

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.