

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

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	<u>101</u>	<u>374</u>

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.