
Expenditure (cash) borne elsewhere	1.1	2,888	2,875
Net programme cost	1	(276,177)	(257,795)
Balance at 31 December		—	—

Note 3 Vote Expenditure

Programme A Provision for Defence Forces' pensions benefits

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay		72	77
A.2	Defence Forces (pensions) schemes and payments in respect of transferred service			68
	<i>Original</i>	261,123		
	<i>Supplementary</i>	9,271		
			270,394	268,705
A.3	Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces			251,230
	<i>Original</i>	9,000		
	<i>Supplementary</i>	224		
			9,224	9,335
A.4	Payments to spouses of veterans of the War of Independence			8,290
	<i>Original</i>	120		
	<i>Supplementary</i>	(33)		
			87	84
A.5	Compensation payments			104
	<i>Original</i>	225		
	<i>Supplementary</i>	(150)		
			75	75
A.6	Medical appliances and travelling and incidental expenses			73
	<i>Original</i>	110		
	<i>Supplementary</i>	(25)		
			85	77
			279,937	278,353
				259,903

Significant variations

Overall, gross expenditure in relation to the programme was €7.703 million higher than the original estimate. A supplementary estimate was required to meet additional requirements in respect of gratuities and pensions, primarily arising from the Building Momentum Extension, on subheads A.2 and A.3, partly offset by anticipated savings arising on subheads A.4, A.5 and A.6. The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.5 Compensation payments

Estimate provision: €225,000; outturn €75,000

The main 'contingency' element of this subhead provides for payment of special lump sum compensation by the Department of Defence for service-related deaths or disablement of members of the Defence Forces while serving overseas with the UN and certain other missions. There were no such payments made in this category during 2022.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 Contributions to Defence Forces spouses' and children's pension schemes	<div> <div>Original</div> <div>3,347</div> <div>Supplementary</div> <div>(37)</div> </div>		
	3,310	3,167	3,169
2 Contributions to Defence Forces contributory (main) pensions schemes	1,500	1,834	1,762
3 Recoveries of overpayments	40	50	48
4 Payments re transferred service	40	1	—
5 Miscellaneous	70	10	2
6 Receipts from additional superannuation contributions on public service remuneration	3	2	2
Total	4,963	5,064	4,983

Significant variations

Overall, appropriations-in-aid were €64,000 more than the original estimate. The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

1 Contributions to Defence Forces spouses' and children's pension schemes

Estimate provision: €3.347 million; realised €3.167 million

Contributions to the spouses' and children's pension schemes will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

2 Contributions to Defence Forces contributory (main) pensions schemes

Estimate €1.5 million; realised €1.834 million

Part of the surplus of €334,000 was due to additional contributions arising from arrears payments made to serving staff under the extended Building Momentum Agreement. Contributions will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Number of staff	<u>1</u>	<u>1</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	68	62
Employer's PRSI	<u>2</u>	<u>2</u>
Total pay ^a	<u>70</u>	<u>64</u>

Note ^a The pay figure above includes the salary of one full time Department of Defence staff member (see Note 5.1) who provides administrative support to the Army Pensions Board, and fees paid to two members of the Board in 2022. These pay costs and associated travel costs of €7,000 are charged to the A.1 subhead.

Currently there are 23.7 employees (FTEs) of the Department of Defence engaged solely in the administration of Defence Forces superannuation and disability arrangements. Their remuneration, which amounts to some €1,197,577 is charged to Vote 36.

5.3 Retirement pension (annual) – average payments to retired Defence Force personnel ^a

Category of pensioner	Number of pension recipients at year-end		Average individual payment (rounded)	
	2022	2021	2022	2021
			€	€
Retired officers	1,856	1,854	33,675	32,580
Retired NCOs and privates	9,422	9,202	18,316	17,700
Dependants and other ^b	1,835	1,834		
Total	13,113	12,890		

Notes ^a Table 5.3 shows the total headcount for all categories of recipients from all relevant subheads as at year-end within Vote 35. Some retired personnel are in receipt of both a military retirement pension and a military disability pension, and similar payments are also payable to some spouses/children of deceased personnel; such dual recipients are counted only once for headcount purposes above. The average individual pension payment recorded for retired personnel is calculated by reference to total expenditure on retirement pensions as at year-end under subhead A.2.

^b The average individual payment has not been recorded above under 'dependants and other' as the amounts vary due to the different categories of recipients within this sub-group. The overall average dependants' superannuation-related pension for 1,431 recipients in 2022 was €9,858 broadly the same as in 2021.

5.4 Retirement gratuity (lump sum) – average payments where retiring on pension ^a

Category of pensioner	Number of recipients		Average individual payment (rounded)	
	2022	2021	2022	2021
			€	€
New retirees on pension during the year				
Officers	29	20	104,299	122,752
NCOs and privates	378	278	40,964	41,976
Total	407	298		

Note ^a The level of pension and retirement gratuity varies with retiring rank, pensionable earnings, overall reckonable service etc.

5.5 Salary of Accounting Officer

The Accounting Officer's salary is charged to Vote 36 Defence.

Note 6 Miscellaneous

6.1 Payments in excess of entitlements

There were 85 overpayments outstanding at year end (2021: 91), amounting to €75,720 of which €38,732 relates to previous years. Overpayments of €103,128 came to light in 2022 of which €64,614 was recovered and €1,526 written off. Efforts are ongoing to recover outstanding amounts. The vast majority of these overpayments relate to the portion of pension paid in the period after the date of a pensioner's death, when the monthly payroll had already been processed for that month.

	2022		2021
	€	€	€
Opening balance		83,659	64,686
Overpayments identified in year		103,128	129,869
		<u>186,787</u>	<u>194,555</u>
Recouped			
Overpayments identified 2022	64,614		
Overpayments identified pre-2022	38,440	103,054	102,452
		<u>83,733</u>	<u>92,103</u>
Written off			
Overpayments identified 2022	1,526		
Overpayments identified pre-2022	6,487	8,013	8,444
Closing balance		<u>75,720</u>	<u>83,659</u>

6.2 Payments subject to public service pension abatement

Separately from the figures at 6.1 above, there were 21 other overpayments outstanding at year-end amounting to €47,612 (see table below). These were in respect of former members of the Permanent Defence Force in receipt of military retirement pensions, who had subsequently taken up employment elsewhere in the public service. Such pensions are subject to the abatement provisions of Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The pension overpayments arose primarily due to delays on the part of the relevant public service employer in notifying the Department of Defence of the pensioner's re-employment. Overpayments of €3,672 came to light in 2022 in respect of five cases, of which €3,021 has been recovered.

	2022		2021
	€	€	€
Opening balance		53,969	40,327
Overpayments identified in the year		3,672	22,993
		<u>57,641</u>	<u>63,320</u>
Recouped			
Overpayments identified 2022	3,021		
Overpayments identified pre-2022	7,008	10,029	9,351
Closing balance		<u>47,612</u>	<u>53,969</u>

Appropriation Account 2022

Vote 36

Defence

Introduction

As Accounting Officer for Vote 36, 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 2022 for the salaries and expenses of the Office of the Minister for Defence, including certain services administered by that Office; for the pay and expenses of the Defence Forces; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9.948 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, except for the following.

Inventory valuation

Military inventories are valued at average cost and include certain items that have been refurbished. Civil Defence inventories are valued at purchase price.

Capital assets

The threshold for inclusion of capital asset additions for government departments and offices in the statement of capital assets increased to €10,000 for an individual asset with effect from 1 January 2021. Since this date, the Department of Defence continues to record additions to capital assets at individual values of less than €10,000.

Land and buildings are not valued and are not included in capital assets (note 2.1). A schedule of land and buildings administered by the Department of Defence is shown in appendix A. These are used for Defence Forces purposes and include unique and dedicated properties.

Payments under certain programmes for the development of Defence Forces equipment, including the purchase of aircraft and the refurbishment of armoured personnel carriers, are recorded as prepayments until they are brought into use, at which stage they are recorded as capital assets.

Capital assets under development

Payments in respect of the development of land and buildings administered by the Department of Defence are included as part of note 2.2 – capital assets under development. When such projects are completed, they are removed from capital assets under development. There is no transfer to the asset register as, in line with the policy noted above, land and buildings are not included in capital assets.

Depreciation

Military assets and Civil Defence motor vehicles are depreciated to residual values at rates varying between 3% and 20% per annum using the straight line method.

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 shared services for human resources and payroll.

I rely on a letter of assurance from the Accounting Officer of the Vote for 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, with an independent Chair, 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 internal audit unit operates independently and its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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

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 has provided details of 138 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €213,489 (exclusive of VAT), as set out below.

- €44,860 related to payments to one supplier where the contract went beyond its original term
- €168,629 related to payments to two suppliers where no formal contract was in place.

Each of these three procurements has been reviewed by the Department, and steps are being taken to bring them into compliance with the relevant procurement rules as quickly as possible.

The above contracts have been included in the 40/2002 annual return referenced above.

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 monthly 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 2022 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 36 Defence

Opinion on the appropriation account

I have audited the appropriation account for Vote 36 Defence for the year ended 31 December 2022 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 36 Defence for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Defence 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.

Stock management in the Defence Forces

Chapter 12 of my report on the accounts of the public services for 2022 reviews the adequacy of the controls in place to manage, value and correctly account for stocks held by the Defence Forces.

Seamus McCarthy

Comptroller and Auditor General

25 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 36 Defence

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Defence policy and support, military capabilities and operational outputs	836,431	835,922	786,405
Gross expenditure	836,431	835,922	786,405
<i>Deduct</i>			
B Appropriations-in-aid	24,220	33,659	30,457
Net expenditure	812,211	802,263	755,948

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	9,948,066	29,513,137

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		804,808	758,570
Administration pay		22,069	20,905
Administration non pay		9,045	6,930
Gross expenditure		835,922	786,405
<i>Deduct</i>			
Appropriations-in-aid		33,659	30,457
Net expenditure		802,263	755,948
Changes in capital assets			
Purchases cash	(117,651)		
Depreciation	63,077		
Loss on disposals	1,995		
Disposals cash	119	(52,460)	(42,662)
Changes in assets under development			
Cash payments		(18,968)	(16,051)
Changes in net current assets			
Decrease in closing accruals	(2,781)		
Increase in inventories	(20,926)	(23,707)	(21,582)
Direct expenditure		707,128	675,653
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)	12,729		
Notional rents	1,339		
		14,068	14,327
Net programme cost		721,196	689,980

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 36 borne elsewhere, net of expenditure incurred in respect of other votes.

		2022	2021
		€000	€000
Vote 1	President's Establishment	(486)	(448)
Vote 2	Department of the Taoiseach	(86)	(88)
Vote 9	Office of the Revenue Commissioners	44	24
Vote 12	Superannuation and Retired Allowances	12,915	13,094
Vote 13	Office of Public Works	600	579
Vote 18	National Shared Services Office	929	1,018
Vote 35	Army Pensions	(1,787)	(1,728)
Vote 43	Office of the Government Chief Information Officer	460	404
Central Fund – ministerial pensions		140	133
		12,729	12,988

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	564,970	583,534
Capital assets under development	2.2	<u>5,952</u>	<u>11,032</u>
		570,922	594,566
Current assets			
Bank and cash	2.3	19,562	27,467
Inventories	2.4	254,969	234,043
Prepayments	2.5	274,819	200,656
Accrued income	2.6	4,041	3,305
Other debit balances	2.7	<u>1,351</u>	<u>512</u>
Total current assets		554,742	465,983
Less current liabilities			
Accrued expenses	2.8	5,392	4,306
Deferred income	2.9	48	40
Other credit balances	2.10	15,726	10,464
Net Exchequer funding	2.11	<u>5,187</u>	<u>17,515</u>
Total current liabilities		26,353	32,325
Net current assets		<u>528,389</u>	<u>433,658</u>
Net assets		<u>1,099,311</u>	<u>1,028,224</u>
Represented by:			
State funding account	2.12	<u>1,099,311</u>	<u>1,028,224</u>

2.1 Capital assets

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Gross assets (cost or valuation)				
At 1 January 2022	1,327,183	4,751	55,003	1,386,937
Additions	43,138	129	3,360	46,627
Disposals	(15,151)	(158)	(2,536)	(17,845)
At 31 December 2022	1,355,170	4,722	55,827	1,415,719
Accumulated depreciation				
At 1 January 2022	754,648	2,797	45,958	803,403
Depreciation for the year	59,507	339	3,231	63,077
Depreciation on disposals	(13,214)	(124)	(2,393)	(15,731)
At 31 December 2022	800,941	3,012	46,796	850,749
Net assets at 31 December 2022 ^a	554,229	1,710	9,031	564,970
Net assets at 31 December 2021	572,535	1,954	9,045	583,534

Note ^a The Department of Defence administers land holdings (approx. 8,300 hectares) and buildings at numerous locations throughout the country, being a mix of operational military facilities, training lands, married quarters and other properties, as set out in Appendix A – Schedule of land and buildings.

2.2 Capital assets under development

	Construction contracts €000
Amounts brought forward at 1 January 2022	11,032
Cash payments in the year	18,968
Projects completed ^a	(24,048)
Amounts brought forward at 31 December 2022	5,952

Note ^a As projects to develop land and buildings are completed, they are removed from capital assets under development. There is no transfer to the asset register as land and buildings are not included in capital assets.

2.3 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balance	18,083	26,364
Other bank and cash account balances	1,479	1,103
	19,562	27,467

Non-Vote bank accounts

There are 13 other bank accounts managed by Defence Forces personnel to administer the casual meals system in barracks. No funding from the Vote is issued to these bank accounts. The amount held at the end of 2022 was €28,306 (2021: €22,795). This balance is not included in the 'bank and cash' amount shown above.

2.4 Inventories

at 31 December	2022	2021
	€000	€000
Military inventories ^a	254,083	232,907
Civil Defence	886	1,051
Stationery ^b	—	15
IT consumables ^b	—	70
	254,969	234,043

Note ^a Write-offs and obsolete military inventory in the year amounted to €2.259 million.

^b From 2022, stationery and IT consumables are expensed when purchased in line with the requirements of the Department of Public Expenditure, National Development Plan Delivery and Reform circular 22 of 2022.

2.5 Prepayments

at 31 December	2022	2021
	€000	€000
Maritime patrol aircraft	185,109	162,340
Military transport aircraft	27,206	—
Inshore patrol vessels	18,593	—
Aircraft maintenance and training	7,277	7,277
Modernisation of primary armament	6,101	6,156
Mid-life refit of LÉ Niamh	5,878	3,587
Armoured personnel carrier fleet maintenance and upgrade programme	4,344	6,103
Troop carrying vehicles	3,700	3,700
Other	16,611	11,493
	274,819	200,656

2.6 Accrued income

at 31 December	2022	2021
	€000	€000
Troop/equipment funding due from overseas missions	3,500	3,200
Due for services	541	105
	4,041	3,305

2.7 Other debit balances

at 31 December	2022	2021
	€000	€000
Payroll	6	—
Imprests	354	291
Cycle to work scheme	240	168
Travel pass scheme	38	—
Other suspense	713	53
	1,351	512

2.8 Accrued expenses

at 31 December	2022	2021
	€000	€000
Programme accruals – current	2,060	2,237
Programme accruals – capital	3,146	1,833
Administration expenses	186	236
	5,392	4,306

2.9 Deferred income

at 31 December	2022	2021
	€000	€000
Rental income	48	40
	48	40

2.10 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	4	4
Pay related social insurance	(1)	15
Professional services withholding tax	406	366
Value added tax	14,092	9,642
Pension contributions	15	(5)
Universal social charge	1	1
Relevant contracts tax	64	143
	14,581	10,166
Payroll deductions held in suspense	5	8
Other credit suspense items	1,140	290
	15,726	10,464

2.11 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	9,948	29,513
Exchequer grant undrawn	(4,761)	(11,998)
Net Exchequer funding	5,187	17,515
Represented by:		
Debtors		
Bank and cash	19,562	27,467
Debit balances: suspense	1,351	512
	20,913	27,979
Creditors		
Due to the State	(14,581)	(10,166)
Credit balances: suspense	(1,145)	(298)
	(15,726)	(10,464)
	5,187	17,515

2.12 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		1,028,224	959,608
Disbursements from the Vote			
Estimate provision	Account	812,211	
Surplus to be surrendered	Account	(9,948)	
Net Vote		802,263	755,948
Expenditure (cash) borne elsewhere	1.1	12,729	12,988
Capital assets under development completed in the year	2.2	(24,048)	(11,679)
Non cash expenditure – notional rents	1	1,339	1,339
Net programme cost	1	(721,196)	(689,980)
Balance at 31 December		1,099,311	1,028,224

2.13 Commitments

a) Legally enforceable commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	6,271	9,282
Capital projects	191,632	141,405
Total of legally enforceable commitments	197,903	150,687

b) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Maintenance and upgrade programme for armoured personnel carriers	83,741	7,584	6,804	98,129	95,000 ^a
Mid-life refit of LÉ Róisín	12,107	212	—	12,319	12,300
Mid-life refit of LÉ Niamh	5,611	4,515	2,174	12,300	12,300
Maritime patrol aircraft	162,340	22,769	43,190	228,299	228,299
¾ tonne, 4x4 fleet replacement (FFR)	13,108	6,072	—	19,180	18,178 ^b
Troop carrying vehicles	15,045	—	9,555	24,600	24,600
Next Generation Working Environment (NGWE)	—	609	18,891	19,500	—
Military transport aircraft	—	27,206	40,809	68,015	—
Inshore patrol vessels	—	18,593	22,426	41,019	—
Upgrade former USAC block	—	417	9,612	10,029	—
Total	291,952	87,977	153,461	533,390	390,677

Note ^a The increase of €3.129 million is due to inflationary pressures on variations to contract for vehicles delivered in 2022 and forecasted costs for remaining vehicles.

^b The increase of €1.002 million is due to additional equipment specifications and agreed increase in costs.

2.14 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	122	389

2.15 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 the potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	22,500	22,069	20,905
ii	Travel and subsistence	650	726	443
iii	Training and development and incidental expenses	500	558	388
iv	Postal and telecommunications services	575	438	462
v	Office equipment and external IT services	4,660	6,181	4,368
vi	Office premises expenses	1,865	910	1,193
vii	Consultancy services and value for money and policy reviews	500	232	76
		31,250	31,114	27,835

Significant variations

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

v Office equipment and external IT services

Estimate provision €4.66 million; outturn €6.181 million

The overspend of €1.521 million was due to the carryover of some expenditure from 2021 due to delays in delivery of ICT equipment and higher spend on software licences.

vi Office premises expenses

Estimate provision €1.865 million; outturn €910,000

The underspend of €955,000 was mainly due to the deferral of some maintenance projects.

vii Consultancy services and value for money and policy reviews

Estimate provision €500,000; outturn €232,000

The underspend of €268,000 was due to some projects not progressing as anticipated and also an expected payment did not arise as the project has extended into 2023.

Programme A Defence policy and support, military capabilities and operational outputs

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	22,500	22,069	20,905
A.2	Administration – non pay	8,750	9,045	6,930
A.3	Permanent Defence Force: pay	455,500	429,017	419,471
A.4	Permanent Defence Force: allowances	48,000	48,686	51,990
A.5	Reserve Defence Force: pay, etc.	2,000	1,924	1,830
A.6	Chaplains and officiating clergy: pay and allowances	1,250	1,086	1,098
A.7	Defence Forces civilian support: pay and allowances, etc.	23,500	21,085	20,583
A.8	Defence Forces: capability development	91,000	117,482	91,307
A.9	Air Corps: equipment and support	19,470	25,689	26,776
A.10	Military transport	21,790	21,323	23,483
A.11	Naval Service: equipment and support	13,500	18,237	16,600
A.12	Barrack expenses and engineering equipment	15,650	19,840	15,269
A.13	Defence Forces built infrastructure: construction and maintenance	45,000	29,078	24,938
A.14	Defence Forces uniforms, clothing, equipment and catering	14,500	14,471	14,729
A.15	Defence Forces communications and IT	13,940	17,228	16,688
A.16	Military education and training	3,050	2,679	2,564
A.17	Defence Forces logistics and travel	3,500	5,378	2,470
A.18	Defence Forces medical and healthcare support	7,130	7,427	7,569
A.19	Lands	786	797	629
A.20	Equitation	1,000	1,122	1,195
A.21	Litigation and compensation costs	7,500	6,153	5,557
A.22	Miscellaneous expenditure	4,000	5,770	5,132
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	7,000	4,094	2,873
A.24	Civil Defence (including dormant accounts fund)	5,140	5,267	4,844
A.25	Irish Red Cross Society	975	975	975
		836,431	835,922	786,405

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, gross expenditure was €509,000 less than the estimate.

A.3 Permanent Defence Force: pay

Estimate provision €455.5 million; outturn €429.017 million

The underspend of €26.483 million was due to lower than projected recruitment in 2022, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.25 million; outturn €1.086 million

The underspend of €164,000 was due to lower than anticipated recruitment of chaplains in 2022.

A.7 Defence Forces civilian support: pay and allowances, etc.

Estimate provision €23.5 million; outturn €21.085 million

The underspend of €2.415 million was due to the number of civilian employees being less than provided for in the estimate and lower than anticipated recruitment and greater than anticipated retirements.

A.8 Defence Forces: capability development

Estimate provision €91 million; outturn €117.482 million

The overspend of €26.482 million was mainly due to a downpayment for a military transport aircraft. Also, a greater number of ammunition orders than anticipated were delivered in 2022.

A.9 Air Corps: equipment and support

Estimate provision €19.47 million; outturn €25.689 million

The overspend of €6.219 million was due to higher external aircraft maintenance costs and an increase in specialised training costs.

A.11 Naval Service: equipment and support

Estimate provision €13.5 million; outturn €18.237 million

The overspend of €4.737 million was due mainly to an increase in fuel prices and the procurement of additional parts and maintenance services.

A.12 Barrack expenses and engineering equipment

Estimate provision €15.65 million; outturn €19.84 million

The overspend of €4.19 million was due to the procurement of additional engineering and barrack service equipment.

A.13 Defence Forces built infrastructure: construction and maintenance

Estimate provision €45 million; outturn €29.078 million

The underspend of €15.922 million was due to delays in the procurement process for the capital programme coupled with supply chain issues.

A.15 Defence Forces communications and IT

Estimate provision €13.94 million; outturn €17.228 million

The overspend of €3.288 million was mainly due to the requirement for additional procurement of essential telecommunications equipment.

A.16 Military education and training

Estimate provision €3.05 million; outturn €2.679 million

The underspend of €371,000 was mainly due to delays in the supply of training equipment.

A.17 Defence Forces logistics and travel

Estimate provision €3.5 million; outturn €5.378 million

The overspend of €1.878 million was mainly due to increased travel and freight costs associated with overseas operations in UNIFIL and UNDOF.

A.20 Equitation

Estimate provision €1 million; outturn €1.122 million

The overspend of €122,000 was mainly due to an increase in the upkeep of the horses in the Army Equitation School. There was also a slight increase in riders competing at international shows.

A.21 Litigation and compensation costs

Estimate provision €7.5 million; outturn €6.153 million

The underspend of €1.347 million arose because this expenditure is difficult to predict as it is subject to a number of unpredictable variables, including the timing of court hearings, the progress of cases, and the number, value and timing of awards and settlements.

A.22 Miscellaneous expenditure

Estimate provision €4 million; outturn €5.77 million

The overspend of €1.77 million was mainly due to costs associated with the Independent Review Group and additional advertising costs associated with the military recruitment campaigns.

A.23 Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy

Estimate provision €7 million; outturn €4.094 million

The underspend of €2.906 million was mainly due to the postponement of plans to carry out a rebasing project in Mali due to the security situation.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 Receipts from United Nations in respect of overseas allowances, etc.	8,113	14,026	12,769
2 Receipts from EU in respect of fishery protection costs	—	—	—
3 Receipts from banks and other organisations	1,300	1,360	1,364
4 Receipts from occupation of official quarters	90	174	160
5 Receipts from rations on repayment	450	877	623
6 Receipts from other issues on repayment	20	21	24
7 Receipts for aviation fuel	40	1	13
8 Receipts on discharge by purchase	50	154	129
9 Lands and premises			
(a) rents, etc.	462	473	443
(b) sales	200	300	—
10 Sale of surplus stores	100	203	395
11 Refunds in respect of services of seconded personnel	50	182	168
12 Miscellaneous	300	869	440
13 Receipts from additional superannuation contributions on public service remuneration	12,295	14,036	12,986
14 Dormant accounts receipts	750	983	943
Total	24,220	33,659	30,457

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €9.439 million more than the estimate.

1 Receipts from United Nations in respect of overseas allowances, etc.

Estimate €8.113 million; realised €14.026 million

The surplus of €5.913 million was due to higher than anticipated UN receipts in respect of troop and equipment costs. The timing of receipts from the UN is difficult to predict. See note 6.1.

5 Receipts from rations on repayment*Estimate €450,000; realised €877,000*

The surplus of €427,000 was due to more than anticipated repayment of rations.

8 Receipts on discharge by purchase*Estimate €50,000; realised €154,000*

The surplus of €104,000 was due to higher than anticipated numbers of Defence Force members discharging within their service contract duration.

9 Land and premises*Estimate €662,000; realised €773,000*

The surplus of €111,000 was mainly because the proceeds from the sale of a barracks, which took place in 2021, were not received by the Department until 2022.

10 Sale of surplus stores*Estimate €100,000; realised €203,000*

The surplus of €103,000 arose due to trade-ins of vehicles as a result of fleet upgrades.

11 Refunds re services of seconded personnel*Estimate €50,000; realised €182,000*

The surplus of €132,000 was due to timing of receipts for secondments.

12 Miscellaneous*Estimate €300,000; realised €869,000*

The surplus of €569,000 was mainly due to receipts in respect of refunds for education and training fees.

13 Receipts from additional superannuation contributions on public service remuneration*Estimate €12.295 million; realised €14.036 million*

The surplus of €1.741 million arose because receipts from additional superannuation contributions are difficult to accurately estimate, particularly in the Defence Forces given the range of issues that can impact on the calculations, including pay increases, enlistments, retirements, range of allowances, etc.

14 Dormant accounts receipts*Estimate €750,000; realised €983,000*

The surplus of €233,000 arose primarily because funding approved in the Dormant Accounts Fund Action Plan which could not proceed in 2021 owing to the impact of Covid-19 was instead utilised in 2022.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>8,796</u>	<u>9,298</u>

5.2 Pay

Remuneration of all staff	2022	2021
	€000	€000
Pay	427,857	417,690
Higher, special or additional duties allowances	235	211
Overtime	450	286
Shift and roster allowance	295	271
Military and other allowances	41,215	44,945
Employer's PRSI	43,374	42,721
Total pay^{a, b}	<u>513,426</u>	<u>506,124</u>

Notes ^a The overall totals do not include the Office of the Ombudsman for the Defence Forces which accounts for four personnel and total pay of €316,110. That office produces a separate account.

^b Total pay represents the pay elements of subheads A.1, A.3, A.4, A.6 and A.7.

5.3 Civil servants

	2022	2021
Full time equivalents		
Number of staff at year end ^a	379	370

Note ^a Fourteen of these personnel are embedded in Defence Forces' units and are employed full time in providing support to those units.

	2022	2021
	€000	€000
Pay	20,325	19,407
Higher, special or additional duties allowances	159	122
Other allowances	65	52
Overtime	139	61
Employer's PRSI	1,381	1,263
Total pay	<u>22,069</u>	<u>20,905</u>

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	14	8	22,755	22,002
Other allowances	12	1	12,660	9,248
Overtime	57	2	12,388	8,930
Extra remuneration in more than one category	10	4	27,612	24,700

5.4 Civilian employees

	2022	2021
Full time equivalents		
Number of staff at year end	414	440
	2022	2021
	€000	€000
Pay	17,566	17,349
Higher, special or additional duties allowances	76	89
Overtime	311	225
Shift and roster allowances	295	271
Travel time allowance	415	421
Tool and other allowances	228	213
Employer's PRSI	1,868	1,839
Total pay	20,759	20,407

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	54	—	8,967	8,853
Overtime	127	3	17,616	9,304
Shift and roster allowances	43	4	14,680	14,821
Travel time allowance	56	18	13,964	13,335
Tool and other allowances	246	—	3,235	3,235
Extra remuneration in more than one category	161	37	27,869	27,995

5.5 Permanent Defence Force (including Army Nursing Service and Chaplaincy)

	2022	2021
Full time equivalents		
Number of staff at year end	8,003	8,488
	2022	2021
	€000	€000
Pay and military service allowance	389,966	380,934
Overseas allowances	21,270	20,934
Security duty allowances	12,550	17,230
Border duty allowance	1,849	2,042
Patrol duty allowance	2,253	1,663
Miscellaneous allowances	2,585	2,390
Employer's PRSI	40,125	39,619
Total pay	470,598	464,812

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Overseas allowances	1,913	1,035	41,263	42,950
Security duty allowances	6,846	49	22,592	20,551
Border duty allowance	417	—	9,984	26,384
Patrol duty allowance	556	19	11,311	12,435
Miscellaneous allowances	841	102	13,815	10,974
Extra remuneration in more than one category	2,788	1,121	38,865	37,995

5.6 Staffing by pay band

The number of employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	7,645	8,100
60,000	69,999	501	383
70,000	79,999	285	313
80,000	89,999	228	197
90,000	99,999	117	93
100,000	109,999	68	48
110,000	119,999	38	25
120,000	129,999	21	18
130,000	139,999	13	7
140,000	149,999	10	3
150,000	159,999	3	3
160,000	169,999	—	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	1	1
210,000	219,999	2	1

5.7 Other remuneration arrangements

A total of €1,157,009 was paid to 35 retired Defence Force personnel in receipt of Defence Forces pensions, ranging from €174 to €76,451, who were re-employed on various duties during 2022. In addition, a total of €65,245 ranging from €600 to €7,200 was paid to 22 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2022. Appropriate procedures are in place with regard to payments to retired personnel in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.8 Seconded staff

This account includes expenditure of €378,044 in respect of four officers who were serving outside the Department for all or part of 2022 and whose salaries were not recouped by the Department.

This account does not include expenditure in respect of one officer who was serving outside the Department for all or part of 2022 in another Government office whose salary was paid by the office in which they were serving.

5.9 Payroll overpayments

At 31 December	2022	2021
Number of recipients	129	106
Recovery plans in place	28	24
	€	€
Overpayments	168,477	171,872
Value of recovery plans	43,072	56,769

No overpayments were transferred from the Department of Defence to any other department/office in 2022.

5.10 Medical treatment

Inpatient and outpatient services were provided to enlisted personnel and their dependants in public hospitals without application of the statutory charge.

5.11 Severance/redundancy

No severance or redundancy payments were made in 2022.

5.12 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€000	€000
Basic pay	212	200

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the single public service pension scheme and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Overseas missions

This account includes the sums indicated below in respect of the remuneration of military personnel serving with UN and EU peace support operations and various organisations, together with travel and subsistence and transportation costs.

	2022	2021
	€000	€000
UN and EU missions		
UNIFIL (Lebanon)	33,672	32,084
UNDOF (Golan Heights)	12,758	13,088
KFOR (Kosovo)	1,519	1,420
EUFOR (Bosnia Herzegovina)	682	589
Other UN and EU missions	5,457	5,423
	<u>54,088</u>	<u>52,604</u>
Other		
Military representatives and advisors	2,661	2,653
German Battlegroup	—	314
EU Battlegroup	76	—
Organisation for Security and Co-operation in Europe	261	247
Mediterranean operations (search and rescue)	334	658
ECAT Kabul	3	21
Total	<u>57,423</u>	<u>56,497</u>

Of the sum of €54.1 million for UN and EU missions, €6.4 million relates to missions the full costs of which are borne by the State. The remaining €47.7 million relates to UNIFIL, UNDOF and MINUSMA (Mali) in respect of which arrangements for the re-imbursement of certain costs have been agreed with the UN and the German Armed Forces. The timing of re-imbursements from the UN is dependent on various factors including the funding available to that organisation.

The moneys received by way of appropriations-in-aid in 2022 amounted to €14 million, made up of €7.2 million for personnel costs and €6.8 million for equipment costs. The amount outstanding at year end was €3.5 million (€1.8 million personnel costs and €1.7 million equipment costs).

6.2 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Commission on the Defence Forces ^a	2020	468	110	358
Independent Review Group on Dignity and Equality Issues in the Defence Forces ^b	2022	697	697	—
			807	358

- Note ^a The Commission on the Defence Forces was established in December 2020 and reported in February 2022. Its terms of reference included the consideration of appropriate capabilities, structures and staffing for the Army, the Air Corps, the Naval Service and the Reserve Defence Force.
- ^b The Independent Review Group on Dignity and Equality Issues in the Defence Forces was established in January 2022 and the report was presented to An Tánaiste on 2 February 2023.

6.3 Support for Defence Forces' representative associations

This account includes a total of €537,780 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.4 Write-offs

The following sums were written off within the year.

	2022 €000	2021 €000
Damage to military vehicles	1	49
Debt write-off	28	38
	29	87

6.5 Fraud and suspected fraud

	Number of cases	2022 €000	2021 €000
Suspected fraud/irregularity	—	—	33
		—	33

The Department has not been made aware of any suspected fraud/irregularity cases during 2022 (2021: two).

6.6 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by				Total 2022	Total 2021
	Employees		Members of the public			
	Personal injuries	Breach HR/employment policies	Personal injuries	Other		
Number of cases	263	117	16	15	411	423
	€000	€000	€000	€000	€000	€000
Department's own legal costs	1,002	133	25	—	1,160	958
Payments by/on behalf of Department						
Compensation	2,886	380	21	32	3,319	2,873
Legal costs	978	407	57	—	1,442	1,622
Other costs	278	9	9	1	297	181
2022 total	5,144	929	112	33	6,218	5,634
2021 total	4,515	890	229	—	5,634	

Note At 31 December 2022, 495 claims were outstanding (2021: 521 claims).

Cumulative costs of cases completed in 2022

	Claims by				Total
	Employees		Members of the public		
	Personal injuries	Breach HR/employment policies	Personal injuries	Other	
Number of cases	73	—	10	20	103
	€000	€000	€000	€000	€000
Department's own legal costs	360	—	26	—	386
Payments by/on behalf of Department					
Compensation	2,188	—	55	32	2,275
Legal costs	955	—	37	—	992
Other costs	107	—	11	2	120
Total	3,610	—	129	34	3,773

6.7 Arbitration and conciliation

In 2022, costs of €8,500 were incurred (2021: €7,389) in relation to five arbitration and conciliation cases (2021: three cases).

Appendix A Schedule of land and buildings

1. Vested in the Minister for Defence

Property	Area (hectares) ^a
Clare	
Knockalisheen Camp	51.24
Cork	
Murphy Barracks, Ballincollig	0.89
Collins Barracks, Cork	24.22
Portion of Camp Field, Collins Barracks	—
Old Barracks and Graveyard, Fermoy	3.98
Fitzgerald Camp, Fermoy	0.40
RDF premises, Kilcrohane	0.40
Michael Collins Memorial Plot, Béal na Bláth	0.004
RDF premises, Skibbereen	0.20
RDF premises, Mallow	0.03
Dublin	
Casement Aerodrome, Baldonnell including sewage plant on adjacent land	276.93
Esplanade, Collins Barracks	0.20
Site at Islandbridge, Dublin 8	0.26
Galway	
Oranmore Rifle Range	216.10
Springfield water supply to Oranmore Range	—
Dún Uí Mhaoilíosa, Galway	29.95
Kerry	
Ballymullen Barracks, Tralee	6.07
Fort Shannon, Tarbert	0.81
RDF premises, Kilorglin	0.10
Kildare	
Curragh Camp and lands	1,968.12
Curragh Lands – Kildare by-pass	—
Nos. 2, 78 and 96 Orchard Park, Curragh	0.06
Magee Barracks, Kildare	1.99
Lands at Blackrath, Curragh	14.37
Kilkenny	
Stephens Barracks, Kilkenny	5.67

Property	Area (hectares) ^a
Louth	
Red Barns Rifle Range, Dundalk	5.46
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	0.20
Roscommon	
Rifle Range, Carna	114.53
Tipperary	
Rifle Range, Kilcoran	5.46
Waterford	
Military Barracks, Waterford	0.28
Westmeath	
Columb Barracks, Mullingar	9.61
Custume Barracks, Athlone	5.26
Garrynafela Lands, Athlone	5.97
Wicklow	
Glen of Imaal Artillery Range	2,698.85
Coolmoney Camp and Lands	97.53
Rockbrae House and Lands, Bray	1.38
Range Warden's Post, Seskin	0.40

Note ^a Hectares stated are approximate. Most of the properties contain buildings thereon.

2. Vested in the Minister for Public Expenditure, National Development Plan Delivery and Reform

Property	Area (hectares) ^a
Clare	
RDF premises, Ennis	0.10
Cork	
Kilworth Camp and Range	1,377.55
Portion at Kilworth Camp for provision of road services to TII	10.69
Bere Island	91.05
Naval Base, Haulbowline	33.99
Fort Davis, Whitegate	22.04
Fort Templebreedy, Crosshaven	14.97
Furious Pier, Castletownbere	—
Landing Pier, Cobh	—
Donegal	
Finner Camp, Bundoran	337.01
Dublin	
Cathal Brugha Barracks, Rathmines, Dublin 6	18.62
Nos. 17-28, Cathal Brugha Apartments, Rathmines, Dublin 6	0.27
McKee Barracks, Blackhorse Avenue, Dublin 7	18.21
64 McKee Park, Dublin 7	0.02
St Bricin's Hospital, Dublin 7	3.24
Old School House, Arbour Hill, Dublin 7	—
2 Tomar Court, Arbour Hill, Dublin 7	0.01
Laois	
RDF premises, Portlaoise	0.03
Limerick	
Sarsfield Barracks, Limerick	5.99
Louth	
Aiken Barracks, Dundalk	7.28
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20

Property	Area (hectares) ^a
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

Notes ^a Hectares are approximate. Most of the properties contain buildings thereon.

Appendix B Accounts of bodies and funds under the aegis of the Department of Defence

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Ombudsman for the Defence Forces	2021	5 Sep 2022	7 Sep 2022	12 Sep 2022
Defence Forces Canteen Board	2021	28 Apr 2022	19 May 2022	27 May 2022

Appropriation Account 2022

Vote 37

Social Protection

Introduction

As Accounting Officer for Vote 37, 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 2022 for the salaries and expenses of the Office of the Minister for Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund (SIF) and for certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €150.3 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.

Provision of agency services

The Department continues to act as a paying agent of the Department of Finance for the purpose of the discharge of the approved liabilities of the Waterford Crystal pensioners' lump sum payments and Waterford Crystal ongoing pension payments, under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No.2) Act 2014. Funding is drawn down by the Department from the Central Fund of the Exchequer and transferred to the National Shared Services Office who have been processing the individual pension payments from October 2017. The amounts paid are reported by the Department of Finance in the Finance Accounts.

During 2022 the Department acted as a paying agent for the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) with regard to the Accommodation Recognition Payment (ARP). The Civil Law (Miscellaneous Provisions) Act 2022 provides that these payments are funded from the Vote for Children, Equality, Disability, Integration and Youth and are accounted for in the appropriation account for that Vote.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account with the exception of the following.

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows.

- Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayments receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.
- Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal payment due date falls on a public holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments. Under new banking arrangements implemented during 2020, the Department issues funds to the bank one day in advance of customer payments. This process continued in 2022 and these funding payments are also included in scheme prepayments.

Depreciation

Depreciation calculated annually is charged in full in the year of acquisition/commission. No depreciation is 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 human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the 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 and Risk 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.

Control of capital assets

A multi-year plan to address asset identification - including write offs and transfers, asset tagging and periodic inventories - which began in 2019, was continued in 2022.

The Department's review of the asset registers during 2022 resulted in the identification of IT software assets on the register that had become obsolete, several IT hardware assets which had been replaced and furniture and fittings assets which were obsolete. Approximately €96 million of assets were written off in 2022. The net book value of these assets was nil at 31 December 2022. Ongoing data cleansing of the asset register will continue to ensure assets can be traced from the asset register back to a physical inventory or equivalent.

The Department produced tags for assets acquired in 2014 and attached them to relevant assets in Quarter 2 2023. The net book value of assets remaining to be tagged is negligible.

Debt reconciliations

The Department's debt and receipts accounting system (DRAS) allows for the automatic recording and posting of debt recovered in its Debt Recovery Units, INTREO offices, receiving bank accounts and also by way of deduction from the Department's payments to customers.

Unmatched amounts

Overpaid customers sometimes make repayments with insufficient details to associate the repayments with their outstanding debt. As a result, in some cases, the Department is constrained from identifying and matching these amounts to the customer. Unmatched amounts may also include receipts that are greater than the existing debt recorded on the system or balances due for refund to customers who have overpaid their debt. In 2022 DRAS processed over €52.4 million (2021: €52.1 million) in customer overpayment cash recoveries excluding deductions. As at 31 December 2022, the total amount recorded on the Department's accounting system for unmatched overpayment cash receipts is €4.2 million (2021: €3.8 million).

New processes have commenced to bring the unmatched legacy and future overpayment receipts to account on a permanent basis.

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
- 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.

Internal audit and Audit and Risk Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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 has provided details of 95 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 87 contracts (in excess of €25,000), totalling expenditure of €48,888,580 (ex. VAT) in 2022 as set out below

- To facilitate the continuation of employment activation services to the Department two contract extensions were entered into with a total spend of €20,065,177. A procurement exercise was completed for Intreo Partners National Employments Services and new contracts are in place since October 2022.
- Twenty-five service provider contracts were entered into, with a total spend of €14,678,016 in 2022 to deliver local employment services across the State. A procurement exercise was completed for the new Intreo Partners Local Area Employment Service. All new contracts are now in place since August 2022.
- There were 23 service provider contracts with a total spend of €8,323,325 in 2022 to deliver the EmployAbility Service across the State. The Department is reviewing how such services should be procured and delivered on an ongoing basis in line with public procurement procedures. A procurement exercise for these services is currently being scoped and it is expected that the request for tenders will issue in 2023.
- There were 32 service provider contracts with a total spend of €2,594,602 in 2022 to deliver the Jobs Clubs service across the State. A procurement exercise was completed for the new Intreo Partners Local Area Employment Service. All new contracts are now in place since August 2022.
- While waiting on the availability of an Office of Government Procurement (OGP) framework for interpretation, the Department sought a request for quotes and entered into a contract. From March 2022 there was an unprecedented demand for Ukrainian interpreters which led to expenditure of €2,687,964. The OGP framework became available in December 2022 and the Department commenced a new interpretation contract in February 2023.
- In November 2022, the Department was informed by the OGP that there was no framework for electricity supply available to the Department and the current contract had expired. Due to the urgent requirement to maintain business operations the Department was directed by the OGP to enter into a contract with the existing supplier. As a result, there was a spend of €408,403 incurred in 2022.
- To meet the demand and ensure compatibility, docking stations were purchased to match laptops purchased under a contract awarded in 2020. In 2022, expenditure of €72,370 was incurred.
- On urgency grounds, a contract was awarded in 2021 without a procurement competition to further enhance the Department's protection against cybercrime. It was deemed necessary for the service to be extended in 2022 as a contract modification while waiting for an open procurement process to be undertaken. Expenditure of €31,337 was incurred in 2022.
- One contract for ICT training was awarded in 2022 following a request for quotes. The €25,000 procurement threshold was inadvertently exceeded and expenditure of €27,386 was incurred. A new contract was awarded in Q3 2022 following an open procurement process.

The above contracts have been included in the 2022 40/2002 annual return referenced under procurement above.

In addition, expenditure of €870,217 was incurred in 2022 on three contracts that were listed on the 2020 and 2021 40/2002 annual return that were deemed to be non-compliant.

- A contract for translation listed on the 2020 40/02 return incurred expenditure of €310,596 in 2022. There was a legal challenge to a request for tender issued by the Department and in order to ensure business continuity it was necessary to roll over this contract. A new contract was awarded on 1 January 2023.
- One contract listed on the 2021 40/02 for the provision of education programmes for DSP staff by National College of Ireland was extended to July 2023 to facilitate the delivery of the current suite of accredited education programmes until expiry of the QQI awards in November 2023. Expenditure of €317,492 was incurred in 2022. A new contract was awarded in December 2022.
- The Department was informed by OGP on 26 July 2021 that a new contract for ICT consumables would come into place on 1 August 2021. The new supplier experienced difficulties sourcing some products initially and the lead in time for the new framework did not provide adequate time to facilitate setting up new operational procedures for staff ordering goods from multiple locations. It was necessary to continue with the previous supplier until the issues were resolved. As a result, expenditure of €242,129 was incurred up to Q3 2022.

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 the business area responsible for the risk actions.

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 2022 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out, with the following results.

Total Covid-19 support expenditure during 2022 amounted to €1 billion split between Vote 37 (€840 million) and the SIF (€198 million). Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) payments were funded by Vote 37 while Pandemic Unemployment Payment expenditure for 2022 was funded by the SIF.

Payments totalling €840 million have been charged to Vote 37 for 2022 – €839 million in relation to EWSS and €638,000 in relation to TWSS.

The Revenue Commissioners administered both the TWSS and the EWSS on behalf of the Department. I rely on letters of assurances received from the Chairman of the Revenue Commissioners that the appropriate controls are exercised in relation to the administration and payments made under both schemes.

Public health restrictions in 2020 and 2021 necessitated widespread redeployment of staff within the Department and restrictions on personal movement and interactions and had an extraordinary impact on the labour market leading to an unprecedented increase in unemployment and associated demand for income supports from the Department. In this context, some of the normal control measures that would operate in a standard environment (for example, calling jobseekers to interview in Intreo Centres) had to be curtailed or suspended. The measures taken were appropriate and proportionate both to comply with the public health restrictions and to ensure the Department could deploy staff resources to the priority tasks of processing, paying and maintaining Covid-19 related claims.

Control measures continued to be reinstated or alternative methods were used to the extent possible in 2022 as the need to deploy staff resources to the priority tasks of processing, paying and maintaining Covid-19 related claims diminished. In line with the lifting of public health restrictions in January 2022, in-person engagement with customers recommenced, whether by way of desk interviews or site visits. A total of 549,000 case reviews were carried out in 2022, an increase of almost 127,000 (or 30%) on 2021.

John McKeon

Accounting Officer

Department of Social Protection

24 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Social Protection for the year ended 31 December 2022 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 37 Social Protection for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery 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 Social Protection 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.

My report on the accounts of the public services for 2022 includes a number of chapters dealing with matters that relate to Vote 37 Social Protection.

Regularity of social welfare payments

Chapter 13 refers to social welfare payments in excess of entitlement under schemes operated by the Department of Social Protection. I consider the estimated level of irregular welfare payments to be material to Vote 37, as explained in the chapter.

Ex-gratia payment to branch managers

Chapter 14 examines an ex-gratia payment of €1.4 million to managers of social welfare branch offices.

Social welfare overpayments

Chapters 15 and 16 examine the Department of Social Protection's processes to identify social welfare overpayments and to collect the associated overpayment debts.

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 a number of contracts that operated in 2022.

Seamus McCarthy

Comptroller and Auditor General

27 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 37 Social Protection

Appropriation Account 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
	<i>Original</i>	598,593		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>21,600</u>		
			621,393	596,105
Pensions				544,707
	<i>Original</i>	1,072,683		
	<i>Supplementary</i>	<u>66,017</u>		
			1,138,700	1,136,457
Working age – income supports				1,083,119
	<i>Original</i>	2,519,409		
	<i>Supplementary</i>	<u>62,989</u>		
			2,582,398	2,526,407
Working age – employment supports				2,354,248
	<i>Original</i>	1,477,118		
	<i>Supplementary</i>	<u>(59,314)</u>		
			1,417,804	1,438,992
Illness, disability and carers				5,171,571
	<i>Original</i>	3,401,693		
	<i>Supplementary</i>	<u>239,346</u>		
			3,641,039	3,603,183
Children				3,257,599
	<i>Original</i>	2,555,098		
	<i>Supplementary</i>	<u>268,716</u>		
			2,823,814	2,830,832
Supplementary payments, etc.				2,557,600
	<i>Original</i>	549,124		
	<i>Supplementary</i>	<u>133,161</u>		
			682,285	685,431
Subvention to the Social Insurance Fund			—	577,641
				2,606,030

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Gross expenditure				
	<i>Original</i>	12,173,718		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	732,515		
			12,907,433	12,817,407
				18,152,515
<i>Deduct</i>				
Appropriations-in-aid				
	<i>Original</i>	280,570		
	<i>Supplementary</i>	10,515		
			291,085	352,730
				432,977
Net expenditure				
	<i>Original</i>	11,893,148		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	722,000		
			12,616,348	12,464,677
				17,719,538

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. €1.39 million of unspent allocations in respect of the capital elements of administration subheads (v) and (vi) was carried forward to 2023.

	2022	2021
	€	€
Surplus	151,670,632	144,880,093
Deferred surrender	(1,390,000)	(1,200,000)
Surplus to be surrendered	150,280,632	143,680,093

John McKeon

Accounting Officer

Department of Social Protection

24 July 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		12,221,302	17,607,808
Pay		329,354	310,417
Non pay		266,751	234,290
Gross expenditure		12,817,407	18,152,515
<i>Deduct</i>			
Appropriations-in-aid		352,730	432,977
Net expenditure		12,464,677	17,719,538
Changes in capital assets			
Purchases cash	(20,791)		
Depreciation	29,005	8,214	10,787
Changes in net current assets			
Increase in closing accruals	804		
Decrease in inventories	191	995	(783)
Direct expenditure		12,473,886	17,729,542
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		110,378	98,351
Notional rents ^a		14,198	14,386
Net programme cost		12,598,462	17,842,279

Note ^a Notional rents relates to Vote 37 and the Social Insurance Fund.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere ^a

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners ^b	580	287
Vote 12	Superannuation and Retired Allowances	95,519	83,572
Vote 13	Office of Public Works	12,479	12,714
Vote 18	National Shared Services Office	693	697
Vote 20	Garda Síochána	9	—
Vote 43	Office of the Government Chief Information Officer	1,031	1,014
Central Fund – ministerial pensions		67	67
		110,378	98,351

Note ^a Excluding Office of Public Works, relates to Vote 37 and Social Insurance Fund.

^b Does not include the costs incurred by Revenue on the administration of Covid-19 schemes on behalf of the Department. The operation of these schemes was fully integrated within Revenue systems.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	130,388	138,653
Current assets			
Inventories	2.3	—	191
Prepayments	2.4	64,134	60,580
Social Insurance Fund suspense account ^a		—	229,970
Other debit balances	2.5	208,002	218,388
Total current assets		272,136	509,129
Less current liabilities			
Bank and cash	2.2	171,536	385,384
Accrued expenses	2.6	61,084	56,726
Other credit balances	2.7	35,391	27,656
Net Exchequer funding	2.8	1,075	35,318
Total current liabilities		269,086	505,084
Net current assets		3,050	4,045
Net assets		133,438	142,698
Represented by:			
State funding account	2.9	133,438	142,698

Note ^a Represents advances from Vote 37 to the Social Insurance Fund (SIF) subvention suspense account which were not expended by year end.

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2022 ^a	7,317	275,951	22,634	305,902
Adjustment ^b	—	—	(51)	(51)
Additions	—	1,964	18,827	20,791
Write-off ^c	(1,471)	(94,539)	—	(96,010)
Transfers	—	22,799	(22,799)	—
Cost or valuation at 31 December 2022 ^a	5,846	206,175	18,611	230,632
Accumulated depreciation				
Opening balance at 1 January 2022	5,704	161,545	—	167,249
Depreciation for the year	544	28,461	—	29,005
Depreciation on disposals/write off	(1,471)	(94,539)	—	(96,010)
Cumulative depreciation at 31 December 2022	4,777	95,467	—	100,244
Net assets at 31 December 2022	1,069	110,708	18,611	130,388
Net assets at 31 December 2021	1,613	114,406	22,634	138,653

- Notes
- ^a Includes certain assets acquired prior to 1 January 2021 for less than €10,000.
 - ^b Adjustments totalling €51,000 were made to Capital Assets Under Development (CAUD) because expenditure incurred in previous years in respect of CAUD projects had been over-stated.
 - ^c An asset identification exercise carried out in 2022 resulted in the removal of retired and obsolete assets from the register. The exercise also resulted in the removal of individual items with values of under €10,000 as per circular 21/2020.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
An Post advance balances ^a	140,390	134,064
PMG balances (overdraft)	(312,648)	(525,026)
Commercial bank account balance	722	5,578
	(171,536)	(385,384)

Note ^a As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2022, the combined balance held by An Post in respect of Vote 37 and the SIF was €246.4 million. The combined corresponding balance at the end of 2021 was €231.2 million.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery	—	160
IT consumables	—	31
	—	191

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Specific programme prepayments ^a	59,277	55,886
Software support	3,590	2,514
Administration	983	2,180
Other prepayments	284	—
	64,134	60,580

Note ^a The Department provides advance funding to some organisations delivering schemes. Advances are provided to Community Employment and Job Initiative schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats for cash flow are provided to Local Employment Services, Jobs Clubs and Contracted Public Employment Services (PES) to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	—	244
Advances to Pobal	6,145	5,350
Advance to Revenue Commissioners ^a	9,752	7,411
Scheme prepayments ^b	164,220	161,354
Other debit suspense	2,096	2,454
<i>Due from SIF in respect of ^c</i>		
• Vote related receipts recovered through SIF	18,121	18,809
• payments by Vote on behalf of SIF	6,638	21,758
• imprest payments receivable from SIF	23	1
	208,002	218,388

Notes ^a Advances to the Revenue Commissioners is in respect of both the Employment Wage Subsidy Scheme and the Temporary Wage Subsidy Scheme

^b Scheme prepayments are scheme payments made in the year not charged in the current year.

^c Scheme payments only. Administration costs are not included here.

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Specific programme accruals ^a	47,071	49,658
Other accruals	8,249	5,556
IT services and support	4,014	808
Administration expenses	1,750	704
	61,084	56,726

Note ^a Moneys owed to organisations providing Community Employment, Job Initiative, Local Employment Services and Contracted Public Employment Services (PES) on behalf of the Department. This money relates to organisations as opposed to individual claimants.

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	3,675	3,740
Pay related social insurance	3,029	3,001
Universal social charge	761	702
Professional services withholding tax	4,399	3,974
Value added tax	17	16
Pension contributions	1,827	2,446
Local property tax	37	51
Extra Exchequer receipts	—	1
	13,745	13,931
Payroll deductions	2,131	2,235
Due to SIF in respect of ^a		
• payments by SIF on behalf of Vote	4,273	4,035
• imprest payments received from SIF	4,937	2,167
Unmatched overpayment recoveries	4,165	3,846
Debt recovery on behalf of other EU countries	927	877
Due to OPW in respect of office furniture, building and electrical work	1,080	—
Due to DCEDIY in respect of Accommodation Recognition Payment Scheme	3,660	—
Other credit suspense items	473	565
	35,391	27,656

Note ^a Scheme payments only. Administration costs are not included here.

2.8 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus to be surrendered	150,281	143,680
Deferred surrender	1,390	1,200
Exchequer grant undrawn	(150,596)	(109,562)
Net Exchequer funding	1,075	35,318
Represented by:		
Debtors		
Debit balances: suspense	208,002	218,388
SIF: suspense	—	229,970
Creditors		
Bank and cash	(171,536)	(385,384)
Due to the State	(13,745)	(13,931)
Credit balances: suspense	(21,646)	(13,725)
	(206,927)	(413,040)
	1,075	35,318

2.9 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		142,698	148,598
Disbursements from the Vote			
Estimate provision	Account	12,616,348	
Deferred surrender	Account	(1,390)	
Surplus to be surrendered	Account	(150,281)	
Net vote		12,464,677	17,719,538
Expenditure (cash) borne elsewhere	1.1	110,378	98,351
Non cash expenditure – notional rent	1	14,198	14,386
Capital assets under development and fixed asset adjustment	2.1	(51)	4,104
Net programme cost	1	(12,598,462)	(17,842,279)
Balance at 31 December		133,438	142,698

2.10 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services ^a	24,853	34,359
Non-capital grant expenditure ^a	56,106	38,473
Capital projects	18,515	9,957
Total of legally enforceable commitments	99,474	82,789
b) Non-capital grant programmes		
Opening balance	38,473	31,905
Grants paid in year	(72,610)	(52,922)
New grant commitments	90,375	59,669
Grants cancelled	(132)	(179)
Closing balance	56,106	38,473

Note ^a 2021 procurement of goods and services have been re-analysed to show non-capital grant expenditure separately, in line with 2022 classifications.

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	209	114

2.12 Contingent liabilities

The Department is involved in 92 legal cases 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

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	325,434		
	<i>Supplementary</i>	11,500		
			336,934	329,354
ii	Travel and subsistence			310,417
	<i>Original</i>	4,227		
	<i>Supplementary</i>	(1,936)		
			2,291	1,931
iii	Training and development and incidental expenses			562
	<i>Original</i>	14,636		
	<i>Supplementary</i>	854		
			15,490	13,698
iv	Postal and telecommunications services			10,978
	<i>Original</i>	13,977		
	<i>Supplementary</i>	500		
			14,477	15,327
v	Office equipment and external IT services			13,793
	<i>Original</i>	74,295		
	<i>Deferred surrender</i>	820		
	<i>Supplementary</i>	(9,690)		
			65,425	61,478
vi	Office premises expenses			59,282
	<i>Original</i>	21,825		
	<i>Deferred surrender</i>	380		
	<i>Supplementary</i>	(815)		
			21,390	18,539
vii	Consultancy		1,100	1,120
viii	Payments for agency services			487
	<i>Original</i>	126,599		
	<i>Supplementary</i>	18,387		
			144,986	136,262
				117,276

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
ix	eGovernment related projects			
	<i>Original</i>	16,500		
	<i>Supplementary</i>	2,800		
		19,300	18,396	14,293
		621,393	596,105	544,707

Significant variations

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

ii Travel and subsistence

Estimate provision €4.2 million; outturn €1.9 million

The underspend of €2.3 million relative to the estimate provision was because travel estimates were based on the assumption of a resumption of pre-pandemic travel levels. This did not materialise as anticipated.

Programme A Social assistance schemes, services, payments to Social Insurance Fund

				2022	2021
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	<i>Original</i>	325,434			
	<i>Supplementary</i>	11,500			
			336,934	329,354	310,417
A.2	Administration – non pay				
	<i>Original</i>	273,159			
	<i>Deferred surrender</i>	1,200			
	<i>Supplementary</i>	10,100			
			284,459	266,751	234,290
Pensions					
A.3	State Pension (Non-Contributory)				
	<i>Original</i>	1,072,683			
	<i>Supplementary</i>	66,017			
			1,138,700	1,136,457	1,083,119
Working Age - Income Supports					
A.4	Jobseeker's Allowance				
	<i>Original</i>	1,701,948			
	<i>Supplementary</i>	(10,010)			
			1,691,938	1,641,486	1,567,383
A.5	One Parent Family Payment				
	<i>Original</i>	566,079			
	<i>Supplementary</i>	42,581			
			608,660	613,976	561,233
A.6	Widow(er)s', Surviving Civil Partner's (Non Contributory) Pension		12,084	12,252	12,691
A.7	Deserted Wife's Allowance		605	498	635
A.8	Basic Supplementary Welfare Allowance Payments		123,723	121,595	94,865
A.9	Farm Assist				
	<i>Original</i>	53,870			
	<i>Supplementary</i>	1,608			
			55,478	55,665	59,030
A.10	Exceptional and Urgent Needs Payments				
	<i>Original</i>	45,750			
	<i>Supplementary</i>	17,940			
			63,690	57,668	43,089

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.11	Other Working Age – Income Supports			
	<i>Original</i>	15,350		
	<i>Supplementary</i>	10,870		
		26,220	23,267	15,322
Working Age – Employment Supports				
A.12	Community Employment Programme			
	<i>Original</i>	375,366		
	<i>Supplementary</i>	(48,876)		
		326,490	329,015	320,213
A.13	Rural Social Scheme			
	<i>Original</i>	51,903		
	<i>Supplementary</i>	(3,303)		
		48,600	48,870	49,476
A.14	Tús			
	<i>Original</i>	112,561		
	<i>Supplementary</i>	(22,061)		
		90,500	90,177	78,557
A.15	Job Initiative			
	<i>Original</i>	11,822		
	<i>Supplementary</i>	968		
		12,790	11,865	13,116
A.16	Back to Work Enterprise Allowance			
	<i>Original</i>	56,484		
	<i>Supplementary</i>	(24,084)		
		32,400	31,943	28,881
A.17	Youth Employment Support Scheme		—	563
A.18	Back to Education Allowance			
	<i>Original</i>	105,396		
	<i>Supplementary</i>	(63,896)		
		41,500	40,272	54,322
A.19	JobsPlus			
	<i>Original</i>	28,400		
	<i>Supplementary</i>	(24,050)		
		4,350	4,198	3,315
A.20	Local Employment Service			
	<i>Original</i>	9,810		
	<i>Supplementary</i>	5,660		
		15,470	14,678	18,623

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
A.21	Jobs Clubs				
	<i>Original</i>	1,960			
	<i>Supplementary</i>	840			
			2,800	2,595	4,198
A.22	Work Placement Experience Programme				
	<i>Original</i>	62,612			
	<i>Supplementary</i>	(59,942)			
			2,670	2,589	596
A.23	Other Working Age – Employment Supports				
	<i>Original</i>	24,648			
	<i>Supplementary</i>	(13,679)			
			10,969	10,566	13,111
A.24	Contracted Public Employment Service (PES) Schemes				
	<i>Original</i>	31,156			
	<i>Supplementary</i>	(3,701)			
			27,455	13,007	—
A.yy	Covid-19 Temporary Wage Subsidy Scheme (TWSS)				
	<i>Original</i>	5,000			
	<i>Supplementary</i>	(2,490)			
			2,510	638	16,071
A.zz	Covid-19 Employment Wage Subsidy Scheme (EWSS)				
	<i>Original</i>	600,000			
	<i>Supplementary</i>	199,300			
			799,300	838,579	4,570,529
Illness, Disability and Carers					
A.25	Disability Allowance				
	<i>Original</i>	1,891,647			
	<i>Supplementary</i>	135,358			
			2,027,005	2,015,919	1,828,845
A.26	Blind Pension				
	<i>Original</i>	12,378			
	<i>Supplementary</i>	235			
			12,613	12,802	12,255

				2022	2021
		Estimate provision	Outturn	Outturn	
		€000	€000	€000	€000
A.27	Carer's Allowance				
	<i>Original</i>	990,228			
	<i>Supplementary</i>	12,623			
			1,002,851	993,159	930,556
A.28	Domiciliary Care Allowance				
	<i>Original</i>	203,300			
	<i>Supplementary</i>	24,140			
			227,440	224,476	202,445
A.29	Carer's Support Grant				
	<i>Original</i>	262,400			
	<i>Supplementary</i>	78,683			
			341,083	327,534	257,223
A.30	Disability Activation Supports				
	<i>Original</i>	12,160			
	<i>Supplementary</i>	(2,773)			
			9,387	8,827	10,375
A.31	Wage Subsidy Scheme				
	<i>Original</i>	29,580			
	<i>Supplementary</i>	(8,920)			
			20,660	20,466	15,900
Children					
A.32	Child Benefit				
	<i>Original</i>	2,061,480			
	<i>Supplementary</i>	223,100			
			2,284,580	2,286,444	2,090,446
A.33	Working Family Payment				
	<i>Original</i>	348,550			
	<i>Supplementary</i>	11,290			
			359,840	361,090	338,407
A.34	Back to Work Family Dividend				
	<i>Original</i>	10,370			
	<i>Supplementary</i>	1,076			
			11,446	11,228	10,248
A.35	Back to School Clothing And Footwear Allowance				
	<i>Original</i>	58,170			
	<i>Supplementary</i>	28,350			
			86,520	85,867	51,651
A.36	School Meals Schemes				
	<i>Original</i>	68,100			
	<i>Supplementary</i>	4,900			
			73,000	77,511	58,386

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
A.37	Child Related Payments		8,428	8,692
				8,462
Supplementary Payments, Agencies and Miscellaneous Services				
A.38	Rent Supplement			
	<i>Original</i>	79,700		
	<i>Supplementary</i>	(5,100)		
			74,600	75,149
A.39	Telephone Support Allowance		8,400	8,513
A.40	Household Benefits Package			
	<i>Original</i>	78,885		
	<i>Supplementary</i>	4,862		
			83,747	87,766
A.41	Free Travel		95,000	89,569
A.42	Fuel Allowance			
	<i>Original</i>	211,570		
	<i>Supplementary</i>	136,927		
			348,497	353,813
A.43	Grant to the Citizens Information Board			
	<i>Original</i>	60,258		
	<i>Supplementary</i>	(3,528)		
			56,730	56,309
A.44	Miscellaneous Services		15,311	14,312
A.45	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005		—	—
				2,606,030
Total			12,907,433	12,817,407
				18,152,515

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €90.3 million less than Further Revised Estimates provided. This was made up as follows.

- An net underspend of €25.3 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained.
- An net underspend of €65 million relates to scheme and service subheads. The main variances are described below.

A.3 State Pension (Non-Contributory)

Estimate provision €1,072.7 million; outturn €1,136.5 million

There was an overspend of €63.8 million primarily due to:

- Actual average weekly payment values for core payments (€246.20) were €9.03 more than estimated (€237.17). This cost €44.5 million and was due to a range of cost of living measures not provided for in the original estimate, including €22.2 million to pay a once-off cost of living payment, a further €22.2 million to pay the Christmas bonus and €6.4 million to pay a once-off living alone lump sum of €200. There was an offsetting saving of €6.3 million due to lower underlying average payment values.
- Actual average number of recipients for people fleeing war in Ukraine (1,066) with an average weekly payment value of €307.65. This cost €17.1 million.
- Actual adjustments (€94.6 million) were €4.9 million less than estimated (€99.5 million). This was due to lower reimbursements to the Supplementary Welfare Allowance (SWA) scheme following decisions on pension claims in respect of people fleeing war in Ukraine and who had been receiving SWA payments while awaiting decisions on their claims.

Offset by

- Actual average number of recipients (94,704) were 223 less than estimated (94,927). This saved €2.8 million.

A.5 One Parent Family Payment

Estimate provision €566.1 million; outturn €614 million

There was an overspend of €47.9 million due to

- Actual average number of core recipients (40,391) were 801 higher than estimated (39,590). This cost €11.4 million.
- Actual average weekly payment values for core recipients (€281.85) were €8.72 more than estimated (€273.13). This cost €18.3 million. This was primarily due to a number of once-off cost of living payments not provided for in the original estimate, including an autumn cost of living payment costing €10.9 million, with the Christmas bonus costing a further €10.9 million, offset by a saving of €3.9 million on underlying average payment values.
- Actual average recipients for people fleeing war in Ukraine (969), averaged over 52 weeks with an average weekly payment value of €313.02. This cost €15.8 million and was not envisaged when the original estimate was finalised. Average payment values were higher than for core payments due to significant arrears paid at start of claims.
- Actual adjustments (€6 million) were €2.4 million more than estimated (€3.6 million).

A.7 Deserted Wife's Allowance

Estimate provision €605,000; outturn €498,000

There was an underspend of €107,000 because the number of recipients (46) was 13 less than estimated (59). The scheme is closed to new recipients, and the number of claims in payment is declining faster than expected.

A.10 Exceptional and Urgent Needs Payments (ENP)

Estimate provision €45.8 million; outturn €57.7 million

There was an overspend of €11.9 million primarily due to

- Actual number of core payments (57,923) were 2,454 more than estimated (55,469). This cost €2.1 million and was due to more people seeking assistance with household bills and heating.
- Actual average payment values for core payments (€918.48) were €71.70 more than estimated (€846.78). This cost €4.2 million and was due to higher cost of household bills, heating, funerals and new accommodation kits.
- Actual number of payments to people fleeing war in Ukraine were 32,387 with an average payment value of €166.37, mainly clothing, which would have a lower average payment values than other payment categories. This cost €5.4 million.

A.11 Other Working Age – Income Supports

Estimate provision €15.4 million; outturn €23.3 million

There was an overspend of €7.9 million due to

- Actual average recipients of Daily Expenses Allowance (5,070) were 1,753 higher than provided for in the estimate (3,317). This cost €5.7 million and was due to more people seeking refuge in Ireland other than people fleeing war in Ukraine.
- Actual average weekly payment values for Daily Expenses Allowance (€73.26) were €10.55 higher than estimated (€62.71) and was due to proportionately more families than individuals making claims. This cost €2.8 million.

Offset by

- Actual average recipients on Other Supplements (1,810) were 361 lower than estimated (2,171) due mainly to more exits from closed supplements (Diet and Mortgage Interest Supplement) than expected. This saved €600,000.

A.12 Community Employment Programme

Estimate provision €375.4 million; outturn €329 million

There was an underspend of €46.4 million primarily due to

- Actual average participants (18,890) were 3,660 lower than estimated (22,550). This saved €49.4 million and was due to large numbers of former Pandemic Unemployment Payment (PUP) recipients securing full-time employment in line with a rapid recovery of the labour market post Covid-19 and not becoming unemployed meaning that participant places were not filled as envisaged in the original estimate.
- Actual average supervisors (1,230) were 127 less than estimated (1,357). This saved €5 million.
- Lower course consumables and materials as a result of less participants. This saved €2 million.
- Higher recoupments from CE projects. This saved €1.8 million.

Offset by

- Actual average weekly participant payroll costs (€266.79) were €7.08 higher than estimated (€259.71). This cost €6.9 million. The autumn cost of living payment cost €4.8 million, with the Christmas bonus costing a further €4.8 million, both of which were not provided for in the original estimate offset by saving of €2.7 million on underlying average payment values.
- Actual ex-gratia pension payments to supervisors cost €5.1 million.

A.13 Rural Social Scheme

Estimate provision €51.9 million; outturn €48.9 million

There was an underspend of €3 million primarily due to

- Actual participants (2,880) were 240 less than estimated (3,120). This saved €3.3 million, with the uptake of places being impacted by public health restrictions and a reduction in numbers of recipients on Farm Assist.

Offset by

- Actual participant average weekly payroll costs (€269.61) were €2.78 more than estimated (€266.83). This cost €400,000. The autumn cost of living payment cost €700,000, with the Christmas bonus costing a further €700,000, both of which were not provided for in the original estimate. These costs were offset by lower underlying average payment values which saved €1 million.

A.14 Tús

Estimate provision €112.5 million; outturn €90.2 million

The underspend of €22.3 million was due to:

- Actual average participant numbers (5,142) were 1,618 less than estimated (6,760). This saved €22.1 million. The anticipated spike in former Pandemic Unemployment Payment recipients taking up Tús places did not materialise due to the stronger than expected recovery of the labour market post Covid-19.
- Actual average supervisors (271) were 17 less than estimated (288). This saved €700,000.
- Lower implementation body costs saved €800,000.

Offset by

- Actual participant average weekly payroll costs (€268.10) were €4.97 higher than estimated (€263.13). This cost €1.3 million. The cost of the autumn cost of living payment was €1.3 million, with the Christmas bonus costing a further €1.3 million, both of which were not provided for in the original estimate. These additional costs were offset by a saving of €1.3 million on underlying average payment values.

A.16 Back to Work Enterprise Allowance*Estimate provision €56.5 million; outturn €31.9 million*

There was an underspend of €24.6 million due to

- Actual participant numbers (2,681) were 2,259 less than estimated (4,940). This saved €25.9 million. This is due to a faster recovery in the labour market and lower jobseekers post Covid-19 than estimated.

Offset by

- Actual average weekly payment values (€229.82) were €9.54 more than estimated (€220.28). This cost €1.3 million, mainly due to the cost of the autumn cost of living payment cost €550,000, with the Christmas bonus costing a further €550,000, both of which were not provided for in the original estimate.

A.18 Back to Education Allowance*Estimate provision €105.4 million; outturn €40.3 million*

There was an underspend of €65.1 million due to

- Actual average recipients (4,282) during the academic year were 7,218 less than estimated (11,500). This saved €59.1 million and was due to a faster recovery in the labour market post Covid-19 resulting in lower numbers of jobseekers availing of the scheme. The estimate was informed by commitments made in the Pathways to Work when the scale of the long-term impact from the pandemic was still unclear.
- Actual average recipients (1,243) during the summer were 1,657 lower than estimated (2,900). This saved €6.4 million and was due to less underlying recipients on the scheme.

Offset by

- Actual average weekly payment values during the academic year (€241.86) were €2.51 more than estimated (€239.35). This cost €400,000. The cost of the autumn cost of living payment was €350,000, while the cost of the Christmas bonus was a further €350,000. There was an offsetting saving of €300,000 due to a range of other factors, including less cost of education allowance payments due to less participants on the scheme.

A.19 JobsPlus*Estimate provision €28.4 million; outturn €4.2 million*

There was an underspend of €24.2 million due to

- Actual average participants (950) were 4,768 less than provided for in the estimate (5,718). This saved €23.7 million. This is due to less recourse to JobsPlus due to a lower Live Register arising from a faster recovery in the labour market than envisaged when the estimate was finalised.
- Actual average monthly payment values (€368.25) were €45.62 less than estimated (€413.87) due to a decline in the proportion of participants on the higher rate in 2022 compared to 2021 which informed the 2022 estimate. This saved €500,000.

A.20 Local Employment Service

Estimate provision €9.8 million; outturn €14.7 million

There was an overspend of €4.9 million due to

- Actual expenditure on Local Employment Service (LES) staff costs (€10.8 million) were €3.3 million more than estimated (€7.5 million). This was due to LES contracts being extended from end June 2022 (as planned in the estimate) to end August 2022 as a result of the delay in the procurement for the new Public Service Employment replacement contract.
- Actual expenditure on LES operational costs (€3 million) were €1.2 million more than estimated (€1.8 million). This was due to the extension of LES contracts by 2 months.
- Actual expenditure on Mediator fund provided by the LES (€800,000) was €400,000 more than estimated (€400,000). This was due to the underlying extension of LES contracts by 2 months.

A.21 Jobs Clubs

Estimate provision €2 million; outturn €2.6 million

There was an overspend of €600,000 due to the extension of Jobs Clubs contracts from end June 2022 (as envisaged in the original estimate) to end August 2022 due to delays in the procurement process for the new replacement Public Employment Service contracts. The additional expenditure was made up as follows.

- Actual Jobs Clubs staff costs (€2 million) were €400,000 more than estimated (€1.6 million). This was due to the extension of contracts and payments for outstanding claims as part of the wind down of the Job Club contracts.
- Actual Jobs Clubs Operation Costs (€600,000) were €200,000 more than estimated (€400,000) and was due to the extension of contracts.

A.22 Work Placement Experience Programme

Estimate provision €62.6 million; outturn €2.6 million

There was an underspend of €60 million due to

- Actual participants (145) were 3,344 less than provided for in the estimate (3,489). This saved €60 million and is due to the stronger than expected recovery in the labour market post-pandemic than envisaged when Work Placement Experience Programme was announced in the July 2020 Jobs Stimulus and the subsequent Recovery and Resilience Plan in 2021.

A.23 Other Working Age – Employment Supports

Estimate provision €24.6 million; outturn €10.6 million

There was an underspend of €14 million due to

- Actual expenditure on Training Support Grant (€2.3 million) was €8.7 million less than estimated (€11 million). This was due to a lower average Live Register in 2022 meaning lower recourse to Training Support Grants than expected.
- Actual expenditure on Enterprise Support Grant (ESG) (€2.4 million) was €6.5 million less than estimated (€8.9 million) due to lower recipients on Back To Work Enterprise Allowance (BTWEA) (€1.6m) and less demand for Covid-19 ESG grants from Self-Employed people formerly on Pandemic Unemployment Payment (€4.9 million) due to more former PUP recipients finding work and not transferring to jobseekers than expected when the estimate was prepared.
- Actual average participants on Part Time Job Incentive (PTJI) (166) were 64 less than estimated (230) due to a Lower Average Live Register than estimated meaning less demand for PTJI. This saved €400,000 and was due to the stronger labour market post Covid-19 than expected when the estimate was prepared.
- Actual expenditure on Activation and Family Support (€200,000) was €400,000 less than estimated (€600,000). Co-funding was provided to ten organisations to support the provision of programmes used to support the development of social welfare recipients.

Offset by

- Actual expenditure on PTJI for the Self-Employed (SE) (€3.8 million) was €2 million more than estimated (€1.8 million). This was due to the extension of PTJI for SE up to end May 2022 and higher participants as a result of the Omicron variant in early 2022.

A.24 Contracted Public Employment Services (PES) Schemes

Estimate provision €31.2 million; outturn €13 million

There was an underspend of €18.2 million due to a delay in the procurement process and subsequent mobilisation of services.

To encourage engagement and to allow the not-for-profit sector time to co-ordinate their bids the decision was taken to extend the cessation timeline for the Local Employment Service and Jobs Clubs contracts from the end of 2021 originally to June 2022, through a 6-month contract (which formed the basis of 2022 estimates) and then to extend this by a further 2 months to 31 August 2022 for those who wished to accept that additional extension. Full mobilisation of Phase 1 Intreo Partner Local Area Employment Service contracts completed mobilisation in the majority of contracts by early December 2022 and Intreo Partner National Employment Service in the first quarter of 2023.

A.yy Covid-19 Temporary Wage Subsidy Scheme (TWSS)*Estimate provision €5 million; outturn €638,000*

There was an underspend of €4.4 million due to

- Temporary Wage Subsidy Scheme (TWSS) has been closed and was replaced by the Employment Wage Subsidy Scheme (EWSS) from September 2020.
- As part of the wind-down of TWSS, Revenue has been recovering outstanding overpayments and settling outstanding arrears with employers. The provision for arrears for 2022 was based on the emerging position in August 2021 which informed the 2022 estimate (€5 million). There was a saving of €4.4 million due to lower arrears (€600,000) than provided for in the estimate (€5 million).

A.zz Covid-19 Employment Wage Subsidy Scheme (EWSS)*Estimate provision €600 million; outturn €838.6 million*

The overspend of €238.6 million was due to

- €242.8 million due to higher payments to employers as a result of the Covid-19 Omicron variant which meant that Covid-19 restrictions were re-imposed in December 2021 and January 2022 for certain sectors resulting in a surge of expenditure in January 2022 and extension of EWSS to end May 2022 rather than April 2022 as envisaged in the original estimate.

Offset by

- Saving of €4.2 million due to recoveries of overpayments by Revenue from employers in respect of 2022 overpayments.

A.25 Disability Allowance*Estimate provision €1,891.6 million; outturn €2,015.9 million*

There was an overspend of €124.3 million due to

- Actual average weekly payment values (€247.67) for core recipients were €17.68 more than estimated (€229.99). This cost €143.1 million. This was made up with the autumn cost of living payment costing €34 million, once-off Disability Payment/Living Alone costing €81.2 million, the Christmas bonus costing €34 million offset by savings of €6.1 million on a range of factors.
- Actual average number of recipients for people fleeing war in Ukraine (106) averaged over 52 weeks, with an average weekly payment value of €315.44, when averaged over the full year in 2022. This cost €1.7 million. Average payment values were higher than for core recipients due to arrears at the start of claims.

As this is a demand led scheme, it can be difficult to predict future volumes. While the number of claims registered was marginally higher than the historical trend, the overall lower number of recipients implies that the length of time spent on the scheme is decreasing or that there are more exits overall from the scheme for other reasons, such as an ageing cohort leaving to other schemes.

Offset by

- Actual average recipient numbers (155,532) were 1,622 lower than estimated (157,154). This saved €19.4 million.
- Actual lower adjustments (€10.6 million) were €1.1 million less than estimated (€11.7 million).

A.28 Domiciliary Care Allowance

Estimate provision €203.3 million; outturn €224.5 million

There was an overspend of €21.2 million due to

- Actual average core recipients (48,072) were 1,423 higher than estimated (46,649). This cost €6.2 million and is due to a range of factors including prevalence rates of disability, resulting in higher numbers of recipients whose condition falls into the category of Mental & Behavioural Diseases (ICD-10 code F). This category of recipients is increasing year on year, with a significant increase in the diagnoses of autism spectrum disorder (ASD).
- Actual average monthly payment values (€388.71) were €25.54 higher than estimated (€363.17). This cost €14.7 million. This was made up by €4.5 million on cost of living payment and a further €4.5 million on the Christmas bonus, both of which were not included in the original estimate. There was a further €5.7 million arising from longer processing times during the final quarter of 2021 which resulted in a spike in arrears during 2022.
- Actual average recipients for people fleeing war in Ukraine (41) at an average monthly payment value of €512.34 averaged over the year in 2022. This cost €300,000. Average payment values are higher than for core recipients due to payment of arrears at start of claims.

A.29 Carer's Support Grant

Estimate provision €262.4 million; outturn €327.5 million

There was an overspend of €65.1 million due to

- Actual number of recipients for core Carer's Support Grants (129,952) were 1,505 more than estimated (128,447). This cost €3.1 million. This was due to ongoing increases in Carer's Allowance (CA) and Domiciliary Care Allowance (DCA) recipients, as well as people with a caring need not receiving CA, DCA or Carer's Benefit.
- Actual average payment values for core grants (€2,070.53) were €27.66 more than estimated (€2,042.87). This cost €3.5 million.
- Actual number of once-off cost of living payments (116,496) of €500 each cost €58.2 million.
- Actual number of payments to people fleeing war in Ukraine was 332, with an average payment value of €837.78. This cost €300,000.

A.30 Disability Activation Supports

Estimate provision €12.2 million; outturn €8.8 million

There was an underspend of €3.4 million primarily due to

- Actual expenditure on the Employability Service (€8.3 million) was €3.3 million lower than estimated (€11.6 million) and was due to actual costs submitted by the Employability Service contractors being less than estimated due to staff vacancies and overheads claimed being less than estimated.

A.31 Wage Subsidy Scheme

Estimate provision €29.6 million; outturn €20.5 million

There was an underspend of €9.1 million due to

- Actual Wage Subsidy Scheme (WSS) participants (1,413) were 340 less than estimated (1,753). This saved €5.6 million and was due to less former WSS supported employees who availed of PUP and EWSS returning to WSS once emergency Covid-19 supports were closed than estimated.
- Actual Wage Subsidy Scheme average weekly payment value (€269.79) was €48.02 less than estimated (€317.81). This saved €3.5 million. This was due to WSS employees returning to work with their WSS employer once PUP was closed for less hours than originally contracted before the Covid-19 pandemic.

A.32 Child Benefit

Estimate provision €2,061.5 million; outturn €2,286.4 million

There was an overspend of €224.9 million due to

- Actual average monthly payment values for core recipients (€299.14) were €24.26 more than estimated (€274.88). This cost €183.9 million. The cost of the double payment in November 2022 was €175 million, with the balance of €9 million due to underlying average weekly payment values being higher than estimated.
- The remaining increase in spending was due to an increase in the average number of beneficiaries of the scheme related to Ukraine refugees (6,722) and other migration (6,568). These added an estimated €19.7 million and €21.7 million, respectively.

Offset by

- Actual adjustments (€500,000) were €400,000 more than estimated (€100,000). This is due to higher overpayment recoveries in 2022 netted off against the Child Benefit than informed the estimate.

A.34 Back to Work Family Dividend

Estimate provision €10.4 million; outturn €11.2 million

There was an overspend of €800,000 due to

- Actual average weekly payment values (€80.69) were €6.45 more than estimated (€74.24). This cost €800,000 and was due to a greater proportion of people on the scheme for less than a year and therefore on a higher rate of payment than envisaged when the estimate was finalised. Back to Work Family Dividend is a time-limited scheme with a maximum of two years duration. Covid-19 would have impacted inflows during 2020 and 2021 which meant that there would have been less people on the scheme for more than a year in 2022.

A.35 Back to School Clothing and Footwear Allowance*Estimate provision €58.2 million; outturn €85.9 million*

There was an overspend of €27.7 million primarily due to:

- Actual average payment values for core recipients (€565.67) were €172.72 more than estimated (€392.95). This cost €25.1 million and was due to an additional €100 for each child announced by Government as a cost of living measure in July 2022.
- Additional recipients (8,020) fleeing war in Ukraine receiving an average payment of €439.10 per recipient. This cost €3.5 million.

Offset by

- Actual number of core recipients (145,571) were 2,467 less than provided for in the estimate (148,038) due to lower numbers of jobseekers making claims arising from a lower live register. This saved €1 million.

A.36 School Meals Schemes*Estimate provision €68.1 million; outturn €77.5 million*

There was an overspend of €9.4 million due to the extension of the Delivering Equality of Opportunity in School (DEIS) to an additional 322 schools from September 2022. Arising from this decision the provision of the hot school meal option was extended to all new DEIS primary schools and the cold lunch option to all new DEIS secondary schools benefitting some 60,000 children for the 2022/23 school year.

A.38 Rent Supplement*Estimate provision €79.7 million; outturn €75.1 million*

There was an underspend of €4.6 million due to:

- Actual average core recipients (12,079) were 812 less than estimated (12,891). This saved €5 million and was due to lower numbers of claims following the lifting of Covid-19 restrictions in early 2022.
- Actual average weekly payment values (€118.74) were €0.27 less than estimated (€119.01). This saved €200,000.

Offset by

- Actual average recipients for people fleeing war in Ukraine (41) with average weekly payment values (€291.39). This cost €600,000. Average payment values were higher than for core payments due to virtually all payments being in excess of rent limits and were deemed necessary under Article 38 (part 6) of SI 412 of 2007.

A.40 Household Benefits Package

Estimate provision €78.9 million; outturn €87.8 million

Household Benefits may be funded from either Vote 37 or the Social Insurance Fund depending on the primary scheme being claimed by the recipient. This subhead funds that element of the Household Benefit schemes funded from Vote 37.

A detailed analysis of recipients by primary scheme for each of the constituent schemes was carried out to inform the 2021 outturn. This analysis was carried out after the 2022 REV estimate was finalised and because of this most of the variances can be attributed to the redistribution of expenditure between Vote and Fund following this analysis.

There was an overspend of €8.9 million due to

- Actual expenditure on Electricity Allowance funded from Vote 37 (€61.6 million) was €7.3 million more than estimated (€54.3 million).
- Actual expenditure on Gas Allowance funded from Vote 37 (€5.8 million) was €400,000 more than estimated (€5.4 million).
- Actual expenditure on Free TV license funded from Vote 37 (€20.4 million) was €1.2 million more than estimated (€19.2 million).

A.41 Free Travel

Estimate provision €95 million; outturn €89.6 million

There was an underspend of €5.4 million due to

- Actual expenditure on National Transport Authority funded opening up of bus routes (€2.4 million) was €1.2 million less than estimated (€3.6 million). These payments are based on usage, and the Department has been informed by transport operators across the sector that although Covid-19 public transport restrictions were lifted in Q1 of 2022, transport operators did not experience a return to pre-pandemic usage levels.
- Actual expenditure on private bus operators (€15.7 million) was €1.5 million less than estimated (€17.2 million). This was due to suspension of surveys during Covid-19, in addition to which three operators exited the scheme during the year.
- Actual expenditure for cross border travel for CIE Group (€1.6 million) was €2.7 million less than estimated (€4.3 million). This was due to delay in submission of invoices by the service provider.

A.42 Fuel Allowance

Estimate provision €211.6 million; outturn €353.8 million

There was an overspend of €142.2 million due to

- Actual average weekly payment value over the fuel season of 28 weeks (€55.32) was €22.32 more than estimated (€33.00). This cost €142.7 million and was due to the payment of three once-off lump sum payments made in March 2022 (€125), May 2022 (€100) and November (€400).

Offset by

- Actual average number of recipients (228,414) funded from Vote 37 were 558 less than estimated (228,972). This saved €500,000.

A.43 Grant to the Citizens Information Board

Estimate provision €60.3 million; outturn €56.3 million

There was an underspend of €4 million primarily due to

- Actual expenditure on Citizen's Information Service grants (€15.2 million) was €2.2 million less than estimated (€17.4 million).
- Actual expenditure on Abhaile and Dedicated Mortgage Arrears (DMA) Money Advice and Budgeting (€3.6 million) was €900,000 less than estimated (€4.5 million). This was due to less demand for these services due to the rise in the cost of living with people prioritising household debt over mortgage arrears.
- Actual expenditure on financial compliance (€400,000) was €700,000 less than estimated (€1.1 million) due to contingency funding not becoming necessary.
- Actual expenditure on information and communications technology (€3.5 million) being €600,000 less than estimated (€4.1 million) due to timing of project expenditure and lower expenditure on telecom services.
- Actual expenditure on Money Advice and Budgeting Service grants (€17.7 million) was €500,000 less than estimated (€18.2 million).
- Actual expenditure on operational compliance (€1.9 million) was €400,000 less than estimated (€2.3 million) due to delayed progression of premises projects.
- Actual expenditure on Citizen's Information Board pay and pensions (€7.6 million) was €300,000 lower than estimated (€7.9 million).
- Actual expenditure on National Service Delivery Company grants (€3.6 million) was €300,000 less than estimated (€3.9 million).

Offset by

- End of year surplus (€2.3 million) drawn down from Vote 37. This was made up of €400,000 relating to unspent CIB board expenses and €1.9 million relating to reconciliation of expenditure across Service Delivery Companies for 2022 after end of year. These amounts were surrendered to the Exchequer during 2023 Q1.

A.44 Miscellaneous Services

Estimate provision €15.3 million; outturn €14.3 million

There was an underspend of €1 million due to

- Actual expenditure on Promoting Social Inclusion for Family Carers and People with Disabilities (€4 million) was €1 million less than estimated (€5 million). This was due to the anticipated demand from bidders following a procurement process organised by Pobal, being less than expected for a new measure relating to family carers access to employment, education and training while caring.
- Actual expenditure on food and basic material funded from ESF+ (€5 million) was €700,000 less than estimated (€5.7 million). This was due to surplus stock at end of 2021 which was distributed in 2022.

Offset by

- Actual expenditure on Digital Activation Project for Lone Parents funded from EaSI programme which was funded from EU (€400,000) was not envisaged when the estimates were finalised. These costs relate to staff and other administration expenses incurred by staff working on the project.
- Actual expenditure on ex-gratia payments to survivors of the Magdalen laundries and other institutions (€3.4 million) was €300,000 more than estimated (€3.1 million) due to autumn cost of living payment and Christmas bonus which was not provided for in the original estimate.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimate provision	Realised	Realised
		€000	€000	€000
Social Insurance Fund transfer to Vote 37				
1	Recovery of administration expenses from the Social Insurance Fund			
	<i>Original</i>	160,410		
	<i>Supplementary</i>	12,285		
			172,695	164,185
				145,930
Appropriations-in-aid: other				
2	Recoveries of social assistance overpaid			
	<i>Original</i>	47,300		
	<i>Supplementary</i>	(1,500)		
			45,800	46,924
				47,504
3	Repayment from the Social Insurance Fund of amounts paid initially as social assistance in previous years			
	<i>Original</i>	3,500		
	<i>Supplementary</i>	(100)		
			3,400	4,944
			390	3,323
4	Receipts under 'liability to maintain family' provisions in Part XII of the Social Welfare (Consolidation) Act 2005			
5	Receipts from the General Register Office			
	<i>Original</i>	450		
	<i>Supplementary</i>	150		
			600	599
				462
6	Receipts from additional superannuation contributions on public service remuneration			
	<i>Original</i>	7,100		
	<i>Supplementary</i>	450		
			7,550	7,826
				7,103

		2022		2021
		Estimate provision	Realised	Realised
		€000	€000	€000
7	Receipts from European Social Fund			
	<i>Original</i>	620		
	<i>Supplementary</i>	(620)		
			—	5,000
8	Receipts from National Training Fund			
	<i>Original</i>	27,200		
	<i>Supplementary</i>	(21,490)		
			5,710	5,061
9	Receipts from Pensions Authority – staff superannuation			
	<i>Original</i>	700		
	<i>Supplementary</i>	(30)		
			670	686
10	Receipts from Dormant Accounts Fund			
	<i>Original</i>	10,000		
	<i>Supplementary</i>	(5,000)		
			5,000	5,000
11	Recovery of assistance from insurance claims			
	<i>Original</i>	2,100		
	<i>Supplementary</i>	1,070		
			3,170	2,220
12	Receipts from Fund for European Aid to the Most Deprived			
	<i>Original</i>	4,800		
	<i>Supplementary</i>	(1,500)		
			3,300	3,928
13	Miscellaneous			
	<i>Original</i>	1,000		
	<i>Supplementary</i>	(300)		
			700	11,370

		2022		2021
		Estimate provision	Realised	Realised
		€000	€000	€000
14	Recovery of overpayments for Covid-19 Temporary Wage Subsidy Scheme for earlier years			
	Original	5,000		
	Supplementary	24,400		
			29,400	174,705
15	Recovery from Employment Wage Subsidy for earlier years			
	Original	10,000		
	Supplementary	2,700		
			12,700	20,291
Total		291,085	352,730	432,977

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €72.1 million more than Further Revised Estimate. Explanations for variances are set out below:

3 Repayment from the Social Insurance Fund of amounts paid initially as social assistance.

Estimate €3.5 million; realised €4.9 million

This subhead is used to record the recovery of social assistance from the Social Insurance Fund (SIF) where inter-scheme adjustment is effected after the close of the financial year. Receipts can vary significantly from month to month. For example, it includes customers paid Supplementary Welfare Allowance (SWA) Basic payment (funded from Vote 37) while awaiting a decision on their claim for Illness Benefit (IB), Invalidity Pension (IP) or State Pension Contributory (SPC). The amount of SWA Basic paid is subsequently recovered from the SIF when their IB, IP or SPC claim is decided. When the decision is made in a later year to when the SWA Basic payment occurred, the recovery from the SIF is recorded as income under this subhead.

5 Receipts from the General Register Office

Estimate €450,000; realised €599,000

Receipts were €149,000 more than expected due to increased demand for certificates to support applications for new and renewal of passports and increased demand for certificates to support claims for Irish citizenship post Brexit and post Covid-19.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate €7.1 million; realised €7.8 million

Receipts were €700,000 higher due to the knock on effect of payment increases under Building Momentum Public Service Agreement and as a result of increased pay costs associated with the use of overtime to meet additional demands of the Community Welfare Service arising from the cost of living crisis, supporting SAFE registrations, PPSN allocations and Public Service Cards for people fleeing war in Ukraine.

7 Receipts from European Social Fund

Estimate €620,000; realised €nil

The shortfall of €620,000 relates to retention moneys in respect of Back To Work Enterprise Allowance (€250,000) and JobsPlus (€370,000) schemes which are withheld by the EU pending final audits of these schemes. It is now expected these audits will be undertaken in 2024, with potential payment of retention moneys into the Department later in 2024 or 2025.

8 Receipts from National Training Fund

Estimate €27.2 million; realised €6.9 million

Receipts were €20.3 million lower due to

- Actual receipts for Community Employment training (€3.68 million) were €500,000 less than estimated (€4.2 million). This was due to lower participants on Community Employment as a result of a strong recovery in the labour market post Covid-19.
- Actual receipts in respect of Training Support Grants (€2.35 million) were €3.6 million less than estimated (€6 million). This was due to a lower live register meaning less jobseekers availing of Training Support Grants.
- Actual receipts in respect of Work Placement Experience Programme (WPEP) participant training (€820,000) were €16.2 million less than estimated (€17 million). This was due to less participants on WPEP and less demand for training.

10 Receipts from Dormant Accounts Fund

Estimate €10 million; realised €4 million

Receipts were €6 million lower than expected due to

- €5 million less due to an error in the published estimate which was €10 million rather than €5 million.
- Actual receipts (€1 million) were €1 million less than estimated (€2 million) in respect of the reimbursement of expenditure on a new measure relating to family carers access to employment, education and training being less than expected due to the commencement timing of the programmes or a lack of participants on the scheme.

11 Recovery of assistance from insurance claims*Estimate €2.1 million; realised €3.1 million*

Receipts were €1 million higher due to delays to cases being heard in the court in 2021 and early 2022 being resolved in 2022 and new guidance released to the courts in 2021, having an impact in 2022.

12 Receipts from Fund for European Aid to the Most Deprived*Estimate €4.8 million; realised €3.3 million*

Receipts were €1.5 million less due to a new system being implemented by the EU Commission for claiming reimbursements from ESF+. Claims for outstanding reimbursements will be submitted in 2023 when the new system is in place.

13 Miscellaneous*Estimate €1 million; realised €11.9 million*

This subhead is used to record receipts which were not envisaged when the estimates were finalised and also small receipts such as the return of cancelled cheques.

Receipts were €10.9 million more than expected primarily due to

- €4 million as a result of an unspent Citizen's Information Board grant from 2021 being returned to the Exchequer as a receipt in 2022.
- €6.7 million relating to outstanding working balances recouped following the cessation of contracts relating to the wind-down of the Local Employment Service, Jobs Clubs and JobPath.
- €700,000 refunds on salary overpayments relating to overpayments which occurred prior to 2022.

Offset by

- €500,000 less due to rounding and offsetting factors due to the nature of the subhead where every element of the estimate is not quantified.

14 Recovery of overpayments for Covid-19 Temporary Wage Subsidy Scheme for earlier years*Estimate €5 million; realised €30.2 million*

Receipts realised were €25.2 million more than provided for in the original estimate.

This subhead records the recovery of overpayments from employers by Revenue on the Temporary Wage Subsidy Scheme (TWSS) relating to claims between March and August 2020 when the scheme was operational. Actual average receipts realised per month (€2.5 million) were €2.1 million higher than provided for in the estimate (€400,000). Revenue conducted a series of compliance checks with employers who had availed of the scheme. As a result, 1,936, or 2.8% of these participating employers had to repay subsidies either partially or fully. Receipts averaged over €2.5 million a month in 2022 but ranged from a low of €400,000 to €6.5 million a month.

15 Recovery from Employment Wage Subsidy for earlier years*Estimate €10 million; realised €67.8 million*

Receipts were €57.8 million more than provided for in the original estimate.

This subhead records the recovery of overpayments relating to the Employment Wage Subsidy Scheme (EWSS) collected by Revenue from employers in respect of claims made in 2020 and 2021. Revenue carried out a series of compliance checks among employers to ensure that the integrity of the scheme had been maintained. When the scheme ceased in July 2022, Revenue invited around 42,500 employers who hadn't previously submitted eligibility documentation and who received subsidy payments, to perform a final self-review to assess their scheme eligibility for all periods of its implementation. This allowed employers to identify overclaims before 30 September 2022 and avoid penalties or interest on the payments.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	1	1
Conscience money	11	2
Witness expenses	—	1
Transferred to the Exchequer	(12)	(3)
Balance at 31 December	—	1

4.3 Recovery of welfare assistance overpayments

The Central Debt Unit (CDU) is responsible for the management of recorded individual customer overpayments and debt recovery. ^a

The summary position on recorded welfare assistance overpayments and debt managed by CDU at 31 December 2022 was as follows:

	2022		2021	
	Outturn		Outturn	
	€000	€000	€000	€000
Overpayments outstanding at 1 January 2022		379,174		390,922 ^b
Net overpayments recorded				
Suspected fraud	14,403		15,464	
Customer error	36,775		33,652	
Official error	983		1,058	
Estate cases	16,149		22,016	
		68,310		72,190
		447,484		463,112
Less:				
Debt recovered ^c	(51,799)		(51,179)	
Recoveries adjustment ^d	233		237	
		(51,566)		(50,942)
Prior year debts cancelled ^e		(5,373)		(5,118)
Debt written off as irrecoverable ^f		(7,637)		(27,878)
Overpayments outstanding at 31 December 2022		382,908		379,174

Notes ^a The management of overpayments and debt recoveries that arise from contractual relationship or service level agreements with corporate entities delivering group schemes such as Community Employment are administered by the respective scheme area and are not stated here. Total 2022 recoveries for these schemes were €394,000 (2021: €660,000).

In 2022 the Revenue Commissioners administered debt recoveries for the Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) which are not reported here. Recoveries of €3.8 million for 2022 overpayments are netted off 2022 TWSS and EWSS scheme expenditure (2021: €79.9 million). Recoveries of €98 million for prior years overpayments are included in Appropriations-in-aid, Note 4.1 (2021 €195 million).

^b The opening balance for 2021 was adjusted to bring the reported balance into line with the opening debtor listing at 1 January 2021.

- c The amount of debt recovered in 2022 is analysed as follows:
 - (a) €47.1 million posted to income in respect of previous years debt
 - (b) €4.7 million posted against expenditure in respect of the current years debt.
- d The adjustment is in respect of recorded recoveries in prior years which were cancelled during the year.
- e The prior year debts cancelled relates to overpayments raised in prior years. Subsequent new debts may be created under certain circumstances such as a revised decision or upon completion of the appeals process.
- f During 2022 debts totalling €7.6 million were written off. €4.7 million represented write offs performed under the Department's annual policy of reviewing existing debts in terms of whether they are economical to pursue or are irrecoverable. The remainder of the write offs were performed in the normal course of business. The 2022 debt write off figure includes 228 customers who had individual debts greater than €10,000 written off with a total value of €7.5 million (Vote: €5.9 million; SIF: €1.6 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Department	6,628	6,435
Agencies ^a	159	153
	6,787	6,588

Note ^a The Citizen Information Board and the Pensions Authority.

5.2 Pay

	2022 €000	2021 €000
Pay	323,198	307,723
Higher, special or additional duties allowances	1,011	1,096
Other allowances	1,670	1,587
Overtime	6,130	3,080
Employer's PRSI	25,041	22,499
Total pay	357,050	335,985

Remuneration of Department staff

The following remuneration arrangements refer to pay elements of administration subheads (i), (viii) and (ix).

	2022 €000	2021 €000
Pay	313,032	297,989
Higher, special or additional duties allowance	895	1,015
Other allowances	1,670	1,587
Overtime	6,130	3,078
Employer's PRSI	24,005	21,507
Total pay	345,732	325,176

Agency remuneration

	2022 €000	2021 €000
Pay	10,166	9,734
Higher, special or additional duties allowance	116	81
Other allowances	—	—
Overtime	—	2
Employer's PRSI	1,036	992
Total pay	11,318	10,809

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Department staff				
Higher, special or additional duties allowances	348	15	22,755	26,456
Overtime	2,261	134	44,559	18,534
Shift and roster allowances ^a	30	16	13,546	12,948
Miscellaneous ^a	337	10	88,200	59,158
Extra remuneration in more than one category	308	90	40,831	28,129
Agency staff				
Higher, special or additional duties allowances	15	2	18,658	17,488
Overtime	—	—	—	1,228

Note ^a Commencing in 2022, allowances previously classified as 'other' are now categorised under shift and roster allowances and miscellaneous. Figures for 2021 have been reclassified on the same basis.

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	5,303	5,385
60,000	69,999	743	564
70,000	79,999	186	154
80,000	89,999	130	104
90,000	99,999	63	43
100,000	109,999	44	25
110,000	119,999	15	10
120,000	129,999	3	2
130,000	139,999	1	2
140,000	149,999	1	2
150,000	159,999	1	7
160,000	169,999	4	1
170,000	179,999	3	1
180,000	189,999	1	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

Note The above remuneration arrangements refer to pay elements of administration subhead (i).
An amount of €15.3 million is excluded from the above table.

5.5 Other remuneration arrangements

The cost of staff serving outside the Department in 2022 was €823,592 in respect of 13 staff. These costs are recouped by the Department from the relevant organisations.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €000	2021 €000
Overpayments	573	1,571	1,946
Recovery plans in place	258	834	934

Sixteen individuals with recovery plans to the value of €14,907 transferred to other departments in the year.

5.7 Severance/redundancy

During 2022, four staff members whose employment was terminated, were paid redundancy payments totalling €13,256 and severance payments totalling €nil.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 Superannuation Scheme for Established Civil Servants, and the retirement benefits earned do not exceed the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries ^a

	2022 €000	2021 €000
Permanent/open-ended		
Labour Market Advisory Council	17	15
Audit and Risk Committee	4	4
	21	19

Fixed purpose commission	Year of appointment	Cumulative expenditure to end of 2022 €000	2022 €000	2021 €000
Child Maintenance Review Group	2021	124	111	13
Commission on Pensions	2020	53	—	53
			111	66

Note ^a Previous year expenditure on committees, commissions and special inquiries were included in note 5 payroll and allowances.

6.2 Ex-gratia payments

Ex-gratia payments to Community Employment (CE) supervisors amounting to €5.1 million was paid in respect of 583 ex-CE supervisors and CE assistant supervisors in 2022.

Ex-gratia payments amounting to €3.44 million (€3.539 million in 2021) were paid to survivors of the Magdalen laundries and other institutions in 2022.

Ex-gratia payments were made to 56 branch managers in 2022. The cost to the Department was €1.425 million. This was as a result of the impact of the Ukrainian crisis and cost of living increases.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by					Total	Total
	employees		members of the public			2022	2021
	Personal injuries ^a	Breach HR/ employment policies	Personal injuries ^b	Department schemes	Other ^c		
Number of cases	16	1	3	1	11	32	51
	€000	€000	€000	€000	€000	€000	€000
Department's own legal costs	238	—	1	—	—	239	365
Payments by/on behalf of Department							
Compensation	253	10	14	—	—	277	319
Legal costs	203	—	—	96	563	862	547
Other costs	12	—	1	—	3	16	7
2022 Total	706	10	16	96	566	1,394	1,238
2021 Total	636	89	66	196	251	1,238	

Notes ^a Total cases 16. Amounts paid in respect of individuals ranged from €10 to €132,049.

^b Total cases 3. Amounts paid in respect of individuals ranged from €397 to €15,350.

^c Total cases 11. Total individual costs ranged from €2,500 to €239,594. Ten cases relate to legal costs to other parties. The other cost relates to services provided to the Department.

Cumulative costs of cases completed in 2022

	Claims by					Total
	employees		members of the public			
	Personal injuries	Breach HR/ employment policies	Personal injuries	Department schemes	Other	
Number of cases	10	1	1	1	11	24
	€000	€000	€000	€000	€000	€000
Department's own legal costs	276	—	78	—	—	354
Payments by/on behalf of Department						
Compensation	448	10	—	—	—	458
Legal costs	264	—	—	96	563	923
Other costs	20	—	9	—	3	32
2022 Total	1,008	10	87	96	566	1,767

6.4 EU funding

The outturn shown in subheads A.1 to A.44 includes payments in respect of activities which are co-financed by the EU. Estimates and actual receipts are recorded in note 4.1, subheads 7, 12 and 13.

Subhead description:	2022		2021
	Estimate	Realised	Realised
	€000	€000	€000
European Social Fund, programme for Employability, Inclusion and Learning/European Employment Services	—	—	5,000
Fund for European Aid to the Most Deprived (FEAD)	3,300	3,307	3,928
Employment and Social Innovation (EaSI) programme	—	—	374

European Social Fund+ (ESF+), programme for Employment, Inclusion, Skills and Training programme (EIST)

EIST is Ireland's ESF+ programme for the 2021 to 2027 period. It was formally approved by the European Commission in October 2022 and approved by the Government of Ireland in November 2022. The programme involves a total investment of over €1.08 billion; €508 million from the EU and €573 million from the Government of Ireland. The programme has two different rates of co-financing. As 'more developed' regions, the Southern and the Eastern and Midlands regions will receive 40% in EU co-financing, while as a 'transition' region the North-Western region will receive 60% in EU co-financing. The Department's portion within the national €508 million allocation is approx. €60 million, with €5 million, €10 million and €15 million being allocated respectively to the JobsPlus, BTWEA and the new Disability schemes (commencing in 2024). The balancing €30 million allocation is in respect of the FEAD programme over the 2021 to 2027 period.

Funds for European Aid to the Most Deprived

The Fund for European Aid to the Most Deprived (FEAD) programme ended in Ireland on 31 January 2022 with support for the most deprived now funded by the European Social Fund Plus (ESF+). The total value of EFT+ funding allocated to support the most deprived until 2027 is €34 million. Reimbursement from the European Commission is provided at 90% with the remaining 10% coming from the Exchequer.

Employment and Social Innovation programme

The Employment and Social Innovation (EaSI) programme is a financing instrument at EU level to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. In 2020, Ireland, as lead partner with One Family (in Ireland), Finland and Greece submitted a project proposal focussed on lone parents under a funding call entitled: 'Establishing and testing integrated interventions aimed at supporting people in (the most) vulnerable situations' financed by EaSI 2014-2020 (VP/2020/003). The bid for the project called "Lone Parents Digital Activation" was successful and the agreement was signed in November 2021. The maximum EU grant amount for the project is €1,245,926.97 (80% of the overall project budget) and this covers a 30-month project implementation period from November 2021 to April 2024. DSP is co-funding €105,000, with similar co-funding amounts from Finland and Greece. The initial tranche of funding (€373,778) was received from EaSI in December 2021 and this covers the first 12 months of the project. Of this initial tranche, €350,876.37 was expended during 2022. Further tranches will follow at the 12 month, 24 month and 30 month points (final balancing payment).

6.5 Late interest payments

	2022	2021
	€000	€000
Interest payments	4	8

6.6 Deferred surrender

Deferred surrender comprises savings in 2022 of €1.39 million in capital expenditures in the following subheads that were carried over to 2023.

	€000
Description of administration subhead:	
(v) Office equipment and external IT services	390
(vi) Office premises expenses	1,000
	1,390

Appendix A Summary of Social Protection Scheme Expenditure

	2022 €million	2021 €million
Vote 37		
Gross expenditure	12,817	18,152
Less non-scheme expenditure		
Administration	(596)	(545)
SIF subvention	—	(2,606)
Grant to Citizens Information Board	(56)	(59)
Miscellaneous services	(6)	(6)
Vote 37 scheme expenditure (A)	12,159	14,936
Social Insurance Fund		
Gross expenditure	12,927	15,668
Less non-scheme expenditure		
Administration	(264)	(244)
National Training Levy	(951)	(797)
Social Insurance Fund scheme expenditure (B)	11,712	14,627
Total Department scheme expenditure (A+B)	23,871	29,563
<i>Of which</i>		
<i>Mainstream schemes</i>	<i>22,646</i>	<i>20,851</i>
<i>Covid-19 schemes</i>	<i>1,225</i>	<i>8,712</i>
Total Department scheme expenditure	23,871	29,563

Scheme expenditure breakdown

Payments by scheme and category	2022 €million	2021 €million
Pensions		
State Pensions (Contributory)	6,565	6,186
State Pensions (Non-Contributory)	1,137	1,083
Widows'/Widowers'/Surviving Civil Partners' Pension	1,725	1,651
Bereavement Grant	—	—
Total	9,427	8,920
Working Age Income Supports		
Jobseeker's Allowance	1,641	1,567
One Parent Family Payment	614	561
Jobseeker's Benefit	486	336
Redundancy and Insolvency Benefit	21	25
Maternity Benefit	263	267
Paternity Benefit, Parents Benefit and Adoptive Benefit	79	50
Basic Supplementary Welfare Allowance	121	95
Farm Assist	56	59
Deserted Wife's Benefit	64	64
Other Working Age - Income Supports	23	15
Exceptional and Urgent Needs Payments	58	43
Treatment Benefits and Health and Safety Benefit	129	116
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	12	13
Deserted Wife's Allowance	1	1
Covid-19 Pandemic Unemployment Payment	198	4,019
Total	3,766	7,231
Supplementary Payments		
Rent Allowance	1	—
Fund for European Aid to the Most Deprived (FEAD)	5	6
Magdalen Laundries and other Institutions Payments	3	4
Rent Supplement	75	123
Household Benefits Package	282	274
Telephone Support Allowance	18	18
Fuel Allowance	576	316
Free Travel	89	91
Total	1,049	832

	2022 €million	2021 €million
Working Age Employment Supports		
Community Employment Programme	329	320
Back to Education Allowance	40	54
Back to Work Enterprise Allowance	32	29
TÚS Community Work Placement Scheme	90	79
JobsPlus	4	3
Other Working Age – Employment Supports	11	13
Youth Employment Support Scheme/Work Placement	—	1
Rural Social Scheme	49	50
Job Initiative	12	13
Local Employment Scheme	15	19
Jobs Club	2	4
Work Placement and Experience Programme	2	—
Partial Capacity Benefit	26	25
Contracted Public Employment Services (PES) Schemes	13	—
Covid-19 Wage Subsidy	1	16
Employment Wage Subsidy Scheme	839	4,571
Total	1,465	5,197
Illness, Disability and Carers		
Disability Allowance	2,016	1,829
Illness Benefit	801	677
Invalidity Pension	766	730
Carer's Payment	1,042	978
Carer's Support Grant	328	257
Domiciliary Care Allowance	224	202
Wage Subsidy Scheme	20	16
Disablement Benefit	70	70
Blind Pension	13	12
Death Benefit	11	10
Injury Benefit and Medical Care	9	11
Disability Activation Supports	9	10
Total	5,309	4,802
Children		
Child Benefit	2,286	2,090
Working Family Payment	361	338
Back to Work Family Dividend	11	10
Back to School Clothing and Footwear	86	52
School Meals	78	58
Child Related Payments	33	33
Total	2,855	2,581
Net expenditure on all schemes	23,871	29,563

Appendix B Accounts of bodies and funds under the aegis of the Department of Social Protection

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Social Insurance Fund	2021	28 Sep 2022	28 Sep 2022	28 Oct 2022
Pensions Authority	2022	20 Jun 2023	21 Jun 2023	—
Citizens Information Board	2021	30 Sep 2022	6 Oct 2022	14 Nov 2022

Appropriation Account 2022

Vote 38

Health

Introduction

As Accounting Officer for Vote 38, 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 2022 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including grants to the Health Service Executive and miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €42.065 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.

The account has been prepared in accordance with the 2022 Revised Estimate for Health.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account except for the following.

Payments to the HSE

Funds are advanced to the HSE in relation to the provision of services on a grant basis, in line with funding set out in the annual letter of determination which issues to the HSE setting out its approved level of expenditure. The total amount paid to the HSE was charged against the relevant subheads. Grant funding paid to the HSE in 2022 amounted to €23.269 billion (2021: €21.339 billion). This is accounted for across 14 subheads – each subhead from I to M.4, excluding M.1 which related to the capital expenditure of agencies under the aegis of the Department other than the HSE.

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

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18).

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 shared services (e.g. HR). 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.

The Department will continue to strengthen the control environment in which it operates in 2023.

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.

Procurement

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 has provided details of nineteen 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €130,520 (exclusive of VAT), as set out below:

- One contract with a value of €25,021 related to a media monitoring contract which had previously been tendered for but exceeded the relevant threshold. This service is deemed essential to facilitate the ongoing requirement for media monitoring of the evolving public health situation as reported in the media nationally and internationally. The Department carried out a procurement exercise to address ongoing requirements for this service and a contract is now in place.
- One contract with a value of €52,000 related to a contract for monitoring, maintenance and support services for the Department's hardware and network infrastructure which had previously been tendered for but exceeded the relevant threshold. This service is deemed essential in order to maintain the Department's IT infrastructure. The Department will carry out a procurement exercise to address ongoing requirements for this service as a priority in 2023.
- One supplier with a value of €53,500 related to graphic design services with €15,300 incurred on foot of request for quote procurement process, while the remaining €38,200 spend did not benefit from any procurement process. The Department commenced a procurement process to address the Department's on-going graphic design needs in Q4 2021 and a framework for the provision of graphic design services was established in 2022.

The above contracts have been included in the 40/2002 annual return referenced above.

The Department is committed to addressing the issues of non-compliant procurement and is continuing to strengthen its policies and procedures in respect of procurement issues. Regular updates are provided to all staff in this regard. Where appropriate, the Department utilises centrally available frameworks. Improvements to existing contract management processes are a priority and implementation is ongoing internally. The Department continues to work closely with the Office of Government Procurement to improve compliance when undertaking its procurement activities.

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 the internal audit function 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 the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and control framework

For the majority of 2022, the Department managed risk through its Corporate Operations Office (COO), supported by a Risk Working Group with representatives from across the Department. The COO submitted regular reports to the Internal Corporate Governance Committee, a sub-committee of the Management Board, which provides assurance to the Accounting Officer regarding the suitability and robustness of the Department's corporate governance systems, processes and procedures. Risk management has been transferred to a new Governance and Risk Unit, which will continue this process in 2023.

Governance in the health sector

The Departments approach to managing governance across the health sector in 2022 is based on the Department of Public Expenditure, National Development Plan Delivery and Reform *Code of Practice for the Governance of State Bodies* (2016). Oversight of aegis bodies is undertaken by the designated units within the Department led at Principal Officer level with input and support from the Department's Governance and Risk Unit and other relevant units.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each board, and each chair of the board.

The relationship between the Department and the bodies under its aegis is determined primarily by

- the underpinning legislation establishing the body, and
- the requirements set out in the *Code of Practice*.

Under the *Code of Practice*, oversight agreements and performance delivery agreements were in place with aegis bodies as at 31 December 2022. This approach focuses on outputs and outcomes and includes performance indicators to ensure that resources are used both in an effective and efficient manner to deliver quality services.

A corporate plan covering a three-year period is prepared by the HSE and approved by the Minister for Health. Each year, the HSE continues to prepare a national service plan setting out the type and volume of services it intends to provide for the funding available. This national service plan complies with Section 9.5.2 of the oversight agreement with regards to the requirements of a performance delivery agreement. This plan is approved by the Minister for Health.

As of March 2023, in relation to the HSE's National Service Plan, the Minister has approved the plan subject to amendments. The HSE is currently revising this plan in line with these amendments and considerations and the Department expects to receive the revised plan shortly. When received by the Department, it will be then reviewed before its final approval by the Minister. The HSE will ensure that the Plan is published at the earliest possible time after its laying before the Houses of the Oireachtas.

Performance reports are submitted monthly by the HSE during the course of the year, and monthly meetings take place at various levels between the two organisations to discuss ongoing or emerging performance issues and determine actions to improve areas of concern.

In relation to other aegis bodies, legislation generally provides for a multi-annual corporate plan and an annual business plan. These plans allow, respectively for overall corporate strategy and annual priorities to be developed and agreed with the Department.

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

In July 2022, the Department identified a duplicate payment of €51,096 made to a supplier in July 2021. In August 2022, the Department identified a duplicate payment of €1,460,246 made to a statutory body in July 2022. These payments were as a result of a control failure. Both payments were recovered by the Department. An IT solution was identified to address the control issue and the Department's Financial Management System (FMS) was subsequently modified to prevent a recurrence.

Robert Watt
Accounting Officer
Department of Health

30 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

Opinion on the appropriation account

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2022 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 38 Health for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Health 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.

Health Service Executive funding and financial reporting

Chapter 18 of my report on the accounts of the public services for 2022 deals with the provision of grant funding from Vote 38 to the Health Service Executive and how it is accounted for in the Health Service Executive's annual financial statements and in the Vote 38 appropriation account.

Seamus McCarthy

Comptroller and Auditor General

26 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 38 Health

Appropriation Account 2022

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Administration			
A.1 Salaries, wages and allowances			
	<i>Original</i> 50,200		
	<i>Supplementary</i> (4,600)		
		45,600	44,916
A.2 Travel and subsistence			
	<i>Original</i> 275		
	<i>Supplementary</i> 90		
		365	112
A.3 Training and development and incidental expenses			
	<i>Original</i> 3,700		
	<i>Supplementary</i> (1,167)		
		2,533	3,127
A.4 Postal and telecommunications services			
	<i>Original</i> 180		
	<i>Supplementary</i> 29		
		209	143
A.5 Office equipment and external IT services			
	<i>Original</i> 2,841		
	<i>Supplementary</i> (262)		
		2,579	2,706
A.6 Office premises expenses			
	<i>Original</i> 872		
	<i>Supplementary</i> (372)		
		500	654
A.7 Consultancy services and value for money and policy reviews			
	<i>Original</i> 2,000		
	<i>Supplementary</i> (1,000)		
		1,000	371

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Grants			
B.1 Grants to research bodies and other research grants			
	<i>Original</i> 48,450		
	<i>Supplementary</i> (2,515)		
		45,935	40,952
B.2 Healthy Ireland Fund		45,239	10,401
B.3 Drugs Initiative		12,445	5,395
B.4 Research Covid-19 action		6,928	4,998
		5,347	
		3,000	
Other services			
C Expenses in connection with the World Health Organisation and other international bodies			
	<i>Original</i> 2,700		
	<i>Supplementary</i> (41)		
		2,659	3,192
D Statutory and non-statutory inquires and miscellaneous legal fees and settlements			
	<i>Original</i> 10,899		
	<i>Supplementary</i> 257		
		11,156	11,155
E.1 Developmental consultative, supervisory, regulatory and advisory bodies			
	<i>Original</i> 109,370		
	<i>Supplementary</i> (25,294)		
		84,076	81,505
E.2 The Food Safety Promotion Board			
	<i>Original</i> 5,691		
	<i>Supplementary</i> (131)		
		5,560	5,343
E.3 The National Treatment Purchase Fund		100,022	100,000
E.4 Ireland/Northern Ireland INTERREG			
	<i>Original</i> 5,300		
	<i>Supplementary</i> (3,400)		
		1,900	1,686
		1,554	

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Other services (continued)			
E.5 Covid-19 actions			
	<i>Original</i> 50,000		
	<i>Supplementary</i> (20,500)		
		29,500	38,740
F.1 Payments in respect of disablement caused by Thalidomide		370	366
F.2 Payments in respect of persons claiming to have been damaged by vaccination			
	<i>Original</i> 1		
	<i>Supplementary</i> (1)		
		—	—
F.3 Payments to a special account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002			
	<i>Original</i> 16,000		
	<i>Supplementary</i> 138		
		16,138	16,150
F.4 Payments to a reparation fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002			
	<i>Original</i> 2,000		
	<i>Supplementary</i> 1,046		
		3,046	3,046
G Dissemination of information, conferences and publications in respect of health and health care services			
	<i>Original</i> 1,550		
	<i>Supplementary</i> (444)		
		1,106	1,358
H Sláintecare			
	<i>Original</i> 17,829		
	<i>Supplementary</i> (11,662)		
		6,167	6,278
			8,390

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Corporate administrative			
I Net pension costs			
	<i>Original</i> 616,400		
	<i>Supplementary</i> 116,101		
		732,501	583,250
		732,501	
HSE health and social care services			
J.1 HSE (including services developments)			
	<i>Original</i> 13,972,615		
	<i>Supplementary</i> 39,394		
		14,012,009	12,477,781
		13,984,051	
J.2 HSE – Covid-19 actions			
	<i>Original</i> 697,000		
	<i>Supplementary</i> 1,181,259		
		1,878,259	2,193,152
		1,878,259	
Other HSE services			
K.1 Health agencies and similar organisations (part funded by the National Lottery)		4,513	376
K.2 Payments to Special Account – Health (Repayment) Act 2006		1,700	—
K.3 Payment to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,000	252
K.4 Payment to State Claims Agency			
	<i>Original</i> 435,000		
	<i>Supplementary</i> 95,000		
		530,000	465,136
K.5 Economic and social disadvantage (dormant account funding)		2,450	204
		108	

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Care programme			
L.1 Primary care reimbursement services			
Original	3,700,700		
Supplementary	(15,054)		
		3,685,646	3,433,301
L.2 Primary care reimbursement services – Covid-19 actions		—	17,672
L.3 Long term residential care			
Original	1,046,400		
Supplementary	(44,871)		
		1,001,529	1,017,600
Capital services			
M.1 Grants in respect of building, equipping (including ICT)		14,927	13,346
M.2 Building, equipping and furnishing of health facilities			
Original	865,000		
Deferred surrender	94,500		
		959,500	749,855
M.3 Information services and related services for health agencies			
Original	333,000		
Deferred surrender	9,500		
		342,500	245,500
M.4 Capital Covid-19 actions (including ICT)			
Original	50,000		
Supplementary	90,000		
		140,000	155,000

Service	2022		2021
	Estimate provision €000	Outturn €000	Outturn €000
Gross expenditure			
Original	22,193,328		
Deferred surrender	104,000		
Supplementary	1,392,000		
		23,689,328	23,664,752
			21,748,684
Deduct			
N Appropriations-in-aid		440,920	458,409
			481,780
Net expenditure			
Estimate provision	21,752,408		
Deferred surrender	104,000		
Supplementary	1,392,000		
		23,248,408	23,206,343
			21,266,904

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022 €	2021 €
Surplus	42,065,397	498,233,827
Deferred surrender	—	(104,000,000)
Surplus to be surrendered	42,065,397	394,233,827

Robert Watt

Accounting Officer
Department of Health

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Expenditure on Department administration	52,516	52,028
Expenditure on services and programmes	23,612,236	21,696,656
Gross expenditure	23,664,752	21,748,684
<i>Deduct</i>		
Appropriations-in-aid	458,409	481,780
Net expenditure	23,206,343	21,266,904
Changes in capital assets		
Purchases cash	(43)	
Depreciation	42	(1)
		22
Changes in net current assets		
Decrease in closing accruals	(1,060)	
Decrease in inventories	14	(1,046)
		158
Direct expenditure	23,205,296	21,267,084
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	21,232	20,439
Net programme cost	23,226,528	21,287,523

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 38 borne elsewhere. The figures below are estimated based on provisional outturn figures supplied by the Central Services Section of the Department of Public Expenditure, National Development Plan Delivery and Reform.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	103	1,214
Vote 12	Superannuation and Retired Allowances	12,522	11,259
Vote 13	Office of Public Works	7,897	7,508
Vote 18	National Shared Services Office	69	72
Vote 20	Garda Síochána	227	—
Vote 43	Office of the Government Chief Information Officer	119	105
Central Fund – ministerial pensions		295	281
		21,232	20,439

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	75	74
Current assets			
Bank and cash		—	94,800
Inventories	2.2	—	14
Prepayments	2.3	2,928	858
Accrued income		194	127
Other debit balances	2.5	6,404	18,033
Net Exchequer funding	2.7	8,820	—
Total current assets		18,346	113,832
Less current liabilities			
Accrued expenses	2.4	1,994	916
Bank and cash		11,404	—
Other credit balances	2.6	3,818	3,477
Net Exchequer funding	2.7	—	109,356
Total current liabilities		17,217	113,749
Net current assets		1,129	83
Net assets		1,204	157
Represented by:			
State funding account	2.8	1,204	157

2.1 Capital assets

	Office equipment €000	Total €000
Gross assets		
Cost or valuation at 1 January 2022	183	183
Additions	43	43
Cost or valuation at 31 December 2022	226	226
Accumulated depreciation		
Opening balance at 1 January 2022	109	109
Depreciation for the year	42	42
Cumulative depreciation at 31 December 2022	151	151
Net assets at 31 December 2022	75	75
Net assets at 31 December 2021	74	74

2.2 Inventories

at 31 December	2022 ^a €000	2021 €000
Stationery	—	10
IT consumables	—	4
	—	14

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as inventory.

2.3 Prepayments

at 31 December	2022 €000	2021 €000
Healthy Ireland fund	2,194	764
Ukrainian Refugee Fund	491	—
Sláintecare integration fund	105	—
Other prepayments	138	94
	2,928	858

2.4 Accrued expenses

at 31 December	2022	2021
	€000	€000
Hepatitis C Insurance Scheme	1,122	—
Administration expenses	291	394
Covid digital certs	203	—
Legal fees	123	286
National Advisory Service	111	—
Irish Blood Transfusion Service	99	—
Healthy Ireland Fund	1	163
Other accruals	43	73
	1,994	916

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable salaries	—	19
Recoupable travel pass scheme expenditure	52	57
Recoupable travel expenditure	4	—
Hepatitis C Compensation Tribunal ^a	6,238	16,911
Other debit suspense items	109	1,046
	6,404	18,033

Note ^a Subject to sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform, subhead F.3 makes payments to a Special Account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002 and subhead F.4 makes payments to a Reparation Fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002. The Accounting Officer for the Department of Finance is responsible for the Special Account and Reparation Fund.

The Department of Health acts as paying agent to the Hepatitis C Compensation Tribunal, and is responsible for paying tribunal awards and reparation awards and for paying the administration and legal costs of the Tribunal. The expenditure is recouped from the Special Account and the Reparation Fund on foot of returns of expenditure certified by the Accounting Office of the Department of Health.

The balance at year end shown here represents costs discharged by the Department of Health in respect of the Tribunal for which funding has yet to be recouped from the Special Account and Reparation Fund.

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	580	613
Pay related social insurance	380	388
Universal social charge/income levy	116	119
Local property tax	3	2
Value added tax	34	65
Professional services withholding tax	324	70
	<u>1,436</u>	<u>1,257</u>
Payroll deductions held in suspense	256	45
EU funding	2,116	1,724
Other credit suspense items	11	451
	<u>3,819</u>	<u>3,477</u>

2.7 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	42,065	394,234
Deferred surrender	—	104,000
Exchequer grant undrawn	(50,885)	(388,878)
Net Exchequer funding	<u>(8,820)</u>	<u>109,356</u>
Represented by:		
Debtors		
Bank and cash	—	94,800
Debit balances: suspense	6,404	18,033
	<u>6,404</u>	<u>112,833</u>
Creditors		
Due to the State	(1,436)	(1,257)
Bank and cash	(11,404)	—
Credit balances: suspense	(2,383)	(2,220)
	<u>(15,223)</u>	<u>(3,477)</u>
	<u>(8,820)</u>	<u>109,356</u>

2.8 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		157	320
Disbursements from the Vote			
Estimate provision	Account	23,248,408	
Surplus to be surrendered	Account	(42,065)	
Net vote		23,206,343	21,266,904
Expenditure (cash) borne elsewhere	1.1	21,232	20,439
Non cash expenditure – capital assets adjustment		—	17
Net programme cost	1	(23,226,528)	(21,287,523)
Balance at 31 December		1,204	157

2.9 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	1,123	2,371
Non-capital grant programmes	31,271	16,829
Capital grant programmes	48,256	47,641
Total of legally enforceable commitments	80,650	66,841
b) Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	16,829	19,148
Grants paid in the year	(19,822)	(15,858)
New grant commitments	34,329	16,635
Grants cancelled	(65)	(3,096)
Closing balance	31,271	16,829
c) Capital grant programmes	2022	2021
	€000	€000
Opening balance	47,641	25,721
Grants paid in the year	(9,993)	(10,001)
New grant commitments	10,994	33,273
Grants cancelled	(386)	(1,352)
Closing balance	48,256	47,641

2.10 Contingent liabilities

The Department is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation.

2.11 HSE balance

at 31 December	2022	2021
	€000	€000
Opening liability 1 January	(954)	—
Determination	(23,706,949)	(21,627,500)
Grants issued	23,268,757	21,334,052
Prior year surplus applied	—	268,117
Closing liability 31 December	(439,146)	(25,331)
Grant deferred	(24,377)	24,377
Net balance with HSE	(463,523)	(954)

Note Grant funding totalling €23,269 million was transferred to the HSE in 2022 to meet its immediate cash requirements. This was €438.2 million less than the net determination for 2022. A debtor balance of €25.3 million was brought forward from 2021 resulting in an overall debtor balance, in the HSE financial statements, of €463.5 million

Note 3 Vote Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the original estimate provision by more than €100,000, and by more than 5% (25% for administration subheads). Excess spending on some subheads was met through virement of savings on other subheads.

Administration expenditure

A.2 Travel and subsistence

Estimate provision €275,000; outturn €384,000

The travel and subsistence budget was reduced by 45% in estimates 2021 and 2022 to reflect the significant reduction in expenditure due to Covid-19 related travel restrictions. The overspend of €109,000 in 2022 was due to travel returning to pre-pandemic levels as restrictions were lifted. An additional €90,000 was allocated as part of the supplementary estimates process.

A.6 Office premises expenses

Estimate provision €872,000; outturn €299,000

The underspend of €573,000 was due to a later return to the office than originally anticipated resulting in lower energy costs, maintenance, and furniture costs.

A.7 Consultancy services and value for money and policy reviews

Estimate provision €2 million; outturn €735,000

The Department did not receive the same volume of applications that had historically been received pre-pandemic though the volume has grown from 2021. In addition, projects progressed in 2022 at a slower pace than was outlined to us at the application stage for Subhead A7 expenditure for many different reasons such as delays in running tenders, delay in carrying out the work. These carry-over projects are expected to be reflected in the 2023 spend.

Grants to agencies

B.1 Grants to research bodies and other research grants

Estimate provision €48.45 million; outturn €45.239 million

The Department advances funds to health agencies up to an approved level of expenditure or actual expenditure whichever is the lesser amount. The National Cancer Registry's expenditure was less than allocation due to delay in filling posts plus pension costs not materialising. Other significant items of underspend, due to the postponement of certain programmes and timing of payments, include: research Covid actions, ESRI research programme, National Research Ethics Committee, Mother and Baby Homes Research and women's health research.

B.2 Healthy Ireland Fund

Estimate provision €12.445 million; outturn €14.455 million

Due to an error, planned expenditure of €3.195 million on Healthy Ireland was allocated in the estimate to subhead E.1 Developmental consultative, supervisory, regulatory and advisory bodies. The expenditure incurred on the project was charged to this subhead, resulting in an overspend. Net virement of €2.1 million was approved by the Department of Public Expenditure, National Development Plan Delivery and Reform to cover the excess spend.

B.3 Drugs initiative

Estimate provision €6.928 million; outturn €5.347 million

In 2022 €500,000 was set aside for a prevention and education programme that was being designed. This project did not reach implementation stage during 2022 but it is expected to be implemented in 2023. Funding of €245,000 was not drawn down for national family support network due to its closure. Additionally, the projected expenditure in relation to Drug and Alcohol taskforces was not fully spent due to a number of funded roles remaining vacant, difficulty in recruiting new staff and the impact of Covid-19.

Other HSE services

D Statutory and non-statutory inquiries and miscellaneous legal fees and settlements

Estimate provision €10.899 million; outturn €6.422 million

The underspend of €4.477 million was largely due to substantially lower Medical Defence Union refusal settlements compared with 2021. An additional €257,000 was allocated as part of the supplementary estimates process for the Death in Service scheme.

E.1 Developmental, consultative, supervisory, regulatory and advisory bodies

Estimate provision €109.37 million; outturn €78.723 million

The Department advances funds to health agencies up to an approved level of expenditure or actual expenditure whichever is the lesser amount. The following agencies actual expenditure was lower than originally allocated.

- Health Products Regulatory Authority – expenditure was less than allocation mainly due to a delay in filling posts
- Food Safety Authority of Ireland – expenditure was less than allocation mainly due to an underspend on payments to local authority vets.
- Pre-Hospital Emergency Care Council – expenditure less than allocation mainly due to a delay in filling posts.
- Mental Health Commission – expenditure was less than allocation mainly due to a delay in filling posts and lower costs associated with Mental Health Tribunals.

Other miscellaneous significant items of underspend under this subhead, due to the postponement of certain programmes and timing of payments, include the Statutory Scheme - Supports for Thalidomide Survivors, Women's Health Taskforce initiatives, Patient Safety Office initiatives, National Screening Advisory Committee and Nursing and Midwifery Board of Ireland developmental projects.

E.4 Ireland/Northern Ireland INTERREG

Estimate provision €5.3 million; outturn €1.554 million

The underspend is primarily due to the estimated timing of paying projects. Most of these projects will be paid in 2023.

E.5 Covid-19 actions

Estimate provision €50 million; outturn €38.74 million

The underspend of €11.26 million is primarily due to the National Treatment Purchase Fund being behind on commissioning targets and activity in 2022.

F.4 Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €2 million; outturn €3.046 million

Section 11 of the Act provides for the payment of amounts in lieu to claimants who had accepted an award from the Tribunal or an offer of settlement. The increase in expenditure of €1.046 million relative to the estimate provision was due to the value of reparation fund payments being higher than anticipated. A supplementary estimate of €1.046 million was allocated to the subhead resulting in a revised estimate provision of €3.046 million.

G Dissemination of information, conferences and publications in respect of health and health care services

Estimate provision €1.55 million; outturn €1.358 million

The underspend was due to fewer than anticipated public information campaigns.

H Sláintecare

Estimate provision €17.829 million; outturn €6.278 million

The underspend in expenditure on Sláintecare relates to delays in establishing Round 2 of the Sláintecare Integration Innovation Fund (SIIF) occasioned by lack of capacity in the SIIF's Fund Managers in Pobal arising from their required commitment to the response to the Ukraine crisis. Initial grants under Round 2 were only possible at the end of 2022 where otherwise disbursement of two tranches of funding would have been expected.

Corporate administrative

I Net pension costs

Estimate provision €616.4 million; outturn €732.501 million.

The shortfall of €116 million includes: an amount of €89 million reflecting continued fall in pensions income as a result of Single Pensions Scheme members' contributions going to central government rather than the HSE, as well as a higher level of retirements than anticipated in 2022; an amount of €10 million reflecting the effects of previous pay agreements, namely the Building Momentum increase of 1% taking effect from October 2022 (€2 million) and the sectoral bargaining increase of 1% paid in the final quarter and backdated to February 2022 (€8 million); and an amount of €17 million reflecting the new national pay agreement increase of 3% paid in the final quarter and backdated to February 2022. A supplementary estimate was sought to cover the shortfall in this subhead.

HSE health and social care services

J.1 HSE (Including Service Developments)

Estimate provision €13,972.615 million; outturn €13,984.051 million

Expenditure in these areas was broadly on profile in net terms in 2022, with unfunded measures arising post-Budget 2022 being offset by pay cost savings arising from both underspends where the full level of funded recruitment could not be delivered, as well as where posts were funded on a full year basis but only filled later in the year. Additional expenditure in excess of the estimate provision was further offset by reductions in HSE cash balances, giving a net shortfall of €11 million or 0.1% of the total budget. A supplementary estimate of €39.394 million was sought to cover shortfalls in this subhead.

J.2 HSE Covid-19 actions

Estimate provision €697 million; outturn €1,878.259 million.

The shortfall of €1,181.259 million includes: an overspend of €1,161 million in respect of Covid-19 public health responses, as Covid expenditure was heavily impacted by the Omicron variant driving a significant spike in incidence and illness of Covid-19 cases with a corresponding spike in expenditure. A supplementary estimate of €1,181.259 million was sought to cover shortfalls in this subhead.

Other HSE services

K.2 Payments to Special Account – Health (Repayment) Act 2006

Estimate provision €1.7 million; outturn €nil

The shortfall in expenditure of €1.7 million relative to the estimate provision was due to the nature of payments under this subhead being such that the timing of funding requests may be unpredictable, particularly if there are queries to be resolved in the verification process, and therefore the timing of payments can be subject to change. Because of the statutory nature of the Scheme, the liabilities arising must be met by the State and therefore it is important to ensure that funding for the Scheme remains in the relevant subhead to meet final liabilities.

K.3 Payments to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme

Estimate provision €1 million; outturn €nil

There was no expenditure incurred during 2022 against the provision made in the estimate. This is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year. A payment is anticipated in early 2023 under this subhead.

K.4 Payment to State Claims Agency

Estimate provision €435 million; outturn €530 million

The overspend of €95 million is a result of higher costs than budgeted arising from a small number of high value claims. Based on HSE projections, a supplementary estimate of €95 million was sought to cover shortfalls in this subhead.

K.5 Economic and social disadvantage (dormant account funding)

Estimate provision €2.45 million; outturn €108,000

The underspend of €2.342 million against the estimate provision is as a result of the inherent unpredictability of applications to the Dormant Accounts Fund seeking project approvals and variability in the timing of approvals and expenditure in respect of projects sanctioned.

Care programme

L.1 Primary care reimbursement services

Estimate provision €3,700.7 million; outturn €3,685.646 million

Expenditure was broadly on profile in 2022, with a saving of €15 million. This saving comprised €20 million on funded measures, offset by €5 million additional expenditure on post-Budget decisions.

L.3 Long term residential care

Estimate provision €1,046.4 million; outturn €1,001.529 million

The underspend of €44.871 million against the estimate provision was driven equally by savings on the projected rate per bed being paid under the scheme, as well as a lower number of people entering the scheme as a result of Covid-19 impacts on long-term residential care facilities.

Capital services

M.2 Building, equipping and furnishing of health facilities and of higher education facilities

Estimate provision €959.5 million; outturn €944.65 million

The underspend of €14.85 million was a result of timing of spend in the delivery of the health capital programme. €10 million was vired to subhead M.2 from subhead J.1 to cover the Energy Inflation Fund – Mental Health capital projects. €150,000 was vired to subhead M.2 from subhead M.1 to optimise overall delivery of the health capital programme. €25 million was vired to subhead M.3 from subhead M.2 to cover ICT capital projects.

M.3 Information services and related services for health agencies

Estimate provision €342.5 million; outturn €367.5 million

The overspend of €25 million was a result of the additional requirement for commitments for ICT capital projects.

M.4 Capital Covid-19 actions (including ICT)

Estimate provision €50 million; outturn €140 million

The overspend of €90 million was a result of the additional requirement for commitments and ongoing infrastructural requirements related to the Covid-19 response.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Recovery of cost of health services provided under regulations of the European Community	255,000	270,000	270,000
2	Receipts from certain excise duties on tobacco products	167,605	167,605	167,605
3	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	4,000	6,598	4,609
4	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	2,500	2,091	2,283
5	Miscellaneous receipts	3,750	4,809	32,179
6	Dormant accounts	2,700	108	350
7	Receipts from additional superannuation contributions on public service remuneration	3,900	4,123	3,831
8	Receipts in respect of Special EU Programmes	1,465	3,074	923
Total		440,920	458,409	481,780

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €17.489 million greater than the original estimate. Explanations for variances are set out below:

1 Recovery of cost of health services provided under regulations of the European Community

Estimate €255 million; realised €270 million

The amount recovered under the regulations of the European Community was €15 million greater than anticipated. The amount received is negotiated during the year and it is uncertain what the amount to be received will be prior to negotiations being conducted during the year.

3 Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund

Estimate €4 million; realised €6.598 million

The increase of €2.598 million was due to claims under the ophthalmic services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

4 Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund

Estimate €2.5 million; realised €2.091 million

The decrease of €409,000 was due to claims under the dental services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

5 Miscellaneous receipts

Estimate €3.75 million; realised €4.809 million

The increase of €1.059 million was mainly due to receipts from Pobal of unspent funding from Round 1 of Sláintecare Integration Fund of €746,231, drugs initiative refund of €299,519 and mandatory hotel quarantine of €38,590 as well receipts for licence fees under the Misuse of Drugs Act and freedom of information fees.

6 Dormant accounts

Estimate €2.7 million; realised €108,000

The receipts from the Dormant Accounts Fund were €2.592 million lower than estimated due to uncertainty over timing of expenditure in respect of projects approved for funding under the dormant accounts action plans 2016, 2017 and 2018.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.9 million; realised €4.123 million

The amount received from additional superannuation contributions was €223,000 more than estimated due to an increase in contributions received from agencies under the aegis of the Department.

8 Receipts in respect of Special EU Programmes

Estimate €1.465 million; realised €3.074 million

The receipts received in respect of Special EU Programmes were €1.609 million higher than expected due to the nature of the INTERREG programme meaning that the timing of these receipts is unpredictable.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Voluntary surrender of pay	53	53
Transferred to the Exchequer	(53)	(53)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year-end	2022	2021
Department	624	673
Health Service Executive direct employees	89,227	85,508
Voluntary (Section 38) acute and non-acute services employees	48,519	46,815
Other agencies ^a	2,016	1,868
Number of staff at year end	140,386	134,864

Note ^a 'Other agencies' includes all agencies operating under the Department's aegis including those that do not receive direct Exchequer funding.

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	41,703	41,041
Severance and redundancy	12	—
Higher, special, or additional duties allowances	185	284
Other allowances	2	5
Overtime	104	182
Employer's PRSI	3,500	3,404
Total pay	45,506	44,916

Health Service Executive remuneration

	2022	2021
	€000	€000
Pay	4,730,778	4,330,114
Higher, special or additional duties allowances	603,538	526,645
Arrears	5,030	21,052
Overtime	276,579	240,339
Employer's PRSI	566,118	507,363
Pandemic special recognition payment	85,888	—
Superannuation	898,071	811,377
Total pay Health Service Executive direct employees	7,166,002	6,436,890
Agency staff costs	619,514	568,450
Total pay ^a	7,785,516	7,005,340

Note ^a The pay costs above do not include cost of employees in the voluntary sector.

Other agencies remuneration ^a

	2022	2021
	€000	€000
Pay	73,404	65,531
Higher, special or additional duties allowances	142	126
Other allowances	108	114
Overtime	16	38
Employer's PRSI	7,641	6,764
Total pay	81,311	72,573

Note ^a Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Department staff				
Higher, special or additional duties allowances	19	9	22,755	22,002
Other allowances	8	—	1,309	2,166
Overtime	36	1	19,320	17,611
Extra remuneration in more than one category	4	3	24,146	22,264
Other agencies staff ^a				
Higher, special or additional duties allowances	59	6	22,250	14,648
Other allowances	21	—	6,394	6,394
Overtime	20	—	4,048	8,903
Extra remuneration in more than one category	3	—	4,448	2,960

Note ^a Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.4 Department staffing by pay band

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	409	409
60,000	69,999	52	66
70,000	79,999	68	79
80,000	89,999	54	42
90,000	99,999	34	27
100,000	109,999	22	18
110,000	119,999	9	9
120,000	129,999	4	5
130,000	139,999	2	—
140,000	149,999	1	—
150,000	159,999	—	1
160,000	169,999	1	2
170,000	179,999	2	2
180,000	189,999	—	2
190,000	199,999	1	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	—	—
230,000	239,999	1	—
240,000	249,999	—	1
250,000	259,999	—	1
260,000	269,999	—	—
270,000	279,999	—	—
280,000	289,999	—	—
290,000	299,999	1	—

5.5 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €105,558. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Severance and redundancy

During 2022, two staff members whose employment was terminated, were paid severance payments totalling €12,275.

5.7 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	36	101,898	35,450
Recovery plans in place	10	16,655	17,089

Eight overpayment recovery plans in respect of five individuals to the value of €8,004 were transferred to five government departments/offices in 2022.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	297	253

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the Established New Entrants Post 2004 Pension Scheme and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2022 €000	Expenditure in 2022 €000	Expenditure in 2021 €000
Commission of Investigation (Certain matters relative to a disability service in the South East and related matters)	2017	6,789	775	964
CervicalCheck Tribunal	2020	3,205	863	495
		9,994	1638	1,459

In March 2017, a commission of investigation was established into certain matters relative to a disability service in the South East and related matters. Expenditure of the Commission is charged to Subhead D – statutory and non-statutory inquiries and miscellaneous legal fees and expenses.

The CervicalCheck Tribunal was established by the Minister for Health on 27 October 2020. The Tribunal was established under Section 4 of the CervicalCheck Tribunal Act 2019 which implements the report of the Hon. Mr Justice Charles Meenan on an *Alternative system for dealing with claims arising from CervicalCheck*. The Minister appointed the nominated members to the Tribunal with effect from 1 December 2020 facilitating the Tribunal in starting its work. Expenditure of the Tribunal is also charged to Subhead D.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2022	Total 2021
Number of cases	77	77	60
	€000	€000	€000
Department's own legal costs	2,390	2,390	1,314
Payments by/on behalf of Department			
Compensation	883	883	7,327
Legal costs	240	240	486
Other costs	41	41	228
2022 Total	3,554	3,554	9,355
2021 Total	9,355	9,355	

6.3 Special Obstetrics Investment Fund

In 2008, the Minister for Health established a Special Obstetrics Indemnity Scheme. Under the scheme, the Minister agreed to indemnify Bon Secours Hospital (Cork) and Mount Carmel Hospital in respect of specified obstetric claims. A fund was established with contributions from the two hospitals, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health has authorised the State Claims Agency to draw down moneys from the fund to cover the cost of claims.

At 31 December 2022, the balance on the fund totalled €4.934 million (2021: €4.947 million). The fund is managed by the National Treasury Management Agency and the related income and expenditure is reflected in the annual financial statements of the State Claims Agency.

6.4 National Lottery funding

		2022		2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead				
K.1	Health agencies and similar organisations (part funded by the National Lottery)	4,513	4,513	376
		4,513	4,513	376

6.5 EU funding

Expenditure under subhead E.4 Ireland/Northern Ireland INTERREG is co-financed by the EU.

6.6 Late interest payments and compensation payments

	2022	2021
	€000	€000
Total of interest payments paid	9	22

6.7 Write-off of suspense balances

The following sums were written off in the year.

	2022	2021
	€000	€000
Suspense account balances ^a	900	—

Note ^a A review of a number of suspense account balances was undertaken by the Department, in 2022, and identified accounting adjustments, made in error, on three accounts. The Department did not identify any cash impact or loss to the Exchequer as a result of these entries.

A request to write off the unreconciled balances was made to the Department of Public Expenditure, National Development Plan Delivery and Reform to bring the balances on the appropriation account in line with expectations.

Procedures in relation to all suspense accounts have been revised from 2022 onwards.

6.8 Mandatory hotel quarantine recoupment

Mandatory hotel quarantine (MHQ) was introduced as an exceptional public health measure, to minimise the risk of importation of Covid-19 variants of concern with the potential to overwhelm the health service and undermine the national vaccination programme.

When MHQ ceased operating, a small team was retained in the Department to quantify the level of outstanding debt, to process payment deferrals and to put in place a system to recover money owed.

In 2022, receipts of €38,591 were received and recorded in the appropriations-in-aid (note 4). By 16 February 2022, approximately 800 persons had not engaged with the payments recovery team and the current value of outstanding debt is €928,797.

While significant work was undertaken, the cost of operating the payment recovery team has far exceeded the return. The Department has examined various options, including the retention of a dedicated team to pursue the outstanding balance, but it is not felt that these represent value for money for the Department. On this basis, the Department sought approval to write off this amount.

Appendix A Accounts of bodies and funds under the aegis of the Department of Health

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 the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Beaumont Hospital	2021	21 Dec 2022	12 Jan 2023	10 Mar 2023
Children's Health Ireland	2021	14 Oct 2022	14 Dec 2022	3 Jan 2023
Dublin Dental Hospital	2021	30 Jun 2022	27 Jul 2022	27 Jul 2022
St. James's Hospital	2021	28 Jun 2022	5 Jul 2022	21 Jul 2022
Leopardstown Park Hospital	2021	26 Aug 2022	30 Aug 2022	2 Nov 2022
National Paediatric Hospital Development Board ^a	2020	30 Nov 2021	6 Dec 2021	20 Dec 2021
National Haemophilia Council	2021	22 Nov 2022	22 Nov 2022	24 Nov 2022
Food Safety Authority of Ireland	2021	29 Jun 2022	15 Jul 2022	29 Aug 2022
Food Safety Promotion Board	2021	23 Dec 2022	8 Feb 2023	9 Feb 2023
Health Information and Quality Authority	2021	6 May 2022	10 May 2022	23 May 2022
Health Research Board	2021	12 Dec 2022	20 Dec 2022	21 Feb 2023
Health Service Executive	2021	30 May 2022	6 Jun 2022	20 Jun 2022
Health and Social Care Professionals Council (CORU)	2021	30 Sep 2022	6 Oct 2022	10 Oct 2022
Irish Blood Transfusion Service Board	2021	20 Jun 2022	27 Jun 2022	10 Aug 2022
Health Products Regulatory Authority	2021	17 May 2022	5 Jul 2022	17 Oct 2022
Mental Health Commission	2021	29 Jun 2022	30 Jun 2022	30 Jun 2022
National Cancer Registry Board	2021	24 Jun 2022	28 Jun 2022	13 Sep 2022
National Treatment Purchase Fund	2021	30 Sep 2022	2 Dec 2022	12 Dec 2022
Pre-Hospital Emergency Care Council	2021	21 Dec 2022	22 Dec 2022	22 Feb 2023

Body/ departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Health Insurance Authority	2021	23 Jun 2022	29 Jun 2022	29 Aug 2022
Risk Equalisation Fund	2021	23 Jun 2022	29 Jun 2022	29 Aug 2022
Dental Council ^{a b}	2020	15 Dec 2021	20 Dec 2021	24 Jan 2022
Nursing and Midwifery Board of Ireland	2021	23 Dec 2022	20 Jan 2023	3 Mar 2023
Medical Council	2021	30 Jun 2022	21 Dec 2022	16 Jan 2023
Pharmaceutical Society of Ireland ^b	2021	24 Mar 2022	29 Mar 2022	17 Jun 2022
Voluntary Health Insurance Board ^b	2021	1 Apr 2022	28 Apr 2022	4 Jul 2022
Consolidated Patient Private Property	2021	16 Dec 2022	23 Dec 2022	22 Feb 2023
Health Repayments Scheme (Donations Fund)	2021	16 Dec 2022	23 Dec 2022	22 Feb 2023
Special Account for Health Repayments Scheme	2021	16 Dec 2022	23 Dec 2022	22 Feb 2023
Hep C - Insurance Scheme	2021	16 Dec 2022	22 Dec 2022	28 Dec 2022

- Notes
- ^a The completion of the annual statutory audits for 2021 is awaited for these two bodies.
 - ^b The financial statements of these State bodies are not audited by the Comptroller and Auditor General.

Appropriation Account 2022

Vote 39

Office of Government Procurement

Introduction

As Accounting Officer for Vote 39, 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 2022 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.607 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged 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 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

Payroll, finance and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Office.

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Office and this meant that there were two separate accounting systems in place during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Office to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Office continues to work on addressing the challenges.

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.
- The Statement on Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 39.
- The Statement on Internal Financial Control for the National Shared Service Office is also relevant given that the National Shared Service Office provides certain services on a shared basis to Vote 39.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office

- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines

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

Procurement

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

The Office complied with the guidelines in respect of all contracts in 2022 and this has been reflected in the 40/2002 annual return. The 40/2002 return for 2022 was a nil return.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

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

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Office of Government Procurement

26 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 39 Office of Government Procurement

Opinion on the appropriation account

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2022 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 39 Office of Government Procurement for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Government Procurement 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

27 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 39 Office of Government Procurement

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of central procurement service			
	<i>Estimate provision</i>	19,829		
	<i>Deferred surrender</i>	<u>35</u>		
		19,864	18,293	17,246
Gross expenditure		19,864	18,293	17,246
	<i>Deduct</i>			
B	Appropriations-in-aid	<u>400</u>	<u>471</u>	<u>483</u>
Net expenditure				
	<i>Estimate provision</i>	19,429		
	<i>Deferred surrender</i>	<u>35</u>		
		19,464	17,822	16,763

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. €35,000 of unspent allocations in respect of the capital elements of subhead A.3 was carried forward to 2023.

	2022	2021
	€	€
Surplus	1,641,521	1,795,855
Deferred surrender	<u>(35,000)</u>	<u>(35,000)</u>
Surplus to be surrendered	<u>1,606,521</u>	<u>1,760,855</u>

David Moloney
Accounting Officer
Office of Government Procurement

26 July 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	2,251	1,715
Pay	14,903	14,359
Non pay	1,139	1,172
Gross expenditure	18,293	17,246
<i>Deduct</i>		
Appropriations-in-aid	471	483
Net expenditure	17,822	16,763
Changes in capital assets		
Additions	(124)	
Depreciation	67	67
Changes in net current assets		
Increase in closing accruals	(88)	
Decrease in inventories	6	41
Direct expenditure	17,683	16,871
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,352	2,517
Notional rents	50	50
Net programme cost	20,085	19,438

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 39 borne elsewhere.

	2022	2021
	€000	€000
Vote 7 Office of the Minister for Finance	29	84
Vote 12 Superannuation and Retired Allowances	492	290
Vote 13 Office of Public Works	1,410	1,820
Vote 18 National Shared Services Office	144	24
Vote 43 Office of the Government Chief Information Officer	277	299
	2,352	2,517

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	202	145
Current assets			
Bank and cash		657	664
Inventories		—	6
Prepayments	2.2	408	472
Other debit balances	2.3	68	22
Total current assets		1,133	1,164
Less current liabilities			
Accrued expenses		16	168
Other credit balances	2.4	583	515
Net Exchequer funding	2.5	142	171
Total current liabilities		741	854
Net current assets		392	310
Net assets		594	455
Represented by:			
State funding account	2.6	594	455

2.1 Capital assets

	ICT equipment €000	Assets under development ^a €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	699	—	699
Additions	—	124	124
Cost or valuation at 31 December 2022	699	124	823
Accumulated depreciation			
Opening balance at 1 January 2022	554	—	554
Depreciation for the year	67	—	67
Cumulative depreciation at 31 December 2022	621	—	621
Net assets at 31 December 2022	78	124	202
Net assets at 31 December 2021	145	—	145

Note ^a Additions to assets under development relate to the National Tendering Platform which is currently under construction.

2.2 Prepayments

at 31 December	2022 €000	2021 €000
Software licences	147	198
Subscriptions	145	102
Training and development	105	89
IT support	5	56
Other	6	27
	408	472

2.3 Other debit balances

at 31 December	2022 €000	2021 €000
Recoupable travel pass scheme expenditure	17	12
OPW advances	42	—
Other debit suspense items	9	10
	68	22

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	182	195
Pay related social insurance	145	146
Professional services withholding tax	39	18
Value added tax	79	25
Pension contributions	47	50
Local property tax	1	1
Universal social charge	38	38
	<u>531</u>	<u>473</u>
Payroll deductions held in suspense	49	41
Other credit suspense items	3	1
	<u>583</u>	<u>515</u>

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	1,607	1,761
Deferred surrender	35	35
Exchequer grant undrawn	(1,500)	(1,625)
Net Exchequer funding	<u>142</u>	<u>171</u>
Represented by:		
Debtors		
Bank and cash	657	664
Debit balances: suspense	68	22
	<u>725</u>	<u>686</u>
Creditors		
Due to the State	(531)	(473)
Credit balances: suspense	(52)	(42)
	<u>(583)</u>	<u>(515)</u>
	<u>142</u>	<u>171</u>

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		455	628
Disbursements from the Vote			
Estimate provision	Account	19,464	
Deferred surrender	Account	(35)	
Surplus to be surrendered	Account	<u>(1,607)</u>	
Net vote		17,822	16,763
Expenditure (cash) borne elsewhere	1.1	2,352	2,517
Non-cash items – capital assets adjustments		—	(65)
Non-cash expenditure – notional rent	1	50	50
Net programme cost	1	<u>(20,085)</u>	<u>(19,438)</u>
Balance at 31 December		<u>594</u>	<u>455</u>

2.7 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	<u>570</u>	<u>97</u>

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 39 Office of Government Procurement is classified as administration expenditure applied towards a single programme: Delivery of central procurement service.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	15,680	14,903	14,359
ii	Travel and subsistence	187	91	2
iii	Training and development	386	385	407
iv	Professional, consultancy and other services	100	86	61
v	Operating expenses	158	90	85
vi	Asset and equipment expenses			
	<i>Estimate provision</i>	150		
	<i>Deferred surrender</i>	35		
		185	211	388
vii	Premises and accommodation expenses	145	130	107
viii	Communication and marketing expenses	150	146	121
		16,991	16,042	15,530

Note Changes were made to the administration subheads to facilitate the new single cross-Government chart of accounts for all votes. Nine votes, including this Vote, moved to the new chart of accounts in 2022. Four subheads were retired and five subheads were created. The figures for 2021 have been reanalysed to align with the new subhead structure.

Programme A Delivery of Central Procurement Service

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		15,680	14,903
A.2	Administration – non pay			14,359
	<i>Estimate provision</i>	1,276		
	<i>Deferred surrender</i>	35		
		1,311	1,139	1,172
A.3	Procurement consultancy and other costs		2,873	2,251
			2,251	1,715
		19,864	18,293	17,246

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.3 Procurement consultancy and other costs

Estimate provision €2.873 million; outturn €2.251 million

This underspend of €622,000 is primarily due to delays and longer than expected start-up times in a number of key projects.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022	2021
		Estimated	Realised
		€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	350	396
2	Miscellaneous	50	75
Total		400	471

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Purchasing card rebates	61	75
Transferred to the Exchequer	(61)	(75)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>241</u>	<u>244</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	13,527	13,039
Higher, special or additional duties allowances	36	32
Other allowances	3	—
Overtime	—	6
Employer's PRSI	1,337	1,282
Total pay	<u>14,903</u>	<u>14,359</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties	6	1	14,091	16,424
Other allowances	1	—	2,666	—
Overtime	2	—	57	5,545

5.4 OGP staffing by pay band

The number of OGP employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	166	165
60,000	69,999	13	15
70,000	79,999	30	30
80,000	89,999	12	9
90,000	99,999	6	6
100,000	109,999	5	8
110,000	119,999	5	1
120,000	129,999	—	1
130,000	139,999	1	—
140,000	149,999	1	—
150,000	159,999	—	—
160,000	169,999	—	—
170,000	179,999	—	—
180,000	189,999	—	1
190,000	199,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	18	35,160	25,986
Recovery plans in place	7	12,026	7,532

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 39 Office of Government Procurement is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level and benefits are disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Compensation and legal costs

The OGP is presently responding to two sets of legal proceedings in relation to procurement competitions from the same litigant.

In the first case, a substantive hearing took place in January 2022. Judgement was delivered in February 2022 in favour of the Minister for Public Expenditure, National Development Plan Delivery and Reform. The judgement was appealed and heard by the Court of Appeal in June 2022. Judgement is reserved.

In the second case, a substantive hearing took place in January 2022. Judgement was delivered in February 2022 in favour of the Minister for Public Expenditure, National Development Plan Delivery and Reform, but the cost order is subject to appeal. The hearing took place in January 2023. Judgement is reserved.

The cases are being defended with the support of the Chief States Solicitor's Office and the Office of the Attorney General. Any legal costs or awards to be paid in relation to these actions (procedural or substantive) are not yet known.

A separate set of proceedings by the same litigant was disposed of in 2021, before any substantive hearing. An order in relation to the award of some element of costs was made by the Supreme Court in 2021 in relation to procedural hearings associated with this case. The costs were settled by the State Claims Agency (SCA) during 2022 in the amount of €57,465 and this was reimbursed by the Office of Government Procurement to the SCA.

6.2 Deferred surrender

Deferred surrender comprises savings in 2022 of €35,000 in capital expenditure in subhead A.3 Procurement consultancy and other costs that were carried over to 2023.

Appropriation Account 2022

Vote 40

Children, Equality, Disability, Integration and Youth

Introduction

As Accounting Officer for Vote 40, 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 2022 for the salaries and expenses of the Office of the Minister for Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €86.718 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.

The Russian invasion of Ukraine in February 2022 resulted in significant operational challenges for the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) as it sought to provide emergency short-term accommodation and assistance for more than 55,000 beneficiaries of temporary protection (BOTPs). This event severely increased the pressures and demands on the work of the Department at a time when the number of international protection applicants also increased significantly. There was no provision for Ukraine spending in the 2022 estimate for the Vote, but the Department secured a supplementary estimate later in the year to ensure it could meet all its financial liabilities.

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, National Development Plan Delivery and Reform in circular 22 of 2022 have been applied in the preparation of the account, except for the following.

Depreciation

Assets are depreciated annually on a straight-line basis over their estimated useful life, with a full year's depreciation charged in the year of purchase and none in year of disposal.

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated. Motor vehicles are depreciated over five years at a rate of 20% per annum.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see note 6.1).

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

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements for this Department for the provision of ICT shared services, and the National Shared Services Office for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice in respect of the Oberstown Children Detention Campus.

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. The Director of Oberstown Children Detention Campus also holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and youth related programmes. In 2022, net funding of €745 million was advanced to Pobal in this regard (note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement (SLA) which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The current SLA is in place until 31 December 2024. This ensures that Pobal can continue to engage the requisite staff and external contract services required to support the sector.

An independent Review of the Early Learning and Care (ELC) and School-Age Childcare (SAC) operating model was undertaken by Indecon Economic Consultants in 2022. The review, published on 30 March 2022, concluded that a new dedicated State agency under the remit of the Minister for Children, Equality, Disability, Integration and Youth (the Minister) is the optimal operating model for the ELC and SAC sector for the years ahead. This agency would undertake the functions currently carried out by Pobal Early Years (including Better Start), the 30 City/County Childcare Committees, as well as operational functions undertaken by the Department. Following publication of the review, the Department commenced a design and implementation planning phase of this reform project. A programme board has been appointed to oversee this work and comprises inter-departmental representatives alongside several external experts. A full agency design and implementation plan will then be presented to Government for approval.

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.
- The senior management of the Department sign off on financial control assurance statements in relation to their individual areas of responsibility. These statements are available to me as Accounting Officer in finalising the appropriation account.

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 are in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel and operates in accordance with a written Charter which is approved by the Accounting Officer. The function's work is informed by analysis of the risks to which the Department is exposed. Its annual audit plans, which are approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. On a periodic basis I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are considered by the Department's Management Board.

The Head of Internal Audit is a professional accountant and has a staffing complement of two higher executive officers and two executive officers. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to Department of Public Expenditure, National Development Plan Delivery and Reform and Chartered Institute of Internal Auditors (CIIA) standards. In addition to its ongoing duties, Internal Audit has been designated by the Minister as the Audit Authority for the Asylum, Migration and Integration Fund (AMIF). The internal audit function is reviewed periodically by me and by the Audit Committee. The function was subject to an external quality review in February 2020 by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

The internal audit plan for 2022 was approved by me on 20 June 2022. During 2022, internal audit issued eight reports. On no occasion was a 'no assurance' or a 'limited assurance' audit opinion made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately followed up.

Procurement

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 has provided details of 62 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 62 contracts (in excess of €25,000), totalling €111,579,196 (exclusive of VAT) in 2022, as set out below:

- Sixty contracts with a combined value of €111,403,302 relating to the provision of international protection accommodation services
- One contract with a value of €106,394 regarding the software and support for the Department's financial management system
- One contract with a value of €69,500 related to the Commission of Investigation into Mother and Baby Homes.

The above contracts have been included in the 40/2002 annual return referenced above.

The increase in non compliant procurement can be attributed to the significant increase in international protection applicants since the lifting of Covid travel restrictions.

The Department has taken steps to address the issue of non-compliant procurement in relation to International protection accommodation services. A request for tenders to set up a bespoke panel arrangement for the provision of accommodation and related services for persons seeking international protection in accordance with Regulations 74-77 of the European Union (Award of Public Authority Contracts) Regulations 2016 (SI 284/2016), was published in the Official Journal of the European Union in January 2022 and republished in October 2022. To date, this tendering process has failed to deliver sufficient capacity to meet demand. As a result, the Department has no option but to continue to source required additional accommodation and other supports on an emergency basis, through negotiated procurement procedures.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level. The Minister is briefed on corporate risk on a regular basis.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and unit level risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk and is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we have no tolerance for risks which infringe on our operating procedures or regulatory requirements.

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

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 controls 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

Impact of Russian invasion of Ukraine on the Department

The urgent demand for emergency accommodation and support for over 55,000 Ukrainian BOTPs had a very significant impact on the Department in 2022.

Of these, more than 46,400 were in serviced accommodation (hotels, bed and breakfasts, etc.) at the end of the year and approximately 1,630 were in emergency accommodation. This unprecedented level of activity required the setting up and resourcing of teams recruited via various means including drawing from Public Appointments Service panels, internal staff reassignments, recruitment of temporary clerical officers and contracted staff, and availing of staff on secondment or temporary assignment from other departments and offices. As of the January 2023, there were over 130 staff assigned to the Ukraine team.

The provision of accommodation for BOTPs is a demand-led, time urgent and highly responsive service with immediate requirements determined by fluctuating and growing numbers of arrivals from Ukraine. In 2022, approximately 70 per cent of arriving BOTPs sought short term accommodation from the State and procuring sufficient bed space to keep pace with incoming arrivals was extremely challenging. The Department operated in accordance with an EU Commission communication of 1 April 2022 in relation to the urgent need to provide shelter, supply and services.

The timely payment of invoices from suppliers in respect of accommodation and support services for BOTPs also proved very challenging. The Department is committed to ensuring that invoices are paid promptly while also ensuring that appropriate financial procedures are followed.

In 2022, the number of invoices paid per month rose from 381 in January to 1,011 in December, due mainly to the accommodation of BOTPs. Increased resources were allocated to the checking and authorising of invoices, but it was difficult to manage this level of payments using the same manual process used in previous years.

As a result of the increased volume of invoices, there were three instances of overpayments in 2022 to a combined value of €1.85 million. There was no monetary loss as a consequence. In two cases, the overpayment was offset against subsequent invoices and in the third case, the full amount was paid back by the recipient.

Optimisation of the relevant business process commenced in early 2023. Changes have been introduced to enhance payment validation and authorisation, and to address the reasons for the payment errors. A further project is currently under development to overhaul the Department's system for receiving and processing invoices.

The Department's risk register was updated to reflect the impact the conflict in Ukraine had on the Department.

Early Years — compliance with programme rules

The impact of Covid-19 on the operation of the various Early Learning and Care (ELC) and School Age Childcare (SAC) schemes significantly reduced in 2022 transitioning from desk based compliance checks borne from the impact of Covid-19. On-site announced compliance checks re-commenced in November 2021 and remained in operation until April 2022. Unannounced on-site inspections resumed from April 2022 for the remainder of the 2021/22 programme cycle. Business as usual for the 2022/23 compliance cycle resumed in September 2022, ensuring all unannounced compliance checks could be carried out on-site.

For the 2022 calendar year, consisting of two programme years (2021/22 and 2022/23), of the service providers contracted to deliver the National Childcare Scheme (NCS), 367 were inspected. The over-claims rate as a percentage of the allocation inspected was 0.68%. All identified over-claims are earmarked for recoupment against future funding. The average number of non-compliances was just over 3 out of 28 checks per service, 89% of services having 3 or fewer instances of non-compliance. Following a non-compliance outcome under NCS, service providers are required to take rectification actions and to submit self-declarations of future compliance. 98% of services inspected in 2022 took the requisite rectification actions.

In relation to the Early Childhood Care and Education (ECCE) programme, of the 473 inspections conducted for the calendar year up to November 2022, 16% were found to be 'major non-compliant' where major non-compliance reflects the compliance issues of greatest significance to Exchequer funding, including attendance record requirements, facilitating a compliance visit, and where more than 20% of child registrations require updating. The over-claim rate was 0.25% of the total funding allocation inspected. In relation to the Community Childcare Subvention Plus (CCSP) Savers scheme, of the 109 services inspected, 20% were found to be 'major non-compliant'. The over-claim rate from the total funding allocation checked was 4.27%.

There were a number of positive developments during the 2022 calendar year. The Compliance Unit streamlined the 28 NCS inspection checks. The reduction of checks is aimed to bring greater effectiveness and efficiency to the inspection process for both the Authorised/Visiting Officers and providers without impacting the quality of the verification process. In line with the Office of the Comptroller and Auditor General (OCAG) recommendations, the Compliance Unit initiated a review of NCS outcome categories from binary outcomes (compliant/ non-compliant) to minor, moderate and major non-compliant (similar to how outcomes are reported for the ECCE programme). This is expected to be finalised in 2023.

Another important development has been the transition of ECCE, CCSP and Access and Inclusion model (AIM) Level 1 Compliance on to the Early Years Platform (EYP) currently used for NCS.

The platform has multiple advantages including

- enablement of issuance of compliance notifications to service providers
- improved monitoring of rectification actions by service providers
- automatic updating of incorrect Hive registrations/claims identified as part of the compliance process enables improved recoupment of over claims.

Additionally, the compliance risk rating model designed by Pobal became operational at the end of 2022. This model will ensure compliance resources are deployed according to risk. This will allow a more targeted approach by highlighting higher risk services. The target approach will provide insights to the correlation between risk and levels of compliance and offer a pathway to better assurances.

A new revised iteration of the Compliance Framework was introduced during 2022. There were ten service providers on the existing Framework, all of whom had been placed on Level 1 for not rectifying NCS non-compliance outcomes for the 2021/22 programme year. These service providers had another compliance visit in the 2022/23 programme year. They have not been included on the revised 2023 Framework. A targeted approach to addressing specific areas of non-compliance is being adopted in 2023.

The majority of verification work on the Covid-19 schemes has been completed. The Temporary Wage Subsidy Childcare Scheme (TWSCS) non-compliant amounts totalling approximately €464,000 (3.31%) has been fully recouped. Similarly, for the Reopening Support Payment (RSP), which was introduced to assist service providers with the costs associated with re-opening following the Covid-19 closures in 2020, resulted in ineligible expenditure of €61,535 for which recoupment is nearing completion. The Covid-19 Operating Support Payment (COSP) was intended to support service providers that were reliant on parental fees, to remain sustainable during the period of high level restrictions and met the condition of not charging fees for families whose children were not attending the service. Total ineligible expenditure to be recouped is €2,213 and recoupment letters have been issued to the relevant service providers. Verifications are in progress, but yet to be completed, for the Ventilation Grant and the Playing Outside Grant which are the Covid-19 schemes remaining in the current compliance programme.

At the end of 2022, Pobal's debt management process recorded a debtor balance of approximately €4.5 million against all Departmental programmes. This included programmes other than the ELC and SAC programme that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal have reviewed the legacy debts and have identified amounts that are irrecoverable. This debtor management process will conclude by establishing a set procedure for the future identification and treatment of debts as they emerge.

Covid-19 control issues

The assessment of the impact of Covid-19 was an on-going focus of the senior management team and business units across the Department throughout 2022. The Covid-19 Response Management Unit (incorporating Facilities Management), established in 2020, continued to assess and manage the impacts of Covid-19 on the Department throughout 2022. The Department established a Covid-19 Response Management Group in 2020 to oversee the Covid-19 response in DCEDIY, which is chaired at Management Board level.

The Department maintains a listing of corporate risks which is reviewed by the Risk Committee on a quarterly basis. In 2020, a specific Covid-19 corporate risk was included to reflect the impact of Covid-19 on the ability of the Department, and bodies under its aegis, to continue to function as normal and to deliver essential services to children and families.

A programme of work continued throughout 2022 to facilitate and support the work of the Department.

- The Covid-19 Response Unit continued its work throughout 2022. The work of the Unit was guided by the Government's *Work Safely Protocol: Good Practice Guidance for Continuing to Prevent the Spread of Covid-19* published in January 2022. The measures in place to prevent the spread of the Covid-19 virus were updated in line with the transitional protocol and other national guidance.
- All staff were supported to continue to work remotely. All new staff were equipped (ICT and furniture) to work from home. Arrangements were made to provide staff with remote ergonomic assessments to ensure their health and safety while working in their home workspaces. Staff who did not receive remote ergonomic assessments in 2022 will be assessed in 2023.
- Attendance at the Department's offices was initially limited to a small number of essential staff, with strict protocols in place for such attendance. Staff who needed to attend the office on an ad hoc basis for essential business were facilitated.
- A bespoke Covid-19 training module was prepared and delivered to all Department staff in preparation for a return to the office.
- A safe, phased return to the office commenced in February 2022. The Department launched its *Blended Working Policy* on 29 August 2022.
- The Department was represented at various central committees chaired by the Department of the Taoiseach to oversee all department responses to Covid-19, including the Senior Officials Group (which reports to the Cabinet Committee), Communications Group and Civil and Public Service Sectoral groups. The Department developed an *Action Plan* detailing impacts of Covid-19 on service delivery, backlogs/pent-up demand for the Department's sectoral areas for the Department of the Taoiseach in line with the Government's *Covid-19 Resilience and Recovery 2021 – The Path Ahead*. Regular updates were also provided to the Department of the Taoiseach in relation to the *COVID-19: Reframing the Challenge, Continuing Our Recovery and Reconnecting*.
- Close contact was maintained with all bodies under the aegis of the Department, with the impact of Covid-19 on services assessed and response measures put in place or supported where required.
- The Management Board continued its oversight of the impact of Covid-19 on the Department and bodies under its aegis, and the Minister was kept fully informed.

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

22 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2022 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 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Children, Equality, Disability, Integration and Youth and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2022.

Payment controls and late payment interest

The Accounting Officer has outlined in the statement on internal financial control the pressures faced by his Department as a result of the war in Ukraine, and the steps being taken to address the problem in 2023. Note 2.11 disclosed that liabilities estimated at €54.7 million had been incurred and invoiced at end 2022, but had not been paid. Note 6.5 discloses that late payment interest and compensation charged to the vote in 2022 amounted to €247,000.

Seamus McCarthy

Comptroller and Auditor General

22 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and family support programme			
	<i>Original</i>	934,956		
	<i>Deferred surrender</i>	1,250		
	<i>Supplementary</i>	14,664		
			950,870	948,879
				887,622
B	Sectoral programmes for children and young people			
	<i>Original</i>	814,378		
	<i>Deferred surrender</i>	1,950		
	<i>Supplementary</i>	10,255		
			826,583	824,919
				680,612
C	Policy and legislation programme			
	<i>Original</i>	44,895		
	<i>Supplementary</i>	(7,577)		
			37,318	33,597
				28,896
D	An equal and inclusive society			
	<i>Original</i>	38,805		
	<i>Supplementary</i>	(4,924)		
			33,881	29,611
				26,634
E	A fair and efficient support system for international protection seekers			
	<i>Original</i>	274,143		
	<i>Supplementary</i>	693,495		
			967,638	892,961
				200,460

		2022		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Gross expenditure				
	<i>Original</i>	2,107,177		
	<i>Deferred surrender</i>	3,200		
	<i>Supplementary</i>	<u>705,913</u>		
		2,816,290	2,729,967	1,824,224
<i>Deduct</i>				
F	Appropriations-in-aid			
	<i>Original</i>	48,160		
	<i>Supplementary</i>	<u>(13,500)</u>		
		34,660	35,055	39,175
Net expenditure				
	<i>Original</i>	2,059,017		
	<i>Deferred surrender</i>	3,200		
	<i>Supplementary</i>	<u>719,413</u>		
		2,781,630	2,694,912	1,785,049

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus	86,718,120	98,511,940
Deferred surrender	—	(3,200,000)
Surplus to be surrendered	<u>86,718,120</u>	<u>95,311,940</u>

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

22 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		2,691,451	1,794,047
Pay		33,484	25,252
Non pay		5,032	4,925
Gross expenditure		2,729,967	1,824,224
<i>Deduct</i>			
Appropriations-in-aid		35,055	39,175
Net expenditure		2,694,912	1,785,049
Changes in capital assets			
Purchases cash	(40,462)		
Loss on disposals	2		
Depreciation	5,240	(35,220)	3,739
Changes in net current assets			
Increase in prepayments	(5,366)		
Increase in closing accruals	156,580	151,214	(8,311)
Direct expenditure		2,810,906	1,780,477
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		7,187	5,997
Net programme cost		2,818,093	1,786,474

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	30
Vote 12	Superannuation and Retired Allowances	2,866	2,126
Vote 13	Office of Public Works	3,366	3,129
Vote 18	National Shared Services Office	74	60
Vote 20	Garda Síochána	70	—
Vote 43	Office of the Government Chief Information Officer	695	581
Central Fund - ministerial pensions		75	71
		7,187	5,997

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	100,359	63,701
Current assets			
Bank and cash	2.2	32,716	35,669
Inventories		6	6
Prepayments	2.3	29,729	24,363
Other debit balances	2.4	12,049	349
Total current assets		74,500	60,387
Less current liabilities			
Accrued expenses	2.5	158,904	2,324
Other credit balances	2.6	3,286	5,051
Asylum Migration and Integration Fund	2.7	30,582	25,117
Net Exchequer funding	2.8	10,897	5,850
Total current liabilities		203,669	38,342
Net current (liabilities) / assets		(129,169)	22,045
Net (liabilities) / assets		(28,810)	85,746
Represented by:			
State funding account	2.9	(28,810)	85,746

2.1 Capital assets

	Land and buildings	Office equipment	Furniture, fittings and motor vehicles	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2022 ^a	61,718	14,818	922	—	77,458
Adjustments ^b	—	1,797	—	—	1,797
Additions ^c	8,707	2,303	182	29,270	40,462
Disposals	—	(60)	—	—	(60)
Cost or valuation at 31 December 2022	70,425	18,858	1,104	29,270	119,657
Accumulated depreciation					
Opening balance at 1 January 2022	7,145	6,152	460	—	13,757
Adjustments	—	359	—	—	359
Depreciation for the year	1,402	3,743	95	—	5,240
Depreciation on disposals	—	(58)	—	—	(58)
Cumulative depreciation at 31 December 2022	8,547	10,196	555	—	19,298
Net assets at 31 December 2022	61,878	8,662	549	29,270	100,359
Net assets at 31 December 2021	54,573	8,666	462	—	63,701

Note ^a Includes assets acquired for less than €10,000 prior to 1 January 2021.

^b Office equipment includes an adjustment in respect of the Early Years Platform Customer Relationship Management (CRM) system developed by Pobal in 2021.

^c Assets under development is comprised of expenditure relating to the Rapid Build Housing Programme and the Early Years Platform Customer Relationship Management (CRM) system developed by Pobal.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	(4,835)	32,900
Other bank balances	37,551	2,769
	32,716	35,669

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Pobal	13,584	10,659
International protection seekers costs	12,817	13,174
Ukrainian accommodation and certain related expenditure	1,890	—
Childcare programmes	1,000	—
Administration/operational	288	357
Research	150	173
	29,729	24,363

2.4 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to OPW	8,009	24
Ukrainian recognition scheme	3,660	—
Recoupable salaries	79	76
Other debit suspense items	301	249
	12,049	349

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
Ukrainian accommodation and certain related expenditure	143,626	—
International protection seekers costs	14,481	1,565
Refugee and migrant integration	207	197
Other programme accruals	140	244
Administration/operational	450	318
	158,904	2,324

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	755	617
Pay related social insurance	569	449
Professional services withholding tax	191	54
Value added tax	63	54
Local property tax	6	6
Universal social charge	149	119
	<u>1,733</u>	<u>1,299</u>
Extra exchequer receipts	505	2,967
Other credit suspense items	1,048	785
	<u>3,286</u>	<u>5,051</u>

2.7 Asylum Migration and Integration Fund

at 31 December	2022	2021
	€000	€000
EU receipts	<u>30,582</u>	<u>25,117</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	86,718	95,312
Deferred surrender	—	3,200
Exchequer grant undrawn	(75,821)	(92,662)
Net Exchequer funding	<u>10,897</u>	<u>5,850</u>
Represented by:		
Debtors		
Bank and cash	32,716	35,669
Debit balances: suspense	12,049	349
	<u>44,765</u>	<u>36,018</u>
Creditors		
Due to the State	(1,733)	(1,299)
Credit balances: suspense	(1,553)	(3,752)
Asylum Migration and Integration Fund	(30,582)	(25,117)
	<u>(33,868)</u>	<u>(30,168)</u>
	<u>10,897</u>	<u>5,850</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		85,746	81,174
Disbursements from the Vote			
Estimate provision	Account	2,781,630	
Deferred surrender	Account	—	
Surplus to be surrendered	Account	(86,718)	
Net vote		2,694,912	1,785,049
Expenditure (cash) borne elsewhere	1.1	7,187	5,997
Adjustment	2.1	1,438	—
Net programme cost	1	(2,818,093)	(1,786,474)
Balance at 31 December		(28,810)	85,746

2.10 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services ^a	96,092	33,362
Capital ^b	208,390	153
Non-capital grant programmes ^c	235,055	—
Total of legally enforceable commitments	539,537	33,515

- Note ^a The increase in procurement of good and services primarily relates to
- the introduction of commitments relating to the provision of accommodation for BOTPs as a result of the Department's response to the Ukrainian crisis
 - IPPS commitments as a result of record levels of new arrivals seeking international protection in 2022.
- ^b The capital commitments increased as a result of the commencement of the rapid build programme for modular housing in 2022 as part of the Department's response to the Ukrainian crisis.
- ^c The non-capital grant programmes is comprised of core funding of €175 million and Ukraine recognition payment of €60 million which were not in place in 2021.

b) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Rapid Build Programme	—	29,010	208,390	237,400	—

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimates of matured liabilities not discharged at year end	<u>54,675</u>	<u>1,972</u>

2.12 Contingent liabilities

Legal costs for the eight judicial reviews settled by the Department in December 2021 which were noted in the 2021 Appropriation Account were still payable as at 31 December 2022. It is anticipated that the legal costs for the applicants will be paid by the Department in 2023. The Department is currently unable to quantify the total liability to be settled as a request for payment has yet to be received by the Department.

Legal costs in respect of two illegal birth registration cases settled by the Department during 2022 are payable as at 31 December 2022. The Department is currently unable to quantify the total liability to be settled. Other costs related to these cases have been paid in 2023 as noted in Note 6.2.

Indemnities have been provided to the owners of Citywest in relation to the Department's use of the hotel and convention centre as a Transit Hub for beneficiaries of temporary protection and international protection applicants. These indemnities relate to the cancellation of events in the conference centre, insurance and the potential damages/litigation arising from claims from residents. The costs associated with the cancellation of events has been estimated at approximately €2 million, but negotiations are still ongoing between Citywest and various relevant parties regarding cancellations. There have been no claims to date in relation to insurance, damages or litigation and any actual amount or the timing of potential liabilities is uncertain.

The Department received a direction from the Commission of Investigation to pay approximately €71,000 to the State Claims Agency in respect of legal costs. However, the amount is currently being disputed by the claimant and therefore the Department is currently unable to quantify the total liability to be settled or the timing of the payment.

The Department is involved in 46 legal cases, six which were noted in the 2021 Appropriation Account that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There are two potential legal challenges relating to wardship and 64 potential personal injury cases, 54 of which were noted in the 2021 Appropriation Account that 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.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	40,819		
	<i>Supplementary</i>	(4,460)		
			36,359	25,252
ii	Travel and subsistence			
	<i>Original</i>	260		
	<i>Supplementary</i>	(49)		
			211	126
iii	Training and development and incidental expenses			
	<i>Original</i>	3,437		
	<i>Supplementary</i>	(649)		
			2,788	1,885
iv	Postal and telecommunications services			
	<i>Original</i>	123		
	<i>Supplementary</i>	(23)		
			100	101
v	Office equipment and external IT services			
	<i>Original</i>	1,567		
	<i>Supplementary</i>	(295)		
			1,272	952
vi	Office premises expenses			
	<i>Original</i>	1,600		
	<i>Supplementary</i>	(300)		
			1,300	1,721
vii	Consultancy services and value for money policy reviews			
	<i>Original</i>	1,299		
	<i>Supplementary</i>	(244)		
			1,055	140
		43,085	38,516	30,177

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €3.437 million; outturn €1.761 million

The under spend of €1.676 million primarily relates to legal fees associated with proceedings which were not received before year end and costs associated with data minimisation in respect of the Mother and Baby Homes archive were less than anticipated due to a requirement to deliver some of the work in-house as well as overall lower demand for attendance at in person events such as conferences.

v Office equipment and external IT services

Estimate provision €1.567 million; outturn €945,000

The under spend of €622,000 was primarily driven by the impact of the Ukrainian crisis as planned projects were postponed in order to enable specific Ukrainian crisis projects to take place. The under spend was also driven by the delay in the transfer of functions for the Specialist Community Disability Services from the Department of Health.

vii Consultancy services and value for money policy reviews

Estimate provision €1.299 million; outturn €234,000

Expected spend on consultancy did not materialise during the year.

Programme A Children and family support

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	7,346		
	<i>Supplementary</i>	(793)		
			6,553	3,283
A.2	Administration – non pay			
	<i>Original</i>	1,491		
	<i>Supplementary</i>	(282)		
			1,209	886
A.3	Child and Family Agency			
	<i>Original</i>	898,453		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	16,187		
			915,640	857,345
A.4	Youth justice – including Oberstown Children Detention Campus			
	<i>Original</i>	26,820		
	<i>Deferred surrender</i>	250		
	<i>Supplementary</i>	398		
			27,468	26,108
A.5	Guardian ad Litem Executive Office			
	<i>Original</i>	845		
	<i>Supplementary</i>	(845)		
			—	—
A.6	Child and Family Agency Covid related supports			
	<i>Original</i>	1		
	<i>Supplementary</i>	(1)		
			—	—
		950,870	948,879	887,622

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 €12.673 million higher than originally provided.

A.5 Guardian ad Litem Executive Office*Estimate provision €845,000; outturn €nil*

The non-expenditure of €845,000 was due to the pausing of the project following a delay in the enactment of the underpinning legislation. The Child Care (Amendment) Act 2022, which provides for reform of the guardian ad litem (GAL) system, was signed into law on 19 July 2022. Previous uncertainty regarding the timelines for enacting this legislation, coupled with prioritisation of other demands, limited further progress on this in the second half of the year. In preparation for commencement of the Act a significant body of work is now underway in the Department. The Department intends that the new national guardian ad litem service will be operated by an executive office. The Department must ensure that this executive office is established and fully functional before the legislative provisions come into force.

Programme B Sectoral programmes for children and young people

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	9,389		
	<i>Supplementary</i>	<u>(1,029)</u>		
			8,360	6,313
B.2	Administration – non pay			
	<i>Original</i>	1,906		
	<i>Supplementary</i>	<u>(358)</u>		
			1,548	1,182
B.3	ECCE and AIM pre-school programmes			
	<i>Original</i>	316,600		
	<i>Supplementary</i>	<u>12,667</u>		
			329,267	323,154
B.4	National Childcare Scheme and other childcare programmes			
	<i>Original</i>	208,726		
	<i>Supplementary</i>	<u>8,349</u>		
			217,075	185,958
B.5	Childcare programmes: delivery supports and other initiatives			
	<i>Original</i>	153,610		
	<i>Deferred surrender</i>	750		
	<i>Supplementary</i>	<u>6,261</u>		
			160,621	84,411
B.6	Youth organisations and services (part funded by the National Lottery)			
	<i>Original</i>	73,289		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>(494)</u>		
			73,995	68,575
B.7	Creative Ireland			
	<i>Original</i>	150		
	<i>Supplementary</i>	<u>(99)</u>		
			51	7
B.8	Economic and social disadvantage measures (Dormant Accounts funded)			
			12,008	9,388

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.9	Programme for Peace and Reconciliation			
	<i>Original</i>	1,700		
	<i>Supplementary</i>	(718)		
			982	975
				1,624
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports			—
	<i>Original</i>	37,000		
	<i>Supplementary</i>	(14,324)		
			22,676	22,676
			826,583	824,919
				680,612

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 €8.591 million higher than originally provided.

B.4 National Childcare Scheme and other childcare programmes

Estimate provision €208.726 million; outturn €219.942 million

The over spend of €11.2 million relative to the estimate provision was primarily driven by a return to pre-Covid-19 anticipated levels of usage and the introduction of the two NCS reforms in May and August 2022. The first reform measure was the discontinuation of the practice of deducting hours spent in pre-school or school from the entitlement to NCS subsidised hours. This measure benefited an estimated 5,000 children from low income families from May 2022 onwards. The second measure was the extension of the age of eligibility to 15 years to access the NCS universal subsidy from August 2022. It was estimated that up to 40,000 children would benefit from this extension. Both measures have resulted in an increase in the number of registrations from circa 30,000 at the start of the calendar year 2022 to circa 98,000 by the year end 2022. Virement was sanctioned by the Department of Public Expenditure, National Development Plan Delivery and Reform of €3.1 million to cover part of this cost.

B.8 Economic and social disadvantage measures (Dormant Accounts funded)

Estimate provision €12.008 million; outturn €10.545 million

The shortfall in expenditure of €1.5 million was mainly due to delays at organisation level due to the challenging staff recruitment environment (2022) and commencement of the initiative due to public health restrictions (2021/early 2022) as well as delays in commencing the In School Therapy Demonstration Project and Promotion of the Universal design Guidelines for ELC Settings project in 2022.

B.9 Programme for Peace and Reconciliation

Estimate provision €1.7 million; outturn €975,000

The shortfall in expenditure of €725,000 relative to the estimate provision reflects the transition between funding programmes, with final expenditures being released on completion of required processes under PEACE IV. All cash needs were met.

B.10 Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports

Estimate provision €37 million; outturn €22.676 million

The shortfall in expenditure of €14.3 million is due to lower than expected funding requirements for the transition fund. The transition fund was introduced to bridge the period between the end of Covid-19 supports (December 2021) and the introduction of core funding (August 2022). However, the transition fund operated for a shorter period, May to August, instead of January to August as planned.

Programme C Policy and legislation

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	<i>Original</i>	12,246		
	<i>Supplementary</i>	(1,342)		
			10,904	7,828
C.2	Administration – non pay			
	<i>Original</i>	2,486		
	<i>Supplementary</i>	(467)		
			2,019	1,478
C.3	Miscellaneous legal fees and settlements		539	67
C.4	National Longitudinal Study and other research programmes			
	<i>Original</i>	3,639		
	<i>Supplementary</i>	(99)		
			3,540	3,833
C.5	Children and young people's policy framework and other programmes			
	<i>Original</i>	8,048		
	<i>Supplementary</i>	(1,709)		
			6,339	6,048
C.6	Adoption Authority of Ireland			
	<i>Original</i>	6,966		
	<i>Supplementary</i>	591		
			7,557	4,219
C.7	Office of the Ombudsman for Children			
	<i>Original</i>	3,312		
	<i>Supplementary</i>	183		
			3,495	2,955
C.8	Response to legacy of Mother and Baby Institutions			
	<i>Original</i>	7,359		
	<i>Supplementary</i>	(5,034)		
			2,325	1,981
C.9	Magdalen Fund			
	<i>Original</i>	300		
	<i>Supplementary</i>	300		
			600	554
		37,318	33,597	28,896

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 €11.298 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €67,000

The shortfall in expenditure of €472,000 was due to the variable nature of expenditure in the subhead and the resultant difficulties in general in predicting the outcomes and costs associated with legal cases and matters.

C.4 National Longitudinal Study and other research programmes

Estimate provision €3.639 million; outturn €3.175 million

The shortfall in expenditure of €464,000 was mainly due to an under spend on fieldwork and consumables for Growing Up in Ireland Study team in the Economic and Social Research Institute (ESRI), an under spend associated with staff departures and unpaid leave taken in the ESRI study team as well as Central Statistics Office transition costs which were also lower than budgeted.

C.5 Children and young people's policy framework and other programmes

Estimate provision €8.048 million; outturn €6.131 million

The shortfall in expenditure of €1.917 million was mainly due to a delay in the processing of European Social Fund (ESF) funding for projects intended to address parenting support needs, young parent support needs, a parenting awareness fund and the scaling up of proven models of intervention. These were submitted to the EU Commission for ESF funding in 2022.

C.6 Adoption Authority of Ireland

Estimate provision €6.966 million; outturn €8.096 million

The increase in expenditure of €1.13 million was mainly due to costs incurred in the preparation for the enactment and implementation of the Birth Information and Tracing Act 2022. Key areas of over spend were on the public information campaign which was a nationwide awareness programme in support of the legislation and required by the Act itself. The campaign included TV, radio and social media advertising, domestic and international press advertising, as well as an every residence national leaflet design, print and delivery.

Legal advice on the implementation of the Act was also required by the Adoption Authority of Ireland (AAI). In addition, the AAI acquired a space for the storage of important adoption and adoption related records, to fulfil their statutory role in safeguarding records under the Act. Finally, the AAI's legal costs across a year are difficult to accurately forecast and include cases where AAI is the respondent or where the AAI is obliged by the adoption acts to refer a case to the High Court. Legal advice was required on a number of complex adoption cases.

C.7 Office of the Ombudsman for Children

Estimate provision €3.312 million; outturn €3.495 million

The over spend of €183,000 is due to an underestimation of full year salary costs of additional staff recruited during 2022 when seeking the 2022 budget allocation.

C.8 Response to legacy of Mother and Baby Institutions

Estimate provision €7.359 million; outturn €568,000

The shortfall in expenditure of €6.791 million is due to delays in the enactment of the birth information and tracing legislation and consequently delays in the establishment of an executive office for the administration of the Mother and Baby Institutions Payment scheme.

C.9 Magdalen Fund

Estimate provision €300,000; outturn €510,000

The over spend of €210,000 relative to the estimate provision was mainly due to higher than anticipated claims submitted as a result of the Magdalen Scheme which is demand led.

Programme D An equal and inclusive society

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay			
	<i>Original</i>	1,633		
	<i>Supplementary</i>	<u>(179)</u>		
		1,454	1,340	1,010
D.2	Administration – non pay			
	<i>Original</i>	331		
	<i>Supplementary</i>	<u>(63)</u>		
		268	201	148
D.3	National Disability Authority			
	<i>Original</i>	5,453		
	<i>Supplementary</i>	<u>61</u>		
		5,514	5,330	4,754
D.4	Refugee and migrant integration			
	<i>Original</i>	9,128		
	<i>Supplementary</i>	<u>(2,261)</u>		
		6,867	4,355	4,814
D.5	Grants to national women's organisations		611	556
D.6	Traveller and Roma initiatives		5,077	4,914
D.7	Positive Action for Gender Equality			
	<i>Original</i>	5,865		
	<i>Supplementary</i>	<u>(1,701)</u>		
		4,164	3,190	3,414
D.8	Equality and LGBTI initiatives		1,293	1,670
D.9	Decision Support Service			
	<i>Original</i>	7,300		
	<i>Supplementary</i>	<u>(781)</u>		
		6,519	6,519	5,354
D.10	Disability Equality		1,695	—
		33,881	29,611	26,634

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €9.194 million lower than originally provided.

D.4 Refugee and migrant integration

Estimate provision €9.128 million; outturn €4.355 million

The shortfall in expenditure of €4.773 million is due to delays in Grant Agreements with Local Authorities due to the impact and challenges related to the Ukrainian crisis.

D.6 Traveller and Roma initiatives

Estimate provision €5.659 million; outturn €5.077 million

The shortfall in expenditure of €582,000 was due to lower than anticipated requirement for the funds that had been set aside for contingency payments to Traveller and Roma organisations to address the impact of Covid-19 in 2022.

D.7 Positive Actions for Gender Equality

Estimate provision €5.865 million; outturn €3.19 million

The shortfall in expenditure of €2.675 million included €1.735 million for a new European Social Fund (ESF) gender equality funding call which did not take place.

There was also an under spend on funding related to the introduction of gender pay gap reporting, as well as on funding earmarked for consultations on a new strategy, which were also not used.

D.8 Equality and LGBTI initiatives

Estimate provision €1.025 million; outturn €1.293 million

The over spend of €268,000 is due to the fact that the funding call for the LGBTI+ Community Services Fund was oversubscribed and a decision was made to fund as many eligible projects as possible.

D.9 Decision Support Service

Estimate provision €7.3 million; outturn €6.519 million

The shortfall in expenditure of €781,000 is due to lower than projected costs related to the recruitment of staff. Due to extensions in timeline the passage of the Assisted Decision-Making (Capacity) (Amendment) Act 2022 as it progressed through the Houses, recruitment of some personnel was pursued later than originally anticipated.

D.10 Disability Equality

Estimate provision €1.8 million; outturn €1.695 million

The shortfall in expenditure of €105,000 was mainly due to lower than expected costs for facilitating meetings during the year as due to the lingering effect of the pandemic there were less in person meetings with stakeholders resulting in lower expenses related to reasonable accommodations. Due to the impact of the war in Ukraine and internal restructuring certain projects, such as a mapping exercise and a job coaching scheme, were not progressed, with allocations re-profiled into boosting the Convention on the Rights of Persons with Disabilities (CRPD) and employment awareness raising activities.

Programme E A fair and efficient support system for international protection seekers

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
E.1	Administration – pay				
	<i>Original</i>	10,205			
	<i>Supplementary</i>	(1,117)			
			9,088	8,371	6,818
E.2	Administration – non pay				
	<i>Original</i>	2,072			
	<i>Supplementary</i>	(390)			
			1,682	1,258	1,231
E.3	Asylum Migration and Integration Fund				
	<i>Original</i>	2,930			
	<i>Supplementary</i>	(1,087)			
			1,843	1,538	1,580
E.4	International protection seekers accommodation				
	<i>Original</i>	258,936			
	<i>Supplementary</i>	102,889			
			361,825	367,223	190,831
E.5	Ukraine Accommodation and Related Costs				
	<i>Original</i>	—			
	<i>Supplementary</i>	593,200			
			593,200	514,571	—
			967,638	892,961	200,460

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €618.818 million higher than originally provided.

E.3 Asylum Migration and Integration Fund

Estimate provision €2.93 million; outturn €1.538 million

The shortfall in expenditure of €1.392 million is due to the delay in approving funding under a call for proposals. As a result, some of the payments will occur in early 2023.

E.4 International protection seekers accommodation

Estimate provision €258.936 million; outturn €367.223 million

The over spend of €108.287 million is due to record levels of new arrivals seeking international protection in 2022. From 1 January 2022 to 31 December 2022, over 15,000 people applied for international protection. The annual estimate for arrivals was 3,500, based on arrival figures for the years 2017 to 2019.

As of 31 December 2022, there were over 19,300 people accommodated in the International Protection Accommodation Seekers (IPAS) accommodation system as a whole. At end of 2021 this figure was 7,724.

Over 63 emergency centres opened in 2022. This figure excludes very short term arrangements such as the use of school halls, tents and sports facilities. The average cost of emergency accommodation per person per night is between €70 and €80.

E.5 Ukraine accommodation and related costs

Estimate provision €nil; outturn €514.571 million

The over spend of €515 million is due to the Ukrainian crisis which was not originally budgeted for. This led to the necessity to secure hotel and other accommodation for the significant number of BOTPs. A new subhead (E5) was set up to capture Ukraine expenditure separately as part of the supplementary estimate. This additional allocation was spent on accommodation and other supports for Ukrainian BOTPs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	9,086	8,672	8,580
2	Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	711	685	656
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Miscellaneous	343	583	469
6	Dormant Accounts receipts	12,008	10,531	9,389
7	Programme for Peace and Reconciliation	1,939	1,801	1,330
8	EU receipts			
	<i>Original</i>	15,000		
	<i>Supplementary</i>	(13,500)		
		1,500	3,335	9,699
9	Receipts from additional superannuation contributions on public service remuneration	9,070	9,448	9,052
Total		34,660	35,055	39,175

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.105 million lower than forecast.

5 Miscellaneous

Estimate provision €343,000; realised €583,000

These miscellaneous receipts are unpredictable and are difficult to forecast accurately.

6 Dormant Accounts receipts

Estimate provision €12.008 million; realised €10.531 million

The shortfall in expenditure of €1.5 million was mainly due to delays at organisation level due to the challenging staff recruitment environment (2022) and commencement of the initiative due to public health restrictions (2021/early 2022) as well as delays in commencing the In School Therapy Demonstration Project and Promotion of the Universal design Guidelines for ELC Settings project in 2022.

7 Programme for Peace and Reconciliation*Estimate provision €1.939 million; realised €1.801 million*

The shortfall of €138,000 in receipts for the Programme for Peace and Reconciliation is owing to variances in the timing for the Special EU Programmes Body (SEUPB) to receive refunds from European Regional Development Fund (ERDF) funding, which it then passes on to the Department. This funding is only provided to the SEUPB by the EU following a validation process in relation to project expenditure. The timescales in relation to this process can vary and are difficult to predict.

8 EU receipts*Estimate provision €15 million; realised €3.335 million*

The figure of €15 million was an estimate of EU receipts to be received in 2022. The level of appropriations-in-aid released in a particular year is based on claims submitted and payments received from the EU. As a result, it is difficult to accurately predict the timing of receipts and the level of appropriations-in-aid in any given year.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	2,968	538
Adjustment to opening balance	(8)	(98)
Refunds of grant funding: Pobal	7,167	8,149
Refunds of grant funding: ETBs	1,275	1,959
Oberstown Children Detention Campus	25	81
Child and Family Agency	21	—
Other	363	686
Transferred to the Exchequer	(11,306)	(8,347)
Balance at 31 December	505	2,968

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	606	486
Commission of Investigation	—	8
Agencies of the Department (note 5.2)	5,033	4,921
	5,639	5,415

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	29,844	24,233
Higher, special or additional duties allowances	269	98
Overtime	598	148
Employer's PRSI	2,773	2,111
Total pay ^a	33,484	26,590

Remuneration of agency staff

	2022	2021
	€000	€000
Pay ^b	297,374	279,525
Higher, special or additional duties allowances	2,872	4,398 ^c
Other allowances	1,607	38 ^c
Overtime	1,524	1,509
Employer's PRSI	31,185	28,789
Total pay	334,562	314,259

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

^b The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned.

^c Restated due to an error noted in the classification of the Director's allowance for the Ombudsman for Children. The agencies are National Disability Authority (NDA), Adoption Authority of Ireland (AAI), Child and Family Agency (Tusla), Office of the Ombudsman for Children (OCO) and Oberstown Children Detention Campus.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Departmental staff				
Higher, special or additional duties allowances	18	5	22,755	22,002
Other allowances	31	1	35,651	13,887
Overtime	180	12	41,270	13,880
Extra remuneration in more than one category	25	3	17,170	2,684
Staff of agencies of the Department				
Higher, special or additional duties allowances	270	4	20,880	20,275
Other allowances	1,017	87	30,218	6,243 ^a
Overtime	597	26	43,898	36,029
Extra remuneration in more than one category	601	40	58,130	46,571

Note ^a Restated due to an error noted in the classification of the Director's allowance for the Ombudsman for Children.

5.4 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	37	61,867	74,950
Recovery plans in place	5	9,413	16,077

Notes Four officers who had overpayment recovery plans totalling €3,370 were transferred to four Government departments in 2022.

Nineteen overpayments have been recouped in full in 2022, and the National Shared Services Office (NSSO) is managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €23,700. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €55,856 (inclusive of salary, employee's superannuation and employer's PRSI) in respect of one officer who was serving outside the Department for part of 2022 in the Department of Justice and whose salary was paid by the Department. This amount is included in the figure for Recoupable Salaries within note 2.4 other debit balances.

5.6 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	370	272
60,000	69,999	29	41
70,000	79,999	55	58
80,000	89,999	29	19
90,000	99,999	28	14
100,000	109,999	21	11
110,000	119,999	8	3
120,000	129,999	1	1
130,000	139,999	—	1
140,000	149,999	—	1
150,000	159,999	1	4
160,000	169,999	3	—
170,000	179,999	—	—
180,000	189,999	1	—
190,000	199,999	—	1

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€000	€000
Basic pay		
Kevin McCarthy - appointed 19 January 2022	187	—
Fergal Lynch - appointment ceased 18 January 2022	18	192
	205	192

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre 1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

In September 2023, following an independent report on the grading of certain Secretary General posts, the Minister for Public Expenditure, National Development Plan Delivery and Reform conveyed sanction for the re-grading of the post of Secretary General in the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) from Secretary General Level III to Secretary General Level II, with effect from the appointment date of the current Secretary General in January 2022.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net amount transferred to Pobal in the year of (€745 million) was charged to the relevant subheads as set out below.

During 2022, Pobal returned funds totalling €7.436 million to the Department. All of the funds relating to the current year were returned to the relevant subheads. The funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2).

		2022	2021
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	330,867	323,154
B.4	Affordable childcare scheme and other childcare programmes	219,942	185,958
B.5	Childcare programmes: delivery supports and other initiatives	148,489	75,668
B.6	Youth organisations and services (part funded by the National Lottery)	14,043	14,209
B.8	Economic and social disadvantage measures (Dormant Accounts funded)	1,366	1,210
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports	22,676	—
C.5	Children's and young people's policy framework and other programmes	1,262	1,886
E.5	Ukraine accommodation and related costs	6,345	—
Total paid to Pobal		744,990	602,085

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2022, Pobal had grant commitments totalling €13.6 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2022	2021
Number of cases	25	16	41	44
	€000	€000	€000	€000
Department's own legal costs	—	26	26	—
Payments by/on behalf of Department				
Compensation	230	—	230	544
Legal costs	164	163	327	652
Other costs	21	2	23	60
2022 Total	415	191	606	1,256
2021 Total	889	367	1,256	

- Notes
- ^a At 31 December 2022, the Department has included in accrued expenses, €52,989 (2021: €18,814) being the total outstanding legal costs due to the State Claims Agency.
 - ^b As at 31 December 2022, legal costs of €120,000 are payable by the State Claims Agency in respect of two judicial reviews relating to access to health data which were settled during 2022. The State Claims Agency will seek reimbursement for these costs from the Department.
 - ^c As at 31 December 2022, other costs of €126,937 are payable by the State Claims Agency in respect of two illegal birth registration cases which were resolved during 2022. These costs relate to senior counsel advices and attendance at mediation. The State Claims Agency sought reimbursement for these costs from the Department in 2023 and these have been paid.

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
Number of cases	8	1	9
	€000	€000	€000
Department's own legal costs	—	26	26
Payments by/on behalf of Department			
Compensation	260	—	260
Legal costs	154	—	154
Other costs	8	—	8
Total	422	26	448

6.3 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

Subhead	2022		2022	2021
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
B.6 Youth organisations and services				
	<i>Original</i>	73,189		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	(494)		
		73,895	72,411	68,501

6.4 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the European Social Fund and the Asylum Migration and Integration Fund respectively. Estimates of expenditure and actual outturns were as follows.

Subhead	2022		2022	2021
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
B.9 – Programme for Peace and Reconciliation				
	<i>Original</i>	1,700		
	<i>Supplementary</i>	(718)		
			982	975
				1,624
D.4 – Refugee and migrant integration				
	<i>Original</i>	9,128		
	<i>Supplementary</i>	(2,261)		
			6,867	4,355
				4,814
E.3 – Asylum Migration and Integration Fund ^a				
	<i>Original</i>	2,930		
	<i>Supplementary</i>	(1,087)		
			1,843	1,538
				1,580

Note ^a Asylum Migration and Integration Fund expenditure for the year was €1.54 million. EU receipts in respect of Asylum Migration and Integration Fund funding are released in the accounts through appropriations-in-aid when they are deemed to be certain. The balance of funds received but not released into the accounts are contained in note 2.7 and these relate to funding for expenditure previously reported under this subhead.

6.5 Late payment interest

	2022	2021
	€	€
Total of interest and compensation payments	247,332	24,253

Appendix A Accounts of bodies and funds under the aegis of the Department of Children, Equality, Disability, Integration and Youth

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, as at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Oberstown Children Detention Campus	2021	21 Dec 2022	22 Dec 2022	22 Dec 2022
Adoption Authority of Ireland	2021	24 Jun 2022	12 Jan 2023	19 Jan 2023
Office of the Ombudsman for Children	2021	9 Sep 2022	15 Sep 2022	5 Oct 2022
Child and Family Agency	2021	16 Jun 2022	17 Jun 2022	8 Jul 2022
National Disability Authority	2021	6 Oct 2022	7 Oct 2022	1 Dec 2022

Appropriation Account 2022

Vote 41

Policing Authority

Introduction

As Chief Executive of the Policing Authority, I am the Accounting Officer for Vote 41. 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 2022 for the salaries and expenses of the Policing Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €529,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Authority

The Policing Authority was established on 1 January 2016 by the enactment of the Garda Síochána (Policing Authority and Miscellaneous Provisions) Act 2015. It comprises the Chairperson and eight members.

The primary role of the Authority is to oversee the performance by An Garda Síochána of its functions relating to policing services.

The Authority is additionally responsible for

- leading and directing the Authority's activities
- compliance and all applicable statutory obligations
- holding the CEO and senior management to account for the effective performance of their responsibilities
- matters relating to audit, governance and risk management
- ensuring that there are effective systems of internal control in place and implemented
- the preparation and adoption of a strategic plan, and
- the preparation of the annual report of the Authority.

The Authority has adopted the *Code of Practice for the Governance of State Bodies*, and in accordance with provision 2.6 of the code, the Chairperson of the Authority will submit a comprehensive report to the Minister for Justice by 31 March 2023. The annual report of the Authority for 2022 will also be submitted to the Minister for Justice by 31 March 2023.

On foot of the report of the Commission on the Future of Policing in Ireland (COFPI, 2020), the establishment of a new statutory body is proposed. In November 2022, the Department of Justice published the new Policing, Security and Community Safety Bill 2022. This Bill proposes the establishment of a new Policing and Community Safety Authority (PCSA) by a merger of the Policing Authority and the Garda Inspectorate. However, until such time as the PCSA is established, the Policing Authority's existing statutory functions and oversight role remains.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive. 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

Financial services are provided to the Authority under a service level agreement by Financial Shared Services in the Department of Justice. Payroll and HR services are provided to the Authority by the National Shared Services Office under a memorandum of understanding. I have fulfilled my responsibilities in relation to the requirements of these agreements.

The Accounting Officers of the Department of Justice and of the National Shared Services Office are responsible for the operation of the internal control systems in relation to financial shared services, and payroll and HR services, respectively. I rely on letters of assurance from both of the Accounting Officers that appropriate systems of governance and internal control are exercised over the services that they provide to the Authority.

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 and Risk 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 monthly reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit and Risk Committee

I confirm that the Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which is approved by the Audit and Risk Committee in consultation with the Accounting Officer. Due to the size of the Authority, this function is outsourced to a professional service firm, whose services are subject to normal re-tendering in accordance with procurement procedures. Its work is informed by analysis of the risks, including financial risks, to which the Authority is exposed and its annual internal audit plans, approved by the Audit and Risk Committee, 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 Authority's Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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

The Authority has provided details of three non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Authority complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €72,810 (exclusive of VAT) in 2022 as set out below:

- One contract entered into in 2021 amounted to €21,497 with further work carried out in 2022 under this contract amounting to €13,279 was a single source procurement. The contract terms were project based, expiring after all deliverables were achieved, with the option to extend beyond these terms. A specialist contractor was engaged with the full approval of the Authority in 2021 to provide independent strategic advice in relation to the Garda Síochána Review of the Cancellation of CAD 999 calls, to the Authority. The contractor was the only available supplier with the specialised expertise necessary to do this work, as the Authority required independent senior policing expertise and investigation experience of computer aided despatch (CAD) systems, which the supplier had by virtue of his work for Police Scotland and His Majesty's Inspectorate of Constabulary in Scotland. Further similar services will be considered for competitive procurement processes going forward where appropriate.
- In 2015, a specialist supplier was engaged by the Chairperson designate as the only provider available at the time to provide the licences for the specialised meeting management software used by the Authority to securely share highly confidential and sensitive meeting documents. While the initial annual cost was low, the accumulated cost of licences for this service across the years has exceeded €25,000. More recently, a procurement exercise was subsequently carried out in 2023 via eTenders for this service and the current supplier was found to be the most economically, advantageous tenderer. The Authority will continue to monitor contract register and periods going forward.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

The Authority has an effective risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register is a living document and is reviewed and updated by Authority and the Senior Management Team on a monthly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Senior Management Team, 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 Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority'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 2022 that require disclosure in the appropriation account.

Helen Hall
Accounting Officer
Policing Authority

28 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 41 Policing Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 41 Policing Authority for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure Vote 41 Policing Authority for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Policing Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

24 August 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 41 Policing Authority

Appropriation Account 2022

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision of independent oversight of the policing functions of An Garda Síochána	3,926	3,399	2,975
Gross expenditure	3,926	3,399	2,975
<i>Deduct</i>			
B Appropriations-in-aid	70	72	65
Net expenditure	3,856	3,327	2,910

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	528,903	840,341

Helen Hall
Accounting Officer
Policing Authority

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Administration pay		2,430	2,236
Administration non-pay		969	739
Gross expenditure		3,399	2,975
<i>Deduct</i>			
Appropriations-in-aid		72	65
Net expenditure		3,327	2,910
Changes in capital assets			
Depreciation	7	7	10
Changes in net current assets			
Increase in closing accruals	7		
Decrease in inventories	9	16	(20)
Direct expenditure		3,350	2,900
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		333	332
Net programme cost		3,683	3,232

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 41 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	10	8
Vote 13	Office of Public Works	259	263
Vote 18	National Shared Services Office	6	5
Vote 24	Justice	58	56
		333	332

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	18	25
Current assets			
Bank and cash		99	69
Inventories	2.2	—	9
Prepayments	2.3	17	22
Net Exchequer funding	2.5	2	—
Other debit balances		1	29
Total current assets		119	129
Less current liabilities			
Accrued expenses		7	5
Other credit balances	2.4	102	98
Total current liabilities		109	103
Net current assets		10	26
Net assets		28	51
Represented by:			
State funding account	2.6	28	51

2.1 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2022	47	36	83
Additions	—	—	—
Cost or valuation at 31 December 2022	47	36	83
Accumulated depreciation			
Opening balance at 1 January 2022	26	32	58
Depreciation for the year	6	1	7
Cumulative depreciation at 31 December 2022	32	33	65
Net assets at 31 December 2022	15	3	18
Net assets at 31 December 2021	21	4	25

Note ^a Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Inventories

at 31 December	2022 ^a €000	2021 €000
Stationery	—	7
Catering	—	1
Cleaning	—	1
	—	9

Note ^a Commencing in 2022, high-volume low-value items are fully expensed in the year, and are no longer classified as stock items

2.3 Prepayments

at 31 December	2022 €000	2021 €000
Administration	11	9
Software Support	6	13
	17	22

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	56	50
Pay related social insurance	26	25
Professional services withholding tax	5	10
Value added tax on foreign invoices	10	8
	<u>97</u>	<u>93</u>
Other credit suspense items	5	5
	<u>102</u>	<u>98</u>

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus	529	840
Exchequer grant undrawn	<u>(531)</u>	<u>(840)</u>
Net Exchequer funding	<u>(2)</u>	<u>—</u>
Represented by:		
Debtors		
Bank and cash	99	69
Debit balances: suspense	<u>1</u>	<u>29</u>
	100	98
Creditors		
Due to the State	(97)	(93)
Credit balances: suspense	<u>(5)</u>	<u>(5)</u>
	(102)	(98)
	<u>(2)</u>	<u>—</u>

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		51	41
Disbursements from the Vote			
Estimate provision	Account	3,856	
Surplus to be surrendered	Account	(529)	
Net vote		3,327	2,910
Expenditure (cash) borne elsewhere	1.1	333	332
Net programme cost	1	(3,683)	(3,232)
Balance at 31 December		28	51

2.7 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Grants	24	10
Procurement of goods and services	29	109
	53	119

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 41 Policing Authority is classified as administration expenditure applied towards a single programme: Provision of independent oversight of the policing functions of An Garda Síochána.

		2022	2021
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	2,446	2,430
ii	Travel and subsistence	60	20
iii	Training and development and incidental expenses	1,025	621
iv	Postal and telecommunications services	25	10
v	Office equipment and external IT services	175	154
vi	Office premises expenses	115	163
vii	Consultancy services and value for money and policy reviews	80	1
		3,926	3,399
			2,975

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.025 million; outturn €621,000

The estimate provision for 2022 included €350,000 for the purpose of additional work on updating Garda recruitment processes. Unanticipated procurement delays in respect of this work resulted in nil expenditure incurred in 2022. Procurement is proceeding in 2023 and this work is planned to be completed in 2023. This factor, together with ongoing disruption to certain areas of work caused by the Covid-19 emergency in the first half 2022 has resulted in an underspend of €404,000 (2021: €546,000)

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	70	71	63
2	Miscellaneous	—	1	2
Total		70	72	65

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>38</u>	<u>38</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	2,193	2,029
Higher, special or additional duties allowances	11	—
Employer's PRSI	<u>226</u>	<u>207</u>
Total pay	<u>2,430</u>	<u>2,236</u>

5.3 Authority members' fees and expenses

In 2022, there were nine members of the Authority, including the Chairperson (2021: nine). The Authority met in plenary a total of 14 times (five in public) (2021: 18 (five in public)) and a total of 22 subcommittee meetings were held (2021: 20).

Fees totalling €142,490 were paid to the Authority members during 2022 (2021: €140,799). Expenses paid to members in 2022 were €7,412 (2021: €247). The fees and expenses were charged to subhead A (iii) Training and development and incidental expenses.

5.4 Authority's staffing by pay band

The number of Authority employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	26	26
60,000	69,999	1	1
70,000	79,999	2	2
80,000	89,999	4	3
90,000	99,999	2	3
100,000	109,999	1	1
110,000	119,999	1	1
120,000	129,999	—	—
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	—
160,000	169,999	—	1
170,000	179,999	1	—

5.5 Other remuneration arrangements

Fifteen retired civil servants in receipt of civil service pensions were re-engaged on various duties in 2022 (2021: nine) at a total cost of €61,232 (2021: €45,472). Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022	2021
	€000	€000
Basic pay	<u>170</u>	<u>165</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 pension scheme for non-established state employees and her entitlements to retirement benefits do not extend beyond the terms of that scheme.

A payroll error was identified on foot of the Accounting Officer's contract renewal. This had resulted in pension contributions by the Accounting Officer being under-deducted since 2016, to the value of €42,000. This was rectified in 2022, and pension contributions have been appropriately deducted since October 2022. A schedule for recoupment of the pension contributions from 2016 to 2022 has been agreed and is being implemented.

Appropriation Account 2022

Vote 42

Rural and Community Development

Introduction

As Accounting Officer for Vote 42, 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 2022 for the salaries and expenses of the Office of the Minister for Rural and Community Development, including certain services administered by that Office and for the payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.233 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, except for the following.

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see note 6.3).

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 of Rural and Community Development.

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

Payroll and human resource functions are being provided on a shared services basis by the National Shared Services Office (Vote 18).

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 human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of human resources and payroll shared services to this Department.

Financial shared services are provided by the Financial Shared Service Centre of the Department of Justice (Vote 24). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department and the Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer of the Justice Vote that the appropriate controls are exercised in the provision of financial shared services to my 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.
- There are systems in place to safeguard the assets of the Department.

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
- the Office of the Government Chief Information Officer (OGCIO) has a delegated responsibility for ensuring the security of ICT under a memorandum of understanding
- there are appropriate capital investment control guidelines in place.

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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. As part of the continued development of the internal audit function, it will be periodically reviewed by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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 has provided details of two 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €215,477 (exclusive of VAT). This contract related to an air service to the Aran Islands for the period 1 April 2022 to 6 June 2022 with a value of €215,477 (ex. VAT). The extension was necessary to allow for continued provision of lifeline transport services while a new long-term public service obligation contract is put in place. Tender documentation for these services was advertised on e-tenders in February 2022. Following a competitive process, the contract was awarded on 7 June 2022. The contract has been included in the 40/2002 annual return referenced above.

It is the policy of this Department to avail of all currently available frameworks as soon as they come on stream and to engage with the Office of Government Procurement in relation to more specific requirements. Controls remain in place to ensure compliance in this area.

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 risk register also details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

A Risk Committee is also in place to oversee the system of risk management and its implementation. The Committee includes all members of the Management Board and meets on a quarterly basis. The risk register is reviewed and updated at each quarterly meeting.

The outcome of these assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 2022 that resulted in, or may result in, a material loss. The 2021 Appropriation Account identified issues with regard to claims made by Mayo County Council under the Outdoor Recreation Infrastructure Scheme for works not yet completed. Mayo County Council returned €1.253 million to the Department in 2022 following the termination in 2021 of a number of funding agreements (to the value of €1.092 million), and the imposition, also in 2021, of a sanction of €161,000. Throughout 2022, the Department continued its work with Mayo County Council to ensure agreed governance arrangements were in place and being fully implemented. The Department's Inspection Services Unit carried out inspection on all Mayo County Council Rural Schemes project claims prior to payments being made. In addition, senior officials from the Department met with officials in Mayo County Council on a monthly basis to ensure that the agreed arrangements were being implemented.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results were as follows. The Department put in place robust processes at the outset of the pandemic so as to ensure continued processing of payments and the continued effectiveness of controls in a remote working environment. These processes and controls were developed in co-operation with the Financial Shared Services Centre of the Department of Justice. These processes are now well embedded within the organisation. They have become standard operating procedure and will remain in place in the context of remote working being part of a blended working approach.

Mary Hurley

Accounting Officer

Department of Rural and Community Development

22 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 42 Rural and Community Development

Opinion on the appropriation account

I have audited the appropriation account for Vote 42 Rural and Community Development for the year ended 31 December 2022 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 42 Rural and Community Development for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Rural and Community Development 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

3 August 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 42 Rural and Community Development

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Rural Development and Regional Affairs			
	<i>Original</i>	202,255		
	<i>Deferred surrender</i>	11,860		
	<i>Supplementary</i>	87		
			214,202	181,384
				169,159
B	Community Development			
	<i>Original</i>	171,687		
	<i>Deferred surrender</i>	5,000		
	<i>Supplementary</i>	10,063		
			186,750	203,566
				171,164
C	Charities Regulatory Authority		4,606	4,292
				4,127
Gross expenditure				
	<i>Original</i>	378,548		
	<i>Deferred surrender</i>	16,860		
	<i>Supplementary</i>	10,150		
			405,558	389,242
				344,450
	<i>Deduct</i>			
D	Appropriations-in-aid		53,250	55,667
				81,580
Net expenditure				
	<i>Original</i>	325,298		
	<i>Deferred surrender</i>	16,860		
	<i>Supplementary</i>	10,150		
			352,308	333,575
				262,870

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. €14.5 million of unspent allocations in respect of the capital elements of subheads A.6 Regional economic development, A.7 Rural regeneration and development, and B.10 Library development was carried forward to 2023 (see note 6.4).

	2022	2021
	€	€
Surplus	18,732,854	58,310,228
Deferred surrender	(14,500,000)	(16,860,000)
Surplus to be surrendered	<u>4,232,854</u>	<u>41,450,228</u>

Mary Hurley

Accounting Officer

Department of Rural and Community Development

22 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	376,889	333,120
Pay	11,155	10,394
Non pay	1,198	936
Gross expenditure	389,242	344,450
<i>Deduct</i>		
Appropriations-in-aid	55,667	81,580
Net expenditure	333,575	262,870
Changes in capital assets		
Purchases cash	(1,388)	
Depreciation	345	342
Changes in net current assets		
Increase in closing accruals	7,882	12,276
Decrease in inventories	10	(5)
Direct expenditure	340,424	275,483
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	1,916	1,881
Net programme cost	342,340	277,364

1.1 Net allied services expenditure

The net allied services expenditure amount comprises the following amounts in relation to Vote 42 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	—	1
Vote 12 Superannuation and Retired Allowances	194	185
Vote 13 Office of Public Works	1,107	1,123
Vote 18 National Shared Services Office	23	21
Vote 24 Justice	350	341
Vote 43 Office of the Government Chief Information Officer	242	210
	1,916	1,881

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	11,398	10,355
Current assets			
Bank and cash	2.2	15,545	17,864
Inventories	2.3	—	10
Prepayments	2.4	7,348	21,363
Accrued income	2.5	30,578	24,368
Other debit balances	2.6	69	71
Total current assets		53,540	63,676
Less current liabilities			
Accrued expenses	2.7	139	62
Other credit balances	2.8	1,111	1,066
Net Exchequer funding	2.9	14,503	16,869
Total current liabilities		15,753	17,997
Net current assets		37,787	45,679
Net assets		49,185	56,034
Represented by:			
State funding account	2.10	49,185	56,034

2.1 Capital assets

	Buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	11,602	1,006	210	12,818
Additions	1,340	48	—	1,388
Cost or valuation at 31 December 2022	12,942	1,054	210	14,206
Accumulated depreciation				
Opening balance at 1 January 2022	1,560	838	65	2,463
Depreciation for the year	234	90	21	345
Cumulative depreciation at 31 December 2022	1,794	928	86	2,808
Net assets at 31 December 2022	11,148	126	124	11,398
Net assets at 31 December 2021	10,042	168	145	10,355

2.2 Bank and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery	—	5
IT consumables	—	5
	—	10

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as stock items.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Rural regeneration and development fund	—	7,705
Town and village renewal	—	1,723
Outdoor Recreation Infrastructure Scheme	296	—
Library development and archive service	—	2,944
Regional economic development	—	2,946
Community Services Programme	3,792	1,035
Rural supports	2,171	2,450
Leader – rural economy sub programme	1,012	2,368
Dormant accounts measures	—	125
Administration	77	67
	7,348	21,363

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Subhead Description		
A.5 Leader – rural economy sub programme	8,083	8,189
A.7 Rural regeneration and development – outdoor recreation infrastructure scheme	5,350	1,253
B.8 Programme for Peace and Reconciliation	17,145	14,926
	30,578	24,368

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Travel pass schemes	22	17
Leader food initiative	46	—
Salary suspense	—	52
Other debit suspense items	1	2
	69	71

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	5	7
Specific programme accruals	110	39
Administration expenses	18	11
Other accruals	6	5
	139	62

2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	221	190
Pay related social insurance	117	106
Professional services withholding tax	41	52
Value added tax	212	39
	591	387
Tidy Towns	449	612
Other	71	67
	1,111	1,066

2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	4,233	41,450
Deferred surrender	14,500	16,860
Exchequer grant undrawn	(4,230)	(41,441)
Net Exchequer funding	14,503	16,869
Represented by:		
Debtors		
Bank and cash	15,545	17,864
Debit balances: suspense	69	71
	15,614	17,935
Creditors		
Credit balances: suspense	(1,111)	(1,066)
	(1,111)	(1,066)
	14,503	16,869

2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		56,034	68,647
Disbursements from the Vote			
Estimate provision	Account	352,308	
Deferred surrender		(14,500)	
Surplus to be surrendered	Account	(4,233)	
Net vote		333,575	262,870
Expenditure (cash) borne elsewhere	1.1	1,916	1,881
Net programme cost	1	(342,340)	(277,364)
Balance at 31 December		49,185	56,034

2.11 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	156	292
Non-capital grant programmes	140,543	109,106
Capital grant programmes	263,290	244,996
Total of legally enforceable commitments	403,989	354,394
b) Non-capital grant programmes	2022	2021
	€000	€000
Opening balance	109,106	106,703
Grants paid in the year	(182,062)	(163,432)
New grant commitments	213,655	165,835
Closing balance	140,699	109,106
c) Capital grant programmes	2022	2021
	€000	€000
Opening balance	244,996	191,548
Grants paid in the year	(186,868)	(163,815)
New grant commitments	205,162	217,263
Closing balance	263,290	244,996

2.12 Contingent liabilities

The Department is involved in three legal cases that 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.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	11,298		
	<i>Supplementary</i>	150		
		11,448	11,155	10,394
ii	Travel and subsistence	410	265	95
iii	Training and development and incidental expenses	663	420	373
iv	Postal and telecommunications services	82	53	53
v	Office equipment and external IT services	302	199	205
vi	Office premises expenses	216	85	43
vii	Consultancy and value for money and policy reviews	121	120	167
viii	Research	101	56	—
		13,343	12,353	11,330

Significant variations

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

ii Travel and subsistence

Estimate provision €410,000; outturn €265,000

The shortfall in expenditure of €145,000 on travel and subsistence was due to the blended work environment and the increased use of online meeting facilities resulting in continued lower costs in this area.

iii Training and development and incidental expenses

Estimate provision €663,000; outturn €420,000

The shortfall in expenditure of €243,000 relative to the estimate was due to the continued impact of the pandemic on training and development opportunities and also on incidental expenses. The latter are variable in nature and were less than anticipated.

v Office equipment and external IT services

Estimate provision €302,000; outturn €199,000

The shortfall in expenditure of €103,000 relative to the estimate provision was due to lower than an anticipated expenditure on office equipment and IT services. The level of spend in these areas is difficult to project, in particular given the impact of the pandemic on office configurations.

vi Office premises expenses

Estimate provision €216,000; outturn €85,000

The shortfall in expenditure of €131,000 relative to the estimate provision was due to expenditure on office premises and facilities in both Ballina and Trinity Point sites being less than anticipated due to delays in planned upgrades.

Programme A Rural Development and Regional Affairs

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	6,543		
	<i>Supplementary</i>	<u>87</u>		
		6,630	6,895	6,427
A.2	Administration – non pay	1,011	715	500
A.3	Western Development Commission	2,266	2,325	2,150
A.4	Rural supports ^a	30,872	34,337	31,928
A.5	Leader – rural economy sub programme			
	<i>Original</i>	48,000		
	<i>Supplementary</i>	<u>4,000</u>		
		52,000	51,984	55,954
A.6	Regional economic development	3,380	1,902	3,836
A.7	Rural regeneration and development ^b			
	<i>Original</i>	97,000		
	<i>Deferred surrender</i>	11,860		
	<i>Supplementary</i>	<u>(4,000)</u>		
		104,860	70,367	58,011
A.8	Islands	13,183	12,859	10,353
		214,202	181,384	169,159

Notes ^a A.4 – Rural supports includes the CLÁR programme, the Local Improvement Scheme (LIS) and the Walks Scheme.

^b A.7 – Rural regeneration and development consists of the Rural Regeneration and Development Fund (RRDF), the Town and Village Renewal Scheme (TVRS), and the Outdoor Recreation Infrastructure Scheme (ORIS).

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €32.731 million lower than (originally) provided. Administration expenditure was €56,000 higher than anticipated and has already been explained, the balance of the variance of €32.787 million was mainly due to the following:

A.4 Rural supports

Estimate provision €30.872 million; outturn €34.337 million

This subhead provides funding for a number of schemes including the walks scheme CLÁR and LIS, as well as some other initiatives supporting rural development. The increase in expenditure of €3.465 million relative to the estimate provision was largely due to additional demand under the Local Improvement Scheme which was funded from savings elsewhere within the vote.

A.5 Leader – rural economy sub programme

Estimate provision €48 million; outturn €51.984 million

The increase in expenditure of €3.984 million relative to the estimate provision was due to Leader being a multi annual programme which is demand led. Delivery in 2022 exceeded anticipated levels as the programming period comes to conclusion.

A.6 Regional economic development

Estimate provision €3.38 million; outturn €1.902 million

The shortfall in expenditure of €1.478 million relative to the estimate provision was due to some local authority managed WiFi4EU projects being either cancelled, reduced or delayed due to a shortage of equipment. Planned equipment purchases for Broadband Connection Points (BCPs), such as firewalls and associated network equipment, could not proceed due to equipment shortages and some delays in agreeing a design solution. Funding of €400,000 was also carried forward from this sub-head for use in 2023.

A.7 Rural regeneration and development

Estimate provision €108.86 million; outturn €70.367 million

The shortfall in expenditure of €38.493 million relative to the estimate provision was largely due to savings under the Rural Regeneration and Development Fund (RRDF) element of this subhead. Expenditure for RRDF projects was impacted by the continuing effect of the Covid-19 pandemic. The subsequent high demand for contractors has had an impact on timelines, particularly on projects engaged in construction. In addition, inflationary cost increases have necessitated a detailed review of costs in many cases. The savings were utilised elsewhere to fund additional delivery under the Leader programme, the Local Improvement Scheme, the Community Enhancement Programme and Ukrainian supports. Funding of €12.9 million was also carried forward for use in 2023.

Programme B Community Development

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	4,679		
	<i>Supplementary</i>	63		
			4,742	3,931
B.2	Administration – non pay		854	430
B.3	Supports for community and voluntary sector (part funded by the National Lottery)			
	<i>Original</i>	18,345		
	<i>Supplementary</i>	10,000		
			28,345	17,542
B.4	SICAP, local/regional development supports (part funded by the National Lottery)		51,066	45,066
B.5	Local community development committees (support)		2,405	2,399
B.6	Supports for disadvantaged communities		7,500	6,500
B.7	Dormant account measures		12,570	12,481
B.8	Programme for Peace and Reconciliation		6,967	6,967
B.9	Water Safety Ireland		1,179	1,179
B.10	Library development and archive service		7,731	7,731
B.11	Community Enhancement Programme			8,048
	<i>Estimate provision</i>	9,501		
	<i>Deferred surrender</i>	5,000		
			14,501	
			24,998	
B.12	Community Services Programme		48,890	48,890
B.13	Covid-19 Stability Fund		—	10,000
		186,750	203,566	171,164

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €26.879 million higher than (originally) provided. This was made up of a shortfall in expenditure of €837,000 in relation to administration spend, which has previously been explained, and an increase in expenditure of €27.716 million in other programme spend. This additional spend was mainly due to the following.

B.3 Supports for community and voluntary sector

Estimate provision €18.345 million; outturn €33.774 million

The increase in expenditure of €15.429 million relative to the original estimate provision was mainly due to the Energy Support scheme for community and voluntary organisations, which targeted organisations not covered by other government energy support schemes; and spend of €5.5 million to fund community and voluntary Ukrainian supports.

B.4 Social Inclusion and Community Activation Programme

Estimate provision €51.066 million; outturn €56.064 million

The increase in expenditure of €4.998 million relative to the estimate provision was due to an additional €5 million to fund SICAP Ukrainian supports.

B.8 Programme for Peace and Reconciliation

Estimate provision: €6.967 million; outturn: €8.467 million

The increase in expenditure of €1.5 million relative to the estimate provision was due to additional capital requirements of the SEUPB under PEACE IV programme.

B.9 Water Safety Ireland

Estimate provision: €1.179 million; outturn: €1.389 million

The increase in expenditure of €210,000 relative to the estimate provision was due to costs associated with building momentum increases, governance training for board members and employees, and a once off settlement payment which was required to be paid in 2022.

B.10 Library development and archive service

Estimate provision: €7.731 million; outturn: €5.398 million

The shortfall in expenditure of €2.333 million relative to the estimate provision was due to capital projects being delayed or not starting due to construction supply issues. Delays in the approval of My Open Library initiatives also contributed to a lower than expected outturn. €1 million of the saving was utilised for increased costs under B.8 PEACE. In addition, funding of €1.2 million was carried forward from this area for use in 2023.

B.11 Community Enhancement Programme

Estimate provision: €14.501 million; outturn: €24.998 million

The increase in expenditure of €10.497 million relative to the estimate provision was due to the significant demand for the Community Centre Investment Fund and the Community Support Fund.

Programme C Charities Regulatory Authority

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	76	37	36
C.2	Administration – non pay	30	10	7
C.3	Charities Regularity Authority	4,490	4,244	4,084
C.4	Charities Appeal Tribunal	10	—	—
		4,606	4,291	4,127

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

C.3 Charities Regulatory Authority

Estimate provision €4.49 million; outturn €4.244 million

The shortfall in expenditure of €246,000 relative to the estimate provision arose due to pay related programme costs in the Charities Regulatory Authority being less than anticipated due to continued recruitment delays.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous contributions	100	5,375	36,734
2	Leader – rural economy sub programme	33,200	32,577	31,278
3	Programme for Peace and Reconciliation	3,000	4,978	690
4	Dormant accounts – programme expenditure	12,570	12,302	12,481
5	Social Inclusion and Community Activation Programme	4,000	—	—
6	Receipts from additional superannuation contributions on public service remuneration	380	435	397
Total		53,250	55,667	81,580

Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

1 Miscellaneous contributions

Estimate €100,000; realised €5.375 million

The excess receipts of €5.275 million for 2022 was due to the following:

- a) The recoupment of project funding under the Outdoor Recreation Infrastructure Scheme, from Mayo County Council, to the value of €1.253 million, on foot of audit and inspection findings in 2021. This funding was not certain to accrue at the time of estimate being prepared.
- b) The recoupment of €3.412 million from local authorities under a range of Town and Village Renewal Scheme measures as works could not be completed within the scheme deadlines and funding which had been advanced was returned, as required. The main measure was TVR Streetscapes for which €2.651 million was recouped. At the time of estimate preparation, it was anticipated that these schemes would fully spend amounts paid.

- c) The remaining variation of €610,000 relates to similar smaller recoupments from a range of grant schemes which were not expected at the time of estimate preparation, including ORIS (€306,000), the Local Improvement Scheme (€150,000) and Rural Recreation (€50,000). The recoupment of €3.412 million from local authorities under a range of Town and Village Renewal Scheme measures as works could not be completed within the scheme deadlines and funding which had been advanced was returned, as required. The main measure was TVR Streetscapes for which €2.651 million was recouped. At the time of estimate preparation, it was anticipated that these schemes would fully spend amounts paid.

3 Programme for Peace and Reconciliation

Estimate €3 million; realised €4.978

The increase of €1.978 million is due to receipts anticipated in 2021 not being issued until 2022.

5 Social Inclusion and Community Activation Programme

Estimate €4 million; realised €nil

This Department (DRCD) operates a programme called the Social Inclusion and Community Activation Programme which is eligible for funding from the European Social Fund.

Total funding of €40 million from the ESF was approved. Of this, €36 million was received by the DRCD in 2021, with the remaining €4 million to be paid following completion of audit of the programme by the EU Commission.

The Department of Further and Higher Education, Research, Innovation and Science (D/FHERIS), which is the managing authority for the ESF, initially indicated that the remaining amount would be received by DRCD in 2022. It was included in the Vote's appropriations-in-aid profile on that basis. Subsequently, D/FHERIS indicated that it would not be received in 2022, as the audit process would not be complete at that time.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	16	7
Voluntary surrender of ministerial salaries	16	16
Transferred to the Exchequer	(16)	(7)
Balance at 31 December	16	16

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2022	2021
Department	172	166
Agencies ^a	80	76
Total	252	242

Note ^a Includes staffing of the following agencies: Charities Regulatory Authority, Western Development Commission and Water Safety Ireland.

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	10,212	9,557
Higher, special or additional duties allowances	126	110
Overtime	23	20
Employer's PRSI	794	707
Total pay	11,155	10,394

Note ^a The total pay figure is distributed across subheads A.1, B.1 and C.1.

Remuneration of agency staff

	2022	2021
	€000	€000
Pay	4,541	4,074
Higher, special or additional duties allowances	25	31
Overtime	—	—
Employer's PRSI	458	877
Total pay	5,024	4,982

Note ^a The total pay figure is distributed across subheads A.3, B.9 and C.3.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Department staff				
Higher, special or additional duties allowances	8	1	24,941	22,002
Overtime	5	1	20,682	16,828
Extra remuneration in more than one category	1	1	25,682	22,444
	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Agency staff				
Higher, special or additional duties allowances	2	2	14,040	13,630
Overtime	—	—	—	—
Extra remuneration in more than one category	—	—	—	—

5.4 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	13	12,313	9,967

Recovery plans were put in place for all overpayments that occurred in 2022.

5.5 Department employee pay bands

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	113	113
60,000	69,999	22	18
70,000	79,999	13	12
80,000	89,999	15	14
90,000	99,999	8	4
100,000	109,999	2	6
110,000	119,999	7	2
120,000	129,999	—	—
130,000	139,999	1	—
140,000	149,999	1	1
150,000	159,999	1	1
160,000	169,999	1	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officers' remuneration for the financial year was as follows

	2022 €000	2021 €000
Kevin McCarthy	14,755	190,349
Mary Hurley	145,539	—
	160,294	190,349

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre-1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 National Lottery funding

Subhead	Description	2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
B.3	Supports for community and voluntary sector (part funded by the National Lottery) ^a	14,528	14,902	10,848
B.4	SICAP local/regional development supports (part funded by the National Lottery) ^a	2,797	2,890	2,733
		17,325	17,792	13,581

Note ^a The schemes part-funded by National Lottery funding within the B.3 subhead are the Volunteering Supports, Scheme to Support National Organisations and the Senior Alert Scheme. The total outturn for these in 2022 was €5.371 million, €7.942 million and €1.589 million respectively. The Senior Alerts Scheme is also part funded by the Dormant Accounts Fund, given the level of demand for the scheme, and the outturn for both 2021 and 2022 includes €3 million which is funded through the Dormant Accounts Fund, with the remainder (i.e. €1.589 million in 2022) part-funded by the National Lottery.

The grants part-funded by National Lottery Funding within the B.4 subhead are for work or projects that are outside of the Department's Social Inclusion and Community Activation Programme but within its ethos, with a focus on organisations that provide supports to those who are disadvantaged.

6.2 EU funding ^a

The outturn shown in Subheads A.5 and B.8 includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development and European Regional Development Fund respectively. Estimates of EU funding and actual outturns, based on expenditure and co-financing rates were as follows:

		2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead	Description			
A.5	Leader - Rural Economy Sub Programme	33,200	32,528	33,193
B.8	Programme for Peace and Reconciliation	6,967	8,467	6,967
		40,167	40,995	40,160

Note ^a Payments made under A.5 and B.8 are co-financed 62.8% and 85% respectively by the EU.

6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2022, the Department transferred amounts totalling €92.515 million to support these programmes as outlined below.

Subhead	Description	2022	2021
		Outturn €000	Outturn €000
A.4	Rural supports	1,665	1,450
A.5	Leader – rural economy sub programme	834	1,698
A.6	Regional Economic Development	750	—
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	19,528	9,059
B.4	SICAP, local regional development supports (part funded by the National Lottery)	1,798	1,500
B.5	Local community development committees (support)	—	107
B.6	Supports for disadvantaged communities	1,236	1,000
B.7	Dormant account measures	5,098	3,939
B.11	Community Enhancement Programme	14,936	—
B.12	Community Services Programme	46,670	48,890
B.13	Covid 19 Stability Fund	—	4,500
	Total ^a	92,515	72,143

Note ^a Pobal has identified amounts totalling €22.843 million which remain unspent in relation to 2022 payments (€6.86 million in 2021). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal. The increase in 2022 relates to balances on hand due to the administration of two new schemes in 2022, the Community & Voluntary Sector Energy Support Scheme which provided €10 million to facilitate grants to organisations with regard to increased energy costs in 2022 (within the B.3 Supports for C&V Sector sub-head), and the Community Centre Investment Fund (within the B.11 CEP subhead) which approved grant payments in 2022. The balances on hand in these areas relate to the volume of payments to be made late in the year, with some delays occurring.

6.4 Deferred surrender

Deferred surrender comprises savings in 2022 of €14.5 million in capital expenditures in the following subheads that were carried over to 2023.

		€000
Description of subhead:		
A.6	Regional economic development	400
A.7	Rural regeneration and development	12,900
B.10	Library development and archive service	1,200
		14,500

Appendix A Accounts of bodies under the aegis of the Department of Rural and Community Development

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, as at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Pobal	2021	30 Aug 2022	18 Nov 2022	25 Nov 2022
Charities Regulatory Authority	2021	23 May 2022	23 May 2022	1 Jun 2022
Western Development Commission	2021	22 Dec 2022	16 Jan 2023	21 Mar 2023
Water Safety Ireland	2021	20 Dec 2022	21 Dec 2022	2 Feb 2023

Appropriation Account 2022

Vote 43

Office of the Government Chief Information Officer

Introduction

As Secretary General of the Department of Public Expenditure, National Development Plan Delivery and Reform, I am the Accounting Officer for Vote 43. Accordingly, 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 2022 for the salaries and expenses of the Office of the Government Chief Information Officer.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €368,000 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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 Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are 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 (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Department.

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Department and this meant that there were two separate accounting systems in place during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Department to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Department continues to work on addressing the challenges.

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.
- The statement on internal financial control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 43.
- 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
- 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.

Data security

The Office of the Government Chief Information Officer (OGCIO) in its role as a service provider to a number of public sector bodies implements a multi-layered defence-in-depth approach to cybersecurity and to protecting ICT systems, infrastructures, and services and have achieved ISO 27001 certification through the internationally accredited certification body, Certification Europe. This information security management system provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. OGCIO's defence-in-depth security strategy is achieved by utilisation of people, processes and technology to support the implementation of ICT security services.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the 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.

Procurement

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

The Office has provided details of four non-competitive, but compliant contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform. Article 31 (1)(b) of Directive 2004/18/EC allows the award of public contracts through negotiated procedures without prior publication of a contract notice to protect exclusive rights and where there are limited options for procurement.

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 assigned 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 2022 that require disclosure in the appropriation account.

David Moloney

Accounting Officer

Office of the Government Chief Information Officer

21 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 43 Office of the Government Chief Information Officer

Opinion on the appropriation account

I have audited the appropriation account for Vote 43 Office of the Government Chief Information Officer for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure Vote 43 Office of the Government Chief Information Officer for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Government Chief Information Officer 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

8 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 43 Office of the Government Chief Information Officer

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Government ICT services	43,467	43,154	22,664
Gross expenditure	43,467	43,154	22,664
<i>Deduct</i>			
B Appropriations-in-aid	165	220	181
Net expenditure	43,302	42,934	22,483

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	368,007	316,307

David Moloney

Accounting Officer

Office of the Government Chief Information Officer

21 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		36,170	15,576
Pay		5,629	5,068
Non pay		1,355	2,020
Gross expenditure		43,154	22,664
<i>Deduct</i>			
Appropriations-in-aid		220	181
Net expenditure		42,934	22,483
Changes in capital assets			
Purchases cash	(19,097)		
Depreciation	2,619	(16,478)	1,514
Changes in net current assets			
Decrease in closing accruals		(53)	743
Direct expenditure		26,403	24,740
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(6,204)	(5,132)
Net programme cost		20,199	19,608

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 43 borne elsewhere, net of costs of shared services provided to other votes.

	2022	2021
	€000	€000
Vote 7 Office of the Minister for Finance	41	100
Vote 9 Office of the Revenue Commissioners	1,558	300
Vote 12 Superannuation and Retired Allowances	32	—
Vote 13 Office of Public Works	1,092	1,262
Vote 18 National Shared Services Office	135	7
	2,858	1,669
Cost of shared services provided to other votes	(9,062)	(6,801)
	(6,204)	(5,132)

Note In addition to the value of services rendered without charge to other votes shown here (€9.062 million), services costing approximately €740,400 were also provided without charge to other non-voted public bodies.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	21,657	5,179
Current assets			
Bank and cash		552	457
Prepayments	2.2	3,461	3,132
Other debit balances	2.3	259	347
Total current assets		4,272	3,936
Less current liabilities			
Accrued expenses		589	313
Other credit balances	2.4	772	608
Net Exchequer funding	2.5	39	196
Total current liabilities		1,400	1,117
Net current assets		2,872	2,819
Net assets		24,529	7,998
Represented by:			
State funding account	2.6	24,529	7,998

2.1 Capital assets

	IT equipment	Furniture and fittings	Capital assets under development ^b	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	19,173	17	—	19,190
Additions	4,403	—	14,694	19,097
Adjustment ^a	(2,710)	—	—	(2,710)
Cost or valuation at 31 December 2022	20,866	17	14,694	35,577
Accumulated depreciation				
Opening balance at 1 January 2022	13,999	12	—	14,011
Adjustment	(2,710)	—	—	(2,710)
Depreciation for the year	2,616	3	—	2,619
Cumulative depreciation at 31 December 2022	13,905	15	—	13,920
Net assets at 31 December 2022	6,961	2	14,694	21,657
Net assets at 31 December 2021	5,174	5	—	5,179

Note ^a During the year, OGCI0 reviewed the capital assets register and determined that assets with a nil carrying value purchased between 2004 and 2015 were no longer in use and were disposed of.

^b Payments of €14.7 million were made in relation to Indefeasible Right of Use (IRU) for bandwidth from telecommunications providers as part of the National Low Latency Platform Project, funded by the EU Recovery and Resilience Facility, referenced in Note 6.2.

2.2 Prepayments

at 31 December	2022 €000	2021 €000
IT services	1,114	1,100
Licences	1,938	1,484
Software maintenance	46	81
Telecom services	363	430
Warranty	—	37
	3,461	3,132

2.3 Other debit balances

at 31 December	2022	2021
	€000	€000
Government networks	221	343
Other debit suspense accounts	5	4
Recoupment of secondment	33	—
	259	347

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	103	92
Pay related social insurance	37	46
Professional services withholding tax	241	144
Value added tax	361	285
Pension contributions	16	14
	758	581
Payroll deductions held in suspense	14	13
Other credit suspense items	—	14
	772	608

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	368	316
Exchequer grant undrawn	(329)	(120)
Net Exchequer funding	39	196

Represented by:**Debtors**

Bank and cash	552	457
Debit balances: suspense	259	347
	811	804

Creditors

Due to the State	(758)	(581)
Credit balances: suspense	(14)	(27)
	(772)	(608)
	39	196

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		7,998	11,150
Disbursements from the Vote			
Estimate provision	Account	43,302	
Surplus to be surrendered	Account	(368)	
Net vote		42,934	22,483
Expenditure (cash) borne elsewhere	1.1	(6,204)	(5,132)
Non-cash items – capital assets adjustment	2.1	—	(895)
Net programme cost	1	(20,199)	(19,608)
Balance at 31 December		24,529	7,998

2.7 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	1,917	1,937
Total of legally enforceable commitments	1,917	1,937

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	6,333	5,629	5,068
ii	Travel and subsistence	70	36	11
iii	Training and development and incidental expenses	70	48	86
iv	Professional, consultancy and other services	750	892	800
v	Operating expenses	67	72	68
vi	Asset and equipment expenses	150	148	829
vii	Premises and accommodation expenses	40	23	26
viii	Communication and marketing expenses	300	136	200
		7,780	6,984	7,088

Note ^a Changes were made to the administration subheads to facilitate the new single cross-Government chart of accounts for all votes. Nine votes, including this vote moved to the new chart of accounts in 2022. Four subheads were retired and five new subheads were created. Expenditure for 2021 has been re-analysed to align with the new subheads.

Programme A Government ICT Services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	6,333	5,629	5,068
A.2	Administration – non pay	1,447	1,355	2,020
A.3	Government ICT services	17,187	17,670	15,576
A.4	EU Recovery and Resilience ^a	18,500	18,500	—
		43,467	43,154	22,664

Note ^a This is a new subhead. The EU allocated €23 million to the OGCI0 as part of its Recovery and Resilience Programme to fund the National Low Latency Platform (NLLP) project. This project aims to ensure that the public service maximises the benefits and outcomes from 5G and to develop its capacity to innovate through increased connectivity that supports the use of new technologies.

Note 4 Receipts**4.1 Appropriations-in-aid**

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	15	41	16
2	Receipts from additional superannuation contributions on public service remuneration	150	179	165
Total		165	220	181

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	25
Transferred to the Exchequer	—	(25)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>81</u>	<u>73</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	5,056	4,538
Other allowances	68	64
Overtime	66	58
Employer's PRSI	439	408
Total pay	<u>5,629</u>	<u>5,068</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Allowances	7	1	15,527	12,543
Overtime	22	1	14,825	15,859
Extra remuneration in more than one category	—	—	—	23,815

5.4 OGCI0 staffing by pay band

The number of OGCI0 employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	56	50
60,000	69,999	5	8
70,000	79,999	13	6
80,000	89,999	2	8
90,000	99,999	10	6
100,000	109,999	1	2
110,000	119,999	2	—
120,000	129,999	—	1
130,000	139,999	1	1
190,000	199,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	3	24,537	6,023
Recovery plans in place	2	1,162	4,114

5.6 Salary of Accounting Officer

The Accounting Officer for Vote 43 Office of the Government Chief Information Officer is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2022 €000	2021 €000
Data Governance Board ^a	2021	22	3

Note ^a The Data Sharing and Governance Act 2019 established the Data Governance Board. The Board plays a key role in implementing the provisions of the Act.

Under the legislation, the Board has a clearly defined set of legal powers and obligations and will advise the Minister for Public Expenditure, National Development Plan Delivery and Reform on

- the designation and operation of base registries (to store citizens' data)
- advise the Minister on the introduction of data management standards and guidelines
- promote and report on public sector bodies' compliance with the above standards and guidelines
- advise the Minister on the prohibition of collection of certain data by public sector bodies
- advise the Minister on directing public sector bodies to share data under the Act
- advise the Minister on the designation and operation of base registries, and
- review all data sharing agreements under the Act.

Remuneration for eligible Board members is paid through the salary subhead.

6.2 EU funding

The outturn shown in Subhead A.4 includes payments in respect of activities which are included in the National Recovery and Resilience Plan. Estimates of expenditure and actual outturns were as follows.

Description	2022 Estimate €000	2022 Outturn €000	2021 Outturn €000
A.4 EU Recovery and Resilience	18,500	18,500	—
	18,500	18,500	—

Appropriation Account 2022

Vote 44

Data Protection Commission

Introduction

As Accounting Officer for Vote 44, 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 2022 for the salaries and expenses of the Data Protection Commission.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.306 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

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 Data Protection Commission.

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.

Shared services

Financial services are provided to the Data Protection Commission under a service level agreement by Financial Shared Services in the Department of Justice.

The National Shared Services Office provides human resource and payroll shared services to the Data Protection Commission. The National Shared Services Office provides annual assurance in respect of the services provided to the Department of Justice and is audited under the ISAE 3402 certification processes in respect of that assurance.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and for the Department of Justice in respect of the appropriate controls exercised in the provision of shared services to the Data Protection Commission.

I have fulfilled my responsibilities in relation to the requirements of these agreements.

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 and Risk Committee to advise me in discharging my responsibilities for the internal control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The Commission uses the Performance Management and Development System, inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.

Administrative controls and management reporting

In respect of the Data Protection Commission, I confirm that a control environment containing the following elements is in place.

- There is an appropriate budgeting system in place, with an annual budget which is kept under review by senior management.
- There are regular reviews by the senior management of periodic and annual financial reports which indicates financial performance against forecast.
- A risk management system is in operation.
- There are systems aimed at ensuring the security of the information and communication technology. During 2022, the ICT division of the Department of Justice provided the Data Protection Commission with certain ICT services. The Department of Justice's ICT division under a service level agreement provided an assurance statement outlining the control processes in place in 2022.

Internal audit and Audit and Risk Committee

I confirm that the Data Protection Commission has an internal audit function, which is outsourced, with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Data Protection Commission 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The Audit and Risk Committee for the Data Protection Commission held six meetings for the period 1 January to 31 December 2022.

Procurement

I confirm that the Commission 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 Commission has provided details of one non-competitive contract in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform. There were no non-compliant contracts in excess of €25,000 ex VAT in 2022.

Risk and control framework

The Data Protection Commission implemented a risk management system which identifies and reports key risks and the management actions 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 Data Protection Commission and these are identified, evaluated, and graded according to their significance. The register is reviewed and updated by the Senior Management Committee on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

During the period covered by the account, formal procedures were implemented for monitoring control processes. Control deficiencies were communicated to those responsible for taking corrective action and to management and the Senior Management Committee, 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 Data Protection Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Data Protection Commission'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 team within the Data Protection Commission responsible for the development and maintenance of the internal control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2022 that require disclosure in the appropriation account.

Covid-19 control issues

Assessments of the impact of Covid-19 were carried out and the results are as follows:

Internal controls were not negatively impacted as a result of the pandemic. I confirm that on-going monitoring of internal controls was maintained in 2022 and 2021 by myself and the senior management team.

Helen Dixon
Accounting Officer
Data Protection Commission

28 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 44 Data Protection Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 44 Data Protection Commission for the year ended 31 December 2022 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 44 Data Protection Commission for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Data Protection Commission 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

30 June 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 44 Data Protection Commission

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision of Data Protection Regulation	23,234	16,876	14,757
Gross expenditure	23,234	16,876	14,757
<i>Deduct</i>			
B Appropriations-in-aid	285	233	189
	22,949	16,643	14,568

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus to be surrendered	6,306,004	4,329,514

Helen Dixon
Accounting Officer
Data Protection Commission

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Pay	10,906	9,326
Non pay	5,970	5,431
Gross expenditure	16,876	14,757
<i>Deduct</i>		
Appropriations-in-aid	(233)	(189)
Net expenditure	16,643	14,568
Changes in capital assets		
Purchases cash	(226)	
Depreciation	52	
	(174)	(116)
Changes in net current assets		
Increase in closing accruals	282	
Increase in closing prepayments	(13)	
Decrease in closing inventories	9	
	278	106
Direct expenditure	16,747	14,558
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	161	151
Net programme cost	16,908	14,709

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 44 borne elsewhere.

	2022	2021
	€000	€000
Vote 13 Office of Public Works	83	78
Vote 18 National Shared Services Office	20	17
Vote 24 Justice	58	56
	161	151

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,063	889
Current assets			
Bank and cash	2.2	587	173
Inventories ^a		—	9
Prepayments	2.3	203	190
Net Exchequer funding	2.6	—	162
Other debit balances		4	142
Total current assets		794	676
Less current liabilities			
Accrued expenses	2.4	466	184
Other credit balances	2.5	591	477
Total current liabilities		1,057	661
Net current assets/(liabilities)		(263)	15
Net assets		800	904
Represented by:			
State funding account	2.7	800	904

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.1 Capital assets

	Furniture and fittings €000	IT and office equipment €000	Capital assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2022 ^a	2	185	819	1,006
Additions	—	—	226	226
Brought into use	—	1,045	(1,045)	—
Cost or valuation at 31 December 2022	2	1,230	—	1,232
Accumulated depreciation				
Opening balance at 1 January 2022	2	115	—	117
Depreciation for the year	—	52	—	52
Cumulative depreciation at 31 December 2022	2	167	—	169
Net assets at 31 December 2022	—	1,063	—	1,063
Net assets at 31 December 2021	—	70	819	889

Note ^a Included in the opening balance are a number of assets which had a cost of under €10,000.

2.2 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances and cash	466	173
Commercial bank accounts	121	—
	587	173

Note In addition to the Danske Bank PMG account, the Commission holds four other commercial bank accounts, two of which had a nil balance at 31 December 2022.

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Office premises expenses	174	178
Communications	14	8
Other	15	4
	203	190

2.4 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	348	88
Administration expenses	18	58
Legal costs	100	38
	466	184

2.5 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	278	250
Value added tax on foreign invoices	14	6
Professional services withholding tax	100	114
	392	370
Other credit suspense items	199	107
	591	477

2.6 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	6,306	4,330
Exchequer grant undrawn	(6,306)	(4,492)
Net Exchequer funding	—	(162)
Represented by:		
Bank and cash	587	173
Debit balances: suspense	4	142
	591	315
Creditors		
Due to the State	(392)	(120)
Credit balances: suspense	(199)	(357)
	(591)	(477)
	—	(162)

2.7 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		904	894
Disbursements from the Vote			
Estimate provision		22,949	
Surplus to be surrendered		(6,306)	
Net vote		16,643	14,568
Expenditure (cash) borne elsewhere	1.1	161	151
Net programme cost	1	(16,908)	(14,709)
		800	904

2.8 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	563	514
Capital project	—	216
Total of legally enforceable commitments	563	730

2.9 Contingent liabilities

The Data Protection Commission is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 44 Data Protection Commission is classified as administrative expenditure applied towards a single programme: provision of data protection regulation.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	15,970	10,906	9,326
ii	Travel and subsistence	110	34	2
iii	Training and development and incidental expenses and legal expenses	2,947	3,873	3,399
iv	Postal and telecommunications services	45	48	35
v	Office equipment and external IT services	1,762	823	830
vi	Office premises expenses	1,850	984	826
vii	Consultancy services and value for money and policy reviews	540	208	339
viii	Research	10	—	—
		23,234	16,876	14,757

Significant variations

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

i Salaries, wages and allowances

Estimate provision €15.97 million; outturn €10.906 million

The shortfall in expenditure of €5.064 million relative to the estimate provision is largely explained by ongoing challenges in relation to low candidate yield from the specialist competitions run in 2022 and a slow rate of assignment from generalist Public Appointment Service (PAS) panels and timeframes in which competitions are being advertised. Engagement with PAS reveals similar challenges in relation to candidate numbers for large volume competitions, and continued high demand from client organisations with several recruitment campaigns pushed into 2023. In addition the requirement to profile staff salaries on an annualised and mid-point of the scale basis contributes to the shortfall.

iii Training and development and incidental expenses and legal expenses

Estimate provision €2.947 million; outturn €3.873 million

The excess in expenditure of €926,000 relative to the estimate provision was driven primarily by higher than anticipated legal costs. Overall, the DPC's legal costs of approximately €3.5 million exceeded the allocated budget for legal costs by just over €900,000. Other significant factors which contributed to this overspend included significant costs incurred in several complex and critical sets of legal proceedings and an increased requirement for external legal services particularly in relation to contentious issues arising in cross-border inquiries, and the increasing number of applications and appeals that are being brought for the first time pursuant to the 2018 Act.

v Office equipment and external IT services

Estimate provision €1.762 million; outturn €823,000

The shortfall in expenditure of €939,000 relative to the estimate provision was primarily driven by the following factors: a planned data governance project and the DPC office move not taking place in 2022; the postponement of an increase in routine charges from the Department of Justice until January 2023; and slower than expected progress on the strategic ICT platform, which has resulted in many of the initiatives being rescheduled to 2023.

vi Office premises expenses

Estimate provision €1.85 million; outturn €984,000

The shortfall in expenditure of €866,000 relative to the estimate provision was primarily driven by lower than anticipated operational costs due to remote working and a delay in procuring new additional office space and commencement of its fit-out works once procured.

vii Consultancy services and value for money and policy reviews

Estimate provision €540,000; outturn €208,000

The shortfall in expenditure of €332,000 relative to the estimate provision was primarily driven by less than anticipated requirement for consultancy services.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1 Miscellaneous	10	—	—
2 Receipts from additional superannuation contributions on public service remuneration	275	233	189
Total	285	233	189

4.2 Extra receipts payable to the Exchequer

	2022 €000	2021 €000
Balance at 1 January	—	—
Administrative fines receipts	17,640	800
Transferred to the Exchequer	(17,530)	(800)
Balance at 31 December	110	—

Note €17,530,000 was transferred to the Exchequer in 2022. The balance of €110,000 relates to a fine which was collected in December 2022 and transferred to the Exchequer in February 2023.

4.3 Fines

The DPC's statutory remit allows for the imposition of administrative fines. No fine imposed by the DPC is collectible until confirmed by Court order (whether on appeal or by confirmation application).

	2022	2021
	€000	€000
Opening balance	225,171	710
Fines imposed in the year	1,077,583	225,261
Fines collected (see note 4.2)	(17,640)	(800)
Fines adjusted/written off	—	—
Closing balance	1,285,114	225,171

There were nine fines imposed by the DPC in 2022 with a total value of €1,077,583,000. Four of these fines, with a value of €1,060,000,000 are currently subject to appeal and confirmation by the Court.

Six fines were collected in 2022 with a value of €17,640,000 (three of these fines were as a result of fines imposed in 2022, three were as a result of fines imposed in 2021).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>196</u>	<u>190</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	9,849	8,459
Higher, special or additional duties allowances	50	16
Other allowances	—	—
Overtime	—	—
Employer's PRSI	1,007	851
Total pay	<u>10,906</u>	<u>9,326</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	4	2	13,539	7,564
Overtime	—	—	—	217
Other allowances	—	—	—	—
Extra remuneration in more than one category	—	—	—	—

5.4 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments with recovery plans in place	7	21,271	24,959
Overpayments with no recovery plans in place	—	—	15,090
	<u>7</u>	<u>21,271</u>	<u>40,049</u>

5.5 Commission staffing by pay band

The number of Commission employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	148	147
60,000	69,999	5	9
70,000	79,999	20	25
80,000	89,999	12	6
90,000	99,999	5	3
100,000	109,999	4	3
110,000	119,999	1	1
120,000	129,999	—	—
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	—
160,000	169,999	—	1
170,000	179,999	1	—

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€000	€000
Basic pay	<u>170</u>	<u>165</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and her pension entitlements do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

	Total 2022 ^a	Total 2021 ^a
Number of cases	44	44
	€000	€000
Commission's own legal costs	967	1,218
Payments by/on behalf of the Office		
Compensation	—	—
Legal costs	—	—
Other costs	—	—
Total	967	1,218

Note ^a Claims by members of the public.

Cumulative costs of cases completed in 2022

	Total 2022 ^a
Number of cases	16
Commission's own legal costs	1,307
Payments by/on behalf of the Office	
Compensation	—
Legal costs	—
Other costs	—
Total	1,307

Note ^a Claims by members of the public.

6.2 Legal fees

Total legal costs of €2.064 million are included in subhead A.2 (iii) which includes costs of €966,828 incurred in respect of 44 sets of proceedings against the DPC as set out in note 6.1 above (to include judicial reviews, plenary proceedings and statutory appeals which were taken against the DPC).

In addition, the €2.064 million includes €1.098 million of the DPC's legal costs in respect of a further nine sets of proceedings which were commenced by the DPC itself. These consisted of two marketing prosecutions taken by the DPC before the District Court under SI 336/2011* and six confirmation applications made by the DPC before the Circuit Court under Section 143 of the Data Protection Act 2018 to confirm administrative fines which were imposed on organisations by the DPC. However, one of these marketing prosecutions resulted in the prosecution costs being awarded to the DPC, which totalled €1,031. This reduced the overall legal costs associated with the proceedings taken by the DPC in 2022 to €1.097 million.

In the case of DPC v. Facebook Ireland and Maximillian Schrems, the DPC was directed by the High Court to pay Mr Schrems' costs, with those costs to be adjudicated (by the Office of the Legal Costs Adjudicators of the High Court) in default of agreement. In 2020, the DPC made an interim payment of €450,000 to Mr Schrems' legal representative with the remainder of these costs due to be paid in 2022. In July 2022, €914,721 was paid to Mr Schrems' legal representative. These costs are included in the €1.098 million above. This payment represented the balance of the costs order, further to an agreement negotiated between the parties' respective legal costs accountants. The amount of the total payment reflected a very significant reduction of the amounts originally sought on behalf of Mr. Schrems and was recommended to the DPC by its external legal advisors.

**SI 336/2011 — European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 [known as the E-Privacy Regulations]*

6.3 EU funding

The Data Protection Commission partnered with the Croatian Data Protection Authority (AZOP) and Vrije University (Brussels) on a project co-funded by the European Union under the Rights, Equality and Citizenship Programme. EU funding of €91,000 was received in 2020 in relation to this project. There was no further EU funding received in 2021 or 2022. Project expenditure of €27,445 was incurred in 2022.

In 2022, the DPC successfully completed the deliverables set out by the EU as part of its role within the ARC Awareness Raising Campaign (aimed at SMEs, in conjunction with AZOP, and Vrije University). The ARC Project has now been evaluated by the European Commission and the findings state that the project was “assessed as very good and no shortcomings were identified. The content of the deliverables is satisfactory and of high quality, despite the circumstances caused by the pandemic. The project can have long-term impact on the project groups and society, as well as on EU Legislation and/or policies and can serve as a pool of knowledge for other Data Protection Authorities as well.”

The DPC delivered its project outputs under budget, and has been in contact with the EU Commission to request instructions for returning the balance of unused money to the central grant allocation.

Appropriation Account 2022

Vote 45

**Further and Higher Education,
Research, Innovation and Science**

Introduction

As Accounting Officer for Vote 45, 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 2022 for the salaries and expenses of the Office of the Minister for Further and Higher Education, Research, Innovation and Science for certain services administered by that Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €18.942 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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account.

Allocation of costs

The Department of Education provides a shared service to this Department for a number of corporate functions for which an agreed allocation of costs has been applied for accounting purposes. This Department does not hold fixed assets and assets used by this Department are owned and controlled by the Department of Education and recorded in the appropriation account for Vote 26. A notional depreciation charge has been applied in the net allied services expenditure (Note 1.1) of the Department of Education to reflect the use of assets by this Department.

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

Since its establishment in 2020, this Department has availed of a shared services arrangement with the Department of Education in respect of a number of business and corporate areas. These include HR, finance, accommodation and services, ICT, capital planning, oversight of corporate governance relationships with aegis bodies, administrative support to educational providers and the operation of international policy functions. The detailed arrangements governing these shared services are subject to a process of joint development and documentation and agreements are in place in relation to a number of areas including: ICT provision and shared services delivery to the tertiary sector; capital planning; finance; and agency governance. Internal audit and legal advisory, previously provided on a shared services basis, are now being delivered internally. Agreements covering outstanding shared service functions are nearing finalisation.

Shared services are also being provided to this Department for payroll and human resource functions by the National Shared Services Office (NSSO).

In the receipt of shared services, I relied on the appropriate controls being exercised by both the Department of Education and the NSSO. I take assurance from the system of controls as reported to me by each of the Accounting Officers as outlined in letters of assurance provided by both organisations.

Aegis bodies

State bodies under the aegis of this Department are overseen by relevant policy divisions within the Department who are supported by other relevant divisions across the Department and on a shared services basis by the Department of Education's Sectoral Governance Unit.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with their boards and with the chairperson of the respective boards.

The relationship between this Department and the bodies under its aegis is typically informed by

- the legislative underpinning of the body
- the Department of Public Expenditure, National Development Plan Delivery and Reform's *Code of Practice for the Governance of State Bodies* (2016) and associated annexes to that code.

The Department works with its aegis bodies to ensure that the oversight conditions laid out in the *Code of Practice for the Governance of State Bodies* are satisfied and that robust performance delivery agreements or equivalent are in place with each body.

As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the code of practice have been agreed and documented in order to satisfy the code's 'comply or explain' requirements.

In line with the code requirements, corporate plans are required to be adopted by the respective bodies to cover the delivery of strategy on a multi-annual basis. These plans allow for the development of corporate strategy and annual priorities to be developed and agreed with the Department.

During 2022, the Department continued to implement a formal review process involving the completion of a 'compliance assurance return' (CAR). This review was undertaken to aid assurance as to the extent to which the Department's non-commercial aegis bodies adhere to the core components of the code of practice while also providing assurances in regard to the extent to which the bodies are complying with evolving governance and statutory obligations. The governance material gathered from CAR is also utilised to enable the Department to consider approaches to future governance work programmes.

Within the wider higher education sector, sectoral codes of practice aligned to the specific legislative and regulatory frameworks of universities and institutes of technology are in place. The reform of institutional governance arrangements within the higher education sector is set out in the Higher Education Authority Act 2022.

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.
- An Audit Committee to advise me in discharging my responsibilities with regards to the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard 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 along with 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
- the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with relevant guidelines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel supported by an external service provider, which operates in accordance with a written charter. Its work is informed by analysis of the risks to which the Department is exposed and its annual audit plan, approved by me, is based on this analysis.

The internal audit plan, overseen by the Internal Audit Committee and approved by me, aims to cover the Department's key controls on a rolling basis over a reasonable period. Five audits were scheduled for 2022, four of which were completed in 2022 with the remaining audit completed in early 2023. Arising from the audits conducted, a number of audit recommendations were implemented to strengthen controls and provide greater assurance on the governance framework and the system of internal control in operation within this Department.

The role of the Audit Committee is to provide an ongoing systematic review of the control environment and governance procedures across all areas of activity for which the Department has responsibility. This Department supports the Audit Committee in discharging its responsibilities, respects its independence and undertakes to provide adequate resources to enable the Audit Committee to properly discharge its functions.

European Social Fund

This Department is responsible for the policy and management of the European Social Fund (ESF) in Ireland. Payment claims are processed through this Department and allocated to various bodies, some of which are external to this Department.

The ESF Audit Authority (AA), a section within the Department of Education's Internal and EU Audit Unit, is responsible for auditing this fund and is functionally independent of this Department's ESF and European Globalisation Fund (EGF) Policy and Operations Unit, and the ESF Managing and Certifying Authorities.

The AA operates with the direct authority of the Minister for Public Expenditure, National Development Plan Delivery and Reform in line with the terms of SI No. 188/2017 and in accordance with its own written charter.

The AA reports to this Department's Audit Committee and to the European Commission on the conduct of its audit programme.

Procurement

I confirm that the Department ensures that there is an appropriate focus on good procurement practice and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of six 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of five contracts in excess of €25,000 (exclusive of VAT), totalling €582,025 during 2022, as set out below:

- five contracts for IT and project support, ranging in value from €52,500 to €155,400, were awarded under a single supplier framework agreement, which subsequently was found to be non-compliant. No further contracts will be awarded under this framework agreement.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

The Department has a risk management system which identifies and reports key risks and the management actions being taken to address and mitigate those risks. A Risk Committee is in place which assists the Secretary General and the Management Board to fulfil the Department's risk management responsibilities.

A centralised eRisk register was launched in 2022. Key risks facing the Department are recorded on the risk register, evaluated and graded according to their significance. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed at an acceptable level. The risk register was formally reviewed by the Management Board on two occasions in 2022.

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 manner. 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 senior management within the Department responsible for the development and maintenance of the internal financial control framework.

ICT security

ICT is part of the shared service arrangement in place with the Department of Education and in 2021 an agreement setting out the framework for the delivery of ICT services was signed by both Departments.

The Department of Education confirms its strong commitment to the security of ICT systems and implements multiple cybersecurity protocols and measures. Cyber security protocols are supported by the work of the National Cyber Security Centre and the National Computer Security Incident Response Team, which provides early warnings, alerts, announcements and dissemination of information in respect of risk and incidents. In addition, the Department of Education is supported by security expertise from multiple third party organisations.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2022 that resulted in losses that require disclosure in the appropriation account.

Colm O'Reardon

Accounting Officer

Department of Further and Higher Education,
Research, Innovation and Science

22 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 45 Further and Higher Education, Research, Innovation and Science

Opinion on the appropriation account

I have audited the appropriation account for Vote 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2022 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 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 Further and Higher Education, Research, Innovation and Science 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.

The National Training Fund

Chapter 19 of my report on the accounts of the public services for 2022 examines the accumulated balances and use of the National Training Fund.

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 2022.

Write-off of public funding

Note 6.3 to the appropriation account discloses that, in August 2022, the Department obtained sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform to write-off €116,715 relating to misappropriated public funds. The funds were provided to the Waterford Area Partnership CLG by Kilkenny and Carlow Education and Training Board and Waterford and Wexford Education and Training Board arising from the over-claiming of rental costs between 2010 and 2018, but were applied by the Partnership for other administrative purposes.

Seamus McCarthy

Comptroller and Auditor General

22 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 45 Further and Higher Education, Research, Innovation and Science

Appropriation Account 2022

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Skills development			
	<i>Original</i>	669,822		
	<i>Supplementary</i>	32,142		
			701,964	695,003
				605,226
B	Higher education			
	<i>Original</i>	2,087,421		
	<i>Deferred surrender</i>	37,200		
	<i>Supplementary</i>	262,945		
			2,387,566	2,334,060
				2,139,954
C	Research, innovation and science			
	<i>Original</i>	254,940		
	<i>Supplementary</i>	1,713		
			256,653	254,566
				262,656
Gross expenditure				
	<i>Original</i>	3,012,183		
	<i>Deferred surrender</i>	37,200		
	<i>Supplementary</i>	296,800		
			3,346,183	3,283,629
				3,007,836
	<i>Deduct</i>			
D	Appropriations-in-aid			
	<i>Original</i>	76,304		
	<i>Supplementary</i>	4,500		
			80,804	92,361
				128,974
Net expenditure				
	<i>Original</i>	2,935,879		
	<i>Deferred surrender</i>	37,200		
	<i>Supplementary</i>	292,300		
			3,265,379	3,191,268
				2,878,862

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. €55.169 million of unspent allocations in respect of capital elements was carried forward to 2023.

	2022	2021
	€	€
Surplus	74,111,054	49,337,501
Deferred surrender	(55,169,000)	(37,200,000)
Surplus to be surrendered	<u>18,942,054</u>	<u>12,137,501</u>

Colm O'Reardon

Accounting Officer

Department of Further and Higher Education,
Research, Innovation and Science

22 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		3,268,506	2,996,082
Pay		13,935	10,509
Non pay		1,188	1,245
Gross expenditure		3,283,629	3,007,836
<i>Deduct</i>			
Appropriations-in-aid		92,361	128,974
Net expenditure		3,191,268	2,878,862
Changes in net current assets			
Increase in closing accruals	2,629		
Decrease in inventories	6	2,635	2,415
Direct expenditure		3,193,903	2,881,277
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		7,625	4,606
Notional rents		449	470
Net programme cost		3,201,977	2,886,353

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 45 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	29	17
Vote 12	Superannuation and Retired Allowances	4,179	2,979
Vote 13	Office of Public Works	199	118
Vote 18	National Shared Services Office	23	19
Vote 20	Garda Síochána	47	—
Vote 26	Education	3,066	1,410
Vote 43	Office of the Government Chief Information Officer	37	31
Central Fund – ministerial pensions		45	32
		7,625	4,606

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets		—	—
Current assets			
Bank and cash	2.1	90,400	49,726
Inventories ^a		—	6
Prepayments	2.2	6,103	7,191
Accrued income	2.3	771	759
Other debit balances	2.4	294	502
Total current assets		97,568	58,184
Less current liabilities			
Accrued expenses	2.5	3,576	2,023
EU moneys for distribution	2.6	32,143	11,290
Other credit balances	2.7	1,170	999
Net Exchequer funding	2.8	57,381	37,939
Total current liabilities		94,270	52,251
Net current assets		3,298	5,933
Net assets		3,298	5,933
Represented by:			
State funding account	2.9	3,298	5,933

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as inventory.

2.1 Bank and cash

at 31 December	2022 €000	2021 €000
PMG balances	90,400	49,726
	90,400	49,726

2.2 Prepayments

at 31 December	2022	2021
	€000	€000
South East Technological University (Waterford Campus)	6,020	6,923
University scholarships	—	186
ESF eCohesion	25	35
Other	58	47
	6,103	7,191

2.3 Accrued income

at 31 December	2022	2021
	€000	€000
Additional superannuation contributions from HEIs	771	682
Other	—	77
	771	759

2.4 Other debit balances

at 31 December	2022	2021
	€000	€000
Agency payments	19	—
Cycle to work scheme	6	2
Payroll suspense	—	254
Transfer of functions	258	195
Travel pass scheme	—	6
Salary recoupment from other departments and agencies	11	45
	294	502

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
Capital programmes	3,386	1,765
Shared services	108	249
Other	82	9
	3,576	2,023

2.6 EU money for distribution

at 31 December	2022	2021
	€000	€000
ESF PEIL 2014 – 2020	24,517	11,290
ESF EIST 2021 – 2027	7,626	—
	32,143	11,290

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	205	172
Pay related social insurance	140	106
Universal social charge	43	34
Local property tax	1	1
Professional services withholding tax	66	84
Value added tax	378	537
Pension contributions	28	65
Extra Exchequer receipt	309	—
	1,170	999

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	18,942	12,138
Deferred surrender	55,169	37,200
Exchequer grant undrawn	(16,730)	(11,399)
Net Exchequer funding	57,381	37,939
Represented by:		
Debtors		
Bank and cash	90,400	49,726
Other debit balances	294	502
	90,694	50,228
Creditors		
EU moneys for distribution	(32,143)	(11,290)
Other credit balances	(1,170)	(999)
	(33,313)	(12,289)
	57,381	37,939

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		5,933	8,348
Disbursements from the Vote			
Estimate provision	Account	3,265,379	
Surplus to be surrendered	Account	(18,942)	
Deferred surrender		(55,169)	
Net vote		3,191,268	2,878,862
Expenditure (cash) borne elsewhere	1	7,625	4,606
Non cash expenditure – notional rent	1	449	470
Net programme cost	1	(3,201,977)	(2,886,353)
Balance at 31 December		3,298	5,933

2.10 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	896	167
Non-capital grant programmes ^a	2,574,435	2,443,963
Capital grant programmes ^b	835,030	889,635
Public private partnership projects	1,376,259	672,976
Total of legally enforceable commitments	4,786,620	4,006,741

Notes ^a Non-capital grant programme commitments include grants that will be made to aegis bodies and other organisations including universities, technological universities, institutes of technology, and education and training boards to fund current expenditure including pay.

^b Capital grant programme commitments relate to grants that the Department has committed to make to aegis bodies for capital projects overseen by those bodies.

b) Major capital grant programmes

Capital grant programmes involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Other					
Department:					
capital - buildings					
B.16 – Department of Health, National Children's Hospital	13,500	3,500	—	17,000	17,000
Agency					
commitments:					
capital - buildings					
B.16 HEA	2,840	8,448	12,712	24,000	24,000
Dublin City University, Future Tech Building					
B.16 HEA	—	12,000	2,000	14,000	—
Technological University Dublin, Grangegorman Academic Hub					
B.16 - HEA	8,910	6,090	—	15,000	15,000
Trinity College Dublin, E3 Building					
B.16 - HEA	379	14,123	10,498	25,000	—
University College Dublin, Future Tech Building					
Agency					
commitments:					
capital - research					
C.5.7 - ESO	14,130	4,272	12,267	30,669	27,523
European Southern Observatory					
C.3.1 - SFI	302,888	84,771	271,831	659,490	660,904
Science Foundation Ireland					
C.4.2 - SFI	30,510	12,136	60,938	103,584	103,584
Science Foundation Ireland, PhD Programme					
Total	373,157	145,340	370,246	888,743	848,011

Significant variations

An explanation is provided below in relation to any major project where the expected total spend has changed by more than €500,000 compared to 2021.

Science Foundation Ireland

Decrease in expected total spend: €1.414 million

The overall decrease primarily relates to savings arising under the ENABLE research programme (€1.081 million) following a review of applications by the Research Body, Trinity College, and SFI. Other savings (€322,000) were declared on the financial statements of the iCrag research programme following the expiry of this award in August 2022. This programme commenced in January 2015.

European Southern Observatory

Increase in expected total spend: €3.146 million

This increase reflects the annual membership fee to the European Southern Observatory which is recognised as a commitment on an annual basis upon publication of the annual Revised Estimates.

Unitary payments of public private partnership projects

The Department has obligations under four separate contracts to design, build, finance, maintain and operate educational infrastructure under the public private partnership (PPP) model.

PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed.

The Department makes monthly unitary charge payments to the relevant PPP investor on all operational PPP projects. The unitary charge payment is made up of two elements, a fixed cost element and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI).

An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

Name of PPP project ^a	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Project total 2022	Project total 2021
	€000	€000	€000	€000	€000
Grangegorman quads ^b	49,599	22,320	533,917	605,836	590,098
HEIPPP Bundle I	4,951	1,312	711,404	717,667	—
MTU - Cork School of Music	126,832	8,445	88,946	224,223	219,140
MTU - National Maritime College of Ireland	147,525	6,758	41,992	196,275	187,694
Total	328,907	38,835	1,376,259	1,744,001	996,932

- Notes ^a The expenditure reflected at the end of 2022 primarily relates to capital payments i.e. unitary charges while the balance relates to expenditure on the Higher Education Infrastructure PPP (HEIPPP Bundle I) programme which included other related services costs. The 2022 expenditure is included in the overall outturn of subhead B.17 (Public Private Partnership costs) of €41.2 million.
- ^b The prior year expenditure figure and project total has been restated upwards (€4.562 million) to include settlement costs primarily associated with variation requests and Covid-19 cost overruns.

Significant variations

An explanation is provided below in relation to any unitary payments where the expected total spend has changed by more than €500,000 compared to 2021.

The increased unitary payments under MTU Cork School of Music (€5.083 million) and the National Maritime College of Ireland (€8.581 million) reflect the increased inflationary costs linked to the indexation rates agreed under these PPP contracts.

The increased unitary payments under Grangegorman quads (€15.738 million) is linked to both increased indexation rates and the fulfilment of key contract milestones as agreed under the terms of the PPP agreement, thereby increasing the unitary charge rates.

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	90	1

2.12 Contingent liabilities

The Department has contingent liabilities estimated at less than €60,000 (2021: €50,000).

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	14,392		
	<i>Supplementary</i>	532		
		14,924	13,935	10,509
ii	Travel and subsistence	257	226	83
iii	Training and development and incidental expenses	295	421	276
iv	Postal and telecommunications services	75	46	67
v	Office equipment and external IT services	1,750	352	532
vi	Office premises expenses	214	143	165
vii	Consultancy and other services	17	—	122
		17,532	15,123	11,754

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €295,000; outturn €421,000

The increase of €126,000 relative to the estimate provision was primarily due to additional training demands to meet the needs of the new and growing Department and the backlog in such training arising from the pandemic.

v Office equipment and external IT services

Estimate provision €1.75 million; outturn €352,400

The decrease of €1.398 million relative to the estimate provision was mainly due to the estimate allocation provided to the Department of Education as part of its shared service to this Department being sufficient to meet the cost of delivering the required IT services.

Programme A Skills Development

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	4,575		
	<i>Supplementary</i>	170		
			4,745	4,430
A.2	Administration – non pay		829	378
A.3	Grants to SOLAS in respect of administration and general expenses			582
	<i>Original</i>	26,825		
	<i>Supplementary</i>	512		
			27,337	24,506
A.4	European Social Fund (ESF) and European Globalisation Adjustment Fund for Displaced Workers (EGF) supports		525	264
A.5	Grants to SOLAS in respect of further education and training activities			24,533
	<i>Original</i>	598,975		
	<i>Supplementary</i>	30,474		
			629,449	626,517
A.6	Grant to Quality and Qualifications Ireland			538,625
	<i>Original</i>	5,618		
	<i>Supplementary</i>	119		
			5,737	5,118
A.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (AnCO)			5,038
	<i>Original</i>	32,475		
	<i>Supplementary</i>	867		
			33,342	33,790
			701,964	695,003
				31,342
				605,226

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €25.181 million higher than originally provided.

A.3 Grants to SOLAS in respect of administration and general expenses

Estimate provision €26.825 million; outturn €24.506 million

The decrease of €2.3 million relative to the estimate provision was primarily due to

- reduced pay costs as lower numbers of staff were recruited than planned
- lower spend on the Technology Enhanced Learning (TEL) and e-College programmes due to anticipated expenditure on infrastructure upgrades being deferred to 2023.

A supplementary estimate of €512,000 was provided for the Building Momentum Pay Agreement.

A.4 European Social Fund (ESF) and European Globalisation Adjustment Fund for Displaced Workers (EGF) supports

Estimate provision €525,000; outturn €264,000

The decrease of €261,000 relative to the estimate provision was primarily due to the tendering process for the development of the new 2021-2027 ESF IT system (replacing eCohesion) taking longer than anticipated. As a result, some expected costs in 2022 have been deferred to 2023.

A.6 Grant to Quality and Qualifications Ireland (QQI)

Estimate provision €5.618 million; outturn €5.118 million

QQI is funded by both the Exchequer and from fee income generated by QQI services. The decrease of €500,000 relative to the estimate provision was as a result of higher than projected fee income generated by reviews of education and training boards alongside increased private higher education certification income which resulted in a lower grant drawdown by QQI in 2022.

A supplementary estimate of €119,000 was provided for the Building Momentum Pay Agreement.

Programme B Higher Education

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	7,622		
	<i>Supplementary</i>	282		
			7,904	4,732
B.2	Administration – non pay		629	560
B.3	Grant for general expenses of Higher Education Authority			
	<i>Original</i>	13,666		
	<i>Supplementary</i>	336		
			14,002	9,031
B.4	General current grants to universities, institutes of technology and other designated institutions of higher education			
	<i>Original</i>	1,112,903		
	<i>Supplementary</i>	191,364		
			1,304,267	1,132,163
B.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		—	—
B.6	Dublin Dental Hospital (grant)			
	<i>Original</i>	12,519		
	<i>Supplementary</i>	494		
			13,013	13,109
B.7	Dublin Institute for Advanced Studies (grant)			
	<i>Original</i>	7,503		
	<i>Supplementary</i>	268		
			7,771	7,605
B.8	Royal Irish Academy of Music (grant)			
	<i>Original</i>	3,426		
	<i>Supplementary</i>	144		
			3,570	3,746
B.9	Grants to certain third level institutions			
	<i>Original</i>	8,444		
	<i>Supplementary</i>	1,841		
			10,285	8,939

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.10	Superannuation etc. payable to former staff of universities and institutes of technology	<i>Original</i> 197,284 <i>Supplementary</i> 144,270		
			341,554	341,220
				318,633
B.11	Student support and related expenses	<i>Original</i> 423,127 <i>Supplementary</i> (78,340)		
			344,787	317,932
				400,165
B.12	Research activities	<i>Estimate provision</i> 57,450 <i>Deferred surrender</i> 6,000		
			63,450	63,450
				50,322
B.13	EU, international and north south activities	<i>Original</i> 8,349 <i>Supplementary</i> 2,177		
			10,526	10,022
				6,327
B.14	Grangegorman Development Agency	<i>Original</i> 3,510 <i>Supplementary</i> 77		
			3,587	3,510
				3,212
B.15	Miscellaneous grants and services		904	137
				164
B.16	Third level infrastructure	<i>Estimate provision</i> 151,000 <i>Deferred surrender</i> 22,200		
			173,200	132,364
				81,851
B.17	Public private partnership costs	<i>Estimate provision</i> 43,000 <i>Deferred surrender</i> 3,000		
			46,000	41,221
				69,023
B.18	Shared services	<i>Original</i> 35,333 <i>Deferred surrender</i> 6,000 <i>Supplementary</i> 32		
			41,365	37,832
			2,387,566	2,334,060
				2,139,954

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €209.44 million higher than originally provided.

B.3 Grant for general expenses of Higher Education Authority

Estimate provision €13.666 million; outturn €9.2 million

The decrease of €4.466 million relative to the estimate provision was primarily due to

- €1 million allocated towards capital remained unspent pending review of capital requirements of the HEA being undertaken.
- Savings on HEA and National Forum for Teaching and Learning administration costs due to lower than anticipated staff recruitment.

A supplementary estimate of €336,000 was provided for the Building Momentum pay agreement.

€2 million was reallocated towards B.4 programme expenditure.

B.4 General current grants to universities, institutes of technology and other designated institutions of higher education

Estimate provision €1,112.9 million; outturn €1,332.3 million

The increase of €219.413 million relative to the estimate provision was primarily due to Government policy decisions to provide additional funding in respect of cost of living measures, including

- €147.7 million for a once-off reduction to the student contribution fee for undergraduates eligible for free fees
- €31.8 million provided for additional pay costs including the Building Momentum pay agreement
- €28.9 million towards free fees and mental health initiatives
- €7 million to address operational inflationary pressures
- €2.1 million in funding to provide higher education supports to individuals displaced by the war in Ukraine.

A supplementary estimate of €191.364 million was approved to provide for the increase in expenditure, outlined above.

Additional spending was funded through the reallocation of resources from B.3 and B.11.

B.6 Dublin Dental Hospital (grant)

Estimate provision €12.519 million; outturn €14.343 million

The increase of €1.8 million, relative to the estimate provision was primarily due to retirement related costs; additional funding requirements due to inflationary pressures and increased pay awards under the Building Momentum pay agreement.

A supplementary estimate of €494,000 was approved to provide for the increase in public sector pay agreements.

B.8 Royal Irish Academy of Music (grant)

Estimate provision €3.426 million; outturn €3.645 million

The increase of €219,000 relative to the estimate provision was primarily due to inflationary pressures on operational costs and increased pay awards under the Building Momentum pay agreement.

A supplementary estimate of €144,000 was approved to provide for the increase in expenditure.

B.9 Grants to certain third level institutions

Estimate provision €8.444 million; outturn €11.029 million

The increase of €2.585 million relative to the estimate provision was primarily due to

- €1.8 million for a once-off reduction to the student contribution fee
- €800,000 towards increased tuition fee costs of the grant in lieu of tuition fees under the free fees initiative.

A supplementary estimate of €1.8 million was approved to provide for the increase in expenditure.

B.10 Superannuation etc. payable to former staff of universities and institutes of technology

Estimate provision €197.284 million; outturn €341.22 million

The increase of €143.9 million relative to the estimate provision is due to additional funding secured to address accumulated liabilities relating to university pension schemes; and increased pay awards under the Building Momentum pay agreement.

A supplementary estimate of €144.3 million was approved to address the increase in expenditure.

B.11 Student support and related expenses

Estimate provision €423.127 million; outturn €317.932 million

The decrease of €105.195 million relative to the estimate provision was primarily due to savings of €135 million including reduced payments through SUSI following the once-off reduction of €1000 to the student contribution fee and fewer SUSI grant applications than anticipated for the academic year 2022/23. Also, a provision to address increases in grant eligibility associated with the economic impact of the pandemic was not required. Enhanced expenditure €30 million included the provision of cost of living additional supports to students.

Savings of €73.34 million were reallocated within the vote as part of the supplementary estimate.

Additional savings were reallocated towards B.4 programme expenditure.

B.13 EU, international and north-south activities

Estimate provision €8.349 million; outturn €10.022 million

The increase of €1.673 million relative to the estimate provision was primarily due to the provision of additional education supports to individuals displaced by the war in Ukraine.

A supplementary estimate of €2.177 million was approved to provide for the increase in expenditure.

B.15 Miscellaneous grants and services

Estimate provision €904,000; outturn €137,000

The decrease of €767,000 relative to the estimate provision arose as funding demands across the STEPS programme and Transparency International Ireland Integrity at Work Programme were not as high as anticipated. The level of demand for such expenditure can be difficult to determine in the estimates process.

B.16 Third level infrastructure

Estimate provision €173.2 million; outturn €132.364 million

The decrease of €40.836 million relative to the estimate provision was primarily due to capital works across various projects being delayed due to the current volatility in the construction market in terms of labour shortages, supply chain issues and material price inflation.

B.17 Public private partnership costs

Estimate provision €46 million; outturn €41.221 million

The decrease of €4.779 million relative to the estimate provision was primarily due to delays on the Higher Education Infrastructure Public Private Partnership (HEIPPP) Bundle I arising from the current volatility in the construction market in terms of labour shortages, supply chain issues and material price inflation.

B.18 Shared services

Estimate provision €41.333 million; outturn €37.832 million

The decrease of €3.5 million relative to the estimate provision was primarily due to a combination of savings and pressures arising on this subhead. Savings of €6 million materialised on a number of shared services projects including; mySUSI which is delayed pending the outcome of a procurement re-assessment, TU-Merge-of-Applications Project where milestones have not been met as planned and progress in the acceleration of the Learners' Payroll Project to live operations. Spending pressures of €2.8 million arose mainly due to additional software licencing costs managed through EduCampus on behalf of the further and higher education sector.

A supplementary estimate of €32,000 was approved to provide for increased pay awards under the Building Momentum pay agreement.

Programme C Research, Innovation and Science

		2022		2021
		Estimate provision		Outturn
		€000	€000	Outturn
				€000
C.1	Administration – pay			
	<i>Original</i>	2,195		
	<i>Supplementary</i>	80		
			2,275	860
C.2	Administration – non pay		398	181
C.3	Science and technology development programme			
	<i>Original</i>	221,938		
	<i>Supplementary</i>	1,633		
			223,571	229,435
C.4	Programme for research in third Level institutions		24,192	24,182
C.5	Subscriptions to international organisations		6,167	7,648
C.6	Legal costs and other services (including Global Science Forum)		50	29
				5
		256,653	254,566	262,656

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation contributions	690	690	838
2	Receipts from EU funding	4,619	—	43,432
3	Receipts from additional superannuation contributions on public service remuneration			
	Original	67,045		
	Supplementary	4,500		
		71,545	78,813	72,512
4	Secondments/overpayments	—	—	—
5	Miscellaneous	3,950	12,858	12,192
	Total	80,804	92,361	128,974

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €16.057 million higher than the estimate forecast.

2 Receipts from EU funding

Estimate €4.619 million; realised €nil million

The decrease of €4.619 million relative to the estimate provision was primarily due to receipts from the European Social Fund (ESF) being paused temporarily pending the outcome of a European Court of Auditors' report.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €67.045 million; realised €78.813 million

The increase of €11.768 million relative to the estimate provision arose because additional superannuation contributions (ASCs) received were higher than anticipated. This increase arose due to increased staff numbers and the impact of pay awards arising from the Building Momentum Pay Agreement.

A supplementary of €4.5 million was approved for this subhead to provide for the increase in appropriations received.

5 Miscellaneous

Estimate €3.95 million; realised €12.858 million

The increase of €8.908 million relative to the estimate provision primarily arose from the receipt of additional monies from TU Dublin in respect of their contribution towards the Grangegorman PPP.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Recoupment of unspent funding ^a	3,349	2,002
Transferred to the Exchequer	(3,040)	(2,002)
Balance at 31 December	309	—

Note ^a Received from Science Foundation Ireland (SFI) in respect of grants refunded by the Irish Research Council (IRC).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Department ^a	229	191
Tertiary level	26,043	25,016
Other agencies ^b	597	575
Number of staff at year end	26,869	25,782

Notes ^a Reflects core-funded posts only.

^b Includes staffing numbers of bodies listed under Appendix A and B.

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	12,707	9,749
Higher, special or additional duties allowances	84	68
Other allowances	1	9
Overtime	12	30
Employer's PRSI	1,131	653
Total pay ^{a, b}	13,935	10,509

Notes ^a The financial details in this table relate solely to salaries and allowances paid to employees of the Department.

^b The total pay figure is reflected under Note 3 and is distributed across subheads A.1, B.1 and C.1.

Other agencies ^a	2022	2021 ^b
	€000	€000
Pay	50,869	46,377
Higher, special or additional duties allowances	255	228
Other allowances	53	53
Overtime	14	9
Employer's PRSI	4,934	4,437
Total pay	56,125	51,104

Notes ^a The payroll information in this table reflect the full salary costs of agencies including non-core funded salaries.

^b The prior year payroll figures have been revised down €844,000 following audit certification of those organisations accounts.

5.3 Allowances and overtime payments

Department staff	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	10	4	21,619	23,602
Other allowances	1	—	—	—
Overtime	9	—	—	28,132
Extra remuneration in more than one category	—	—	—	—

The details of allowances and overtime payments in this table relate solely to Departmental staff.

Other agencies	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	58	7	25,796	19,628
Other allowances	71	—	—	—
Overtime	45	—	—	—
Extra remuneration in more than one category	10	1	26,159	—

The details of allowances and overtime payments in this table relate to staff employed by agencies in receipt of funding from this Department. This table reflects all allowances and overtime payments including non-core funded posts.

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	146	111
60,000	69,999	14	13
70,000	79,999	24	19
80,000	89,999	10	7
90,000	99,999	17	10
100,000	109,999	11	2
110,000	119,999	2	3
120,000	129,999	—	—
130,000	139,999	—	—
140,000	149,999	—	1
150,000	159,999	—	2
160,000	169,999	2	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Two retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €13,900, which included travel and subsistence costs of €nil. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

This account includes expenditure in respect of one officer who was serving outside the Department for all or part of 2022 and whose salary was paid and recoupable by the Department.

This account does not include expenditure in respect of two officer who were serving outside the Department for all or part of 2022 and whose salary was paid by the relevant body.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Administration staff salary overpayments			
Overpayments	14	16,852	2,271
Recovery plans in place	4		

No staff with whom overpayment recovery plans were in place transferred to or from this Department during 2022.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre 1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Department

Total legal costs incurred by the Department in 2022 was €253,716.

Compensation and legal costs paid during 2022 in respect of cases in which the Department is or was involved did not exceed €50,000 and is included in the total figure above.

Cumulative costs completed cases – costs paid by the Department.

Cumulative costs of completed legal cases paid by the Department in 2022 did not exceed €50,000.

Payments made by the Chief State Solicitor's Office

During the period, the Chief State Solicitor's Office (CSSO) paid no legal costs/fees with respect to legal cases involving the Department.

6.2 Fraud and suspected fraud

There were no instances of Departmental fraud, suspected fraud or suspected irregularity identified in 2022 or 2021.

6.3 Write-offs

	2022	2021
	€000	€000
Sanctioned write-off of misappropriated public funding	117	—
	117	—

Grant funding indirectly allocated by this Department to Waterford Area Partnership CLG towards a specified overhead cost was utilised for other programme costs. Sanction was obtained from the Department of Public Expenditure, National Development Plan Delivery and Reform to write off the misappropriated balance in order to avoid service interruption and the potential liquidation of the organisation.

6.4 Arbitration and conciliation costs

No arbitration and conciliation costs arose in 2022.

Costs of €10.5 million arose in 2021 to settle claims arising from additional construction costs incurred due to Covid-19 and contract variations.

6.5 EU funding

Receipts in relation to EU funding received by this Department during 2022 and lodged to appropriations-in-aid is detailed in the table below.

EU funding category	2022	2021
	€000	€000
D2.1 ESF pay	—	35,013
D2.1 ESF non pay	—	8,387
PIAAC International	—	32
	—	43,432

2022 European Social Fund (ESF) receipts

There were no receipts arising from the Programme for Employability, Inclusion and Learning (PEIL) 2014-2020, which is a European Social Fund (ESF) co-funded programme, due to the fact that 97% of the amended original allocation has been receipted previously. The remaining balance will be distributed when formal closure of the programme is completed.

The European Social Fund Plus (ESF+) co-funded programme for the 2021-2027 period, Employment Inclusion Skills and Training (EIST) was approved by the European Commission and the Cabinet during Q4 2022.

Overview of ESF Programme for Employability, Inclusion and Learning 2014-2020: position at year end 2022

	European Social Fund (ESF) €000	Youth Employment Initiative (YEI) €000	React EU €000	Total €000
Allocation 2014-2022 ^a	484,516	68,145	141,604	694,265
Receipts up to end 2021	477,060	66,929	9,717	553,706
2022 receipts				
annual pre-financing receipts	7,456	1,216	1,766	10,438
interim payment applications	—	—	—	—
balance in respect of 2018-2021	—	—	3,533	3,533
Total receipts in 2022	7,456	1,216	5,299	13,971
Receipts up to end 2022	484,516	68,145	15,016	567,677
As % of 2014-2022 allocation	100%	100%	11%	82%

Distribution of ESF programme receipts	2022 €000	2021 €000
Department of Further and Higher Education, Research, Innovation and Science	—	44,029
Department of Education	—	171
Department of Justice	—	21,000
Department of Defence	—	40
National Training Fund	—	82,000
Department of Social Protection	—	5,000
Department of Rural and Community Development	—	36,000
	—	188,240

Note ^a The React-EU amendment to the 2014-2020 allocation was approved in December 2021.

6.6 Direct EU funding to bodies under the Department's aegis

In addition to the funding of grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2022 was as shown below.

	2022 €000	2021 €000
Aegis body		
Higher Education Authority	17,623	354
Irish Research Council	361	245
Léargas	33,381	19,282
Quality and Qualifications Ireland ^a	270	14
Science Foundation Ireland	—	81
SOLAS	18	47
	51,653	20,023

Note ^a 2021 figure was subject to revision.

Aegis body	Purpose of funding
Higher Education Authority	Promotion and administration of the Erasmus+ programme.
Irish Research Council	HERA and the Dorothy Programme.
Léargas	Erasmus+, ESC, NCGE, Management Fees and Project Funding.
Quality and Qualifications Ireland	Secretariat to EQUAVET, in addition to being the national centre for both EUROPASS and NARIC.
SOLAS	CEDEFOP EU Agency.

6.7 Late payment interest

	2022	2021
	€000	€000
Total net interest paid	<u>1</u>	<u>1</u>

6.8 Deferred surrender

Deferred surrender comprises savings in 2022 of €55.169 million in capital expenditures in the following subheads that were carried over to 2023.

		€000
Description of subhead:		
A.3	SOLAS general expenses	288
A.5	SOLAS grants	3,416
B.3	HEA general expenses	1,000
B.16	Third level infrastructure	40,835
B.17	Public private partnership costs	4,779
B.18	Shared services	4,851
		<u>55,169</u>

Appendix A Accounts of bodies and funds under the aegis of the Department of Further and Higher Education, Research, Innovation and Science

The following table lists the bodies and departmental funds under the aegis of the Department. It indicates the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aegis bodies				
Grangegorman Development Agency	2021	29 Sep 2022	28 Oct 2022	21 Dec 2022
Higher Education Authority ^a	2022	28 Jun 2023	10 Jul 2023	28 Aug 2023
Léargas ^b	2020	15 Jun 2021	28 Jul 2021	n/a
Quality and Qualifications Ireland	2021	29 Sep 2022	30 Sep 2022	22 Nov 2022
Science Foundation Ireland	2021	21 Jun 2022	21 Jun 2022	15 Sep 2022
Skillnet Ireland ^b	2021	26 May 2022	30 Jun 2022	n/a
SOLAS	2021	31 May 2022	03 Jun 2022	09 Sep 2022

Notes ^a The Higher Education Authority incorporates the accounts of the Irish Research Council.

^b Company limited by guarantee with accounts publicly available via the Companies Registration Office and not laid before the Oireachtas. Not audited by the Comptroller and Auditor General.

Appendix B Accounts of other bodies and funds

The following table lists the bodies and funds where the Department has an obligation to present their financial statements. It indicates the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Universities/colleges				
Dublin City University	2020/21	25 Oct 2022	3 Nov 2022	28 Dec 2022
Mary Immaculate College, Limerick	2021/22	31 May 2023	20 Jun 2023	18 Aug 2023
Technological University Munster	2021/22	17 May 2023	14 Jun 2023	14 Aug 2023
National College of Art and Design	2021/22	13 Apr 2023	18 Apr 2023	16 Jun 2023
National University of Ireland	2021/22	23 May 2023	29 May 2023	18 Jul 2023
National University of Ireland Galway	2021/22	31 Mar 2023	6 Apr 2023	6 Jun 2023
National University of Ireland Maynooth	2021/22	27 Mar 2023	29 Mar 2023	26 May 2023
St Angela's College of Education, Sligo	2020/21	22 Sep 2022	13 Oct 2022	12 Dec 2022
Technological University Dublin	2020/21	25 Nov 2022	27 Jul 2023	31 Aug 2023
Technological University of the Shannon: Midlands Midwest	2021/22	01 Jun 2023	14 Jun 2023	14 Aug 2023
Trinity College Dublin	2021/22	31 Mar 2023	4 Apr 2023	2 Jun 2023
University College Cork	2020/21	20 Dec 2022	11 Jan 2023	10 Mar 2023
University College Dublin	2020/21	28 Oct 2022	2 Nov 2022	28 Dec 2022
University of Limerick	2021/22	12 May 2023	29 May 2023	18 Jul 2023
Institutes of technology				
Carlow	2020/21	30 Jun 2022	14 Jul 2022	24 Aug 2022
Dundalk	2021/22	30 Jun 2023	13 Jul 2023	31 Aug 2023
Dun Laoghaire Institute of Art, Design and Technology	2021/22	12 May 2023	15 May 2023	13 Jul 2023
Galway-Mayo	2021/22	31 May 2023	15 Jun 2023	15 Aug 2023
Letterkenny	2019/20	10 Dec 2021	20 Dec 2021	17 Feb 2022
Sligo	2019/20	29 Jun 2021	9 Jul 2021	8 Sep 2021
Waterford	2020/21	12 May 2022	26 May 2022	13 Jul 2022

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Other Higher Education Institutions (included in HEIs)				
Dublin Institute for Advanced Studies	2021/22	24 Jul 2023	8 Aug 2023	31 Aug 2023
Royal Irish Academy	2020/21	23 Dec 2022	3 Jan 2023	1 Mar 2023
Royal Irish Academy of Music	2021/22	16 Jun 2023	20 Jun 2023	21 Aug 2023
St. Patrick's College, Drumcondra	2021/22	28 Jun 2023	2 Aug 2023	31 Aug 2023
Funds				
National Training Fund	2021	29 Sep 2022	29 Sep 2022	21 Nov 2022