

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 were 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	2021
	€000	€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

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	14,259		
	<i>Supplementary</i>	678		
			14,937	14,847
A.2	Administration – non pay			14,005
	<i>Original</i>	2,837		
	<i>Supplementary</i>	(49)		
			2,788	3,470
A.3	Purchase of plant and machinery			3,135
	<i>Original</i>	8,770		
	<i>Supplementary</i>	1,600		
			10,370	8,708
A.4	Hydrometric and hydrological investigation and monitoring		1,383	1,393
A.5	Flood risk management			
	<i>Original</i>	95,997		
	<i>Supplementary</i>	(10,481)		
			85,516	54,670
A.6	Drainage maintenance			55,666
	<i>Original</i>	19,337		
	<i>Supplementary</i>	348		
			19,685	19,804
			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	Total
	employees	members of the public		2022	2021
	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