

Appropriation Account 2022

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Tailte Éireann, I am required to prepare the appropriation account for Vote 23, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2022 for the salaries and expenses of the Property Registration Authority.

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

A surplus of €3.168 million is liable for surrender to the Exchequer.

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

Dissolution of the PRA

The 2022 appropriation account is the final appropriation account for the PRA. The Tailte Éireann Act 2022, which was enacted in December 2022 led to the establishment of Tailte Éireann on 1 March 2023. The Property Registration Authority was dissolved on that date and all assets, rights, obligations and staff were transferred to Tailte Éireann. Up to the date of dissolution, the Accounting Officer of the Property Registration Authority was responsible for ensuring that an effective system of internal control was maintained and operated.

Statement of Accounting Policies and Principles

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

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit in the Property Registration Authority was as follows until its dissolution on 28 February 2023.

Shared services

Payroll and human resources were provided on a shared service basis by the National Shared Service Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of shared services.

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

In addition, I have relied on a letter of assurance from the Accounting Officer of the Department of Justice that the appropriate controls are exercised in the provision of financial shared services to this Office. I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Office and the Department of Justice for the provision of financial shared services.

Financial control environment

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

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

Compensations claims

The Property Registration Authority (PRA) operated a title system that conferred a State guarantee on the title holder. The State is bound to indemnify any person who suffers loss through reliance on the register. In the normal course of its business, the Authority received compensation claims under Section 120 of the Registration of Deeds and Title Act 1964. Claims may arise due to error, forgery or fraud in relation to registration of title.

A counter fraud framework was implemented, the aim of which was to minimise exposure to and losses from fraud against the registers. This framework guided the implementation of strategy in maintaining the integrity of the registers, safeguarding registered property rights and protecting public resources.

A summary of payments made under Section 120 of the Registration of Deeds and Title Act 1964 is set out in Note 6.1 to the accounts.

Administrative controls and management reporting

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

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

Internal audit and Audit Committee

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

Procurement

I confirm that the Authority ensured that there was an appropriate focus on good practice in purchasing and that procedures were in place to ensure compliance with all relevant guidelines.

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

Non-compliance with procurement rules

The Authority complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €144,000 (exclusive of VAT), which was extended pending the putting in place of a new contract. I can confirm that a new contract is now in place.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

The PRA implemented a risk management system which identified and reported key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register identified the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register was reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments were used to plan and allocate resources to ensure risks are managed to an acceptable level.

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

Ongoing monitoring and review

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

Review of effectiveness

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

Internal financial control issues

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

Liam O'Sullivan
Accounting Officer
Property Registration Authority

13 September 2023

Comptroller and Auditor General**Report for presentation to the Houses of the Oireachtas****Vote 23 Property Registration Authority****Opinion on the appropriation account**

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 23 Property Registration Authority for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

18 September 2023

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

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

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 23 Property Registration Authority

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds			
	<i>Estimate provision</i>	35,131		
	<i>Deferred surrender</i>	100		
		35,231	32,095	31,108
Gross expenditure		35,231	32,095	31,108
	<i>Deduct</i>			
B	Appropriations-in-aid	660	692	660
	<i>Estimate provision</i>	34,471		
	<i>Deferred surrender</i>	100		
Net expenditure		34,571	31,403	30,448

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital services may be carried over for spending in the following year.

	2022	2021
	€	€
Surplus	3,167,626	2,033,146
Deferred surrender	—	(100,000)
Surplus to be surrendered	3,167,626	1,933,146

Liam O'Sullivan
Accounting Officer
Property Registration Authority

13 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Pay	27,537	26,747
Non pay	4,558	4,361
Gross expenditure	32,095	31,108
<i>Deduct</i>		
Appropriations-in-aid	692	660
Net expenditure	31,403	30,448
Changes in capital assets		
Purchases cash	(132)	
Depreciation	876	
	744	(215)
Changes in net current assets		
Increase in closing accruals	121	
Decrease in inventories	139	
	260	(144)
Direct expenditure	32,407	30,089
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	11,144	9,046
Notional rents	2,279	2,279
Net programme cost	45,830	41,414

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 23 borne elsewhere.

	2022	2021
	€000	€000
Vote 12 Superannuation and Retired Allowances	9,900	8,060
Vote 13 Office of Public Works	1,092	841
Vote 18 National Shared Services Office	55	51
Vote 24 Justice – Financial Shared Services Centre	97	94
	11,144	9,046

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	2,625	3,382
Current assets			
Bank and cash	2.2	1,258	1,514
Inventories	2.3	—	139
Prepayments	2.4	692	680
Accrued income		1	7
Other debit balance	2.5	162	79
Total current assets		2,113	2,419
Less current liabilities			
Accrued expenses	2.6	356	242
Other credit balances	2.7	1,315	1,462
Net Exchequer funding	2.8	105	131
Total current liabilities		1,776	1,835
Net current assets		337	584
Net assets		2,962	3,966
Represented by:			
State funding account	2.9	2,962	3,966

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	34,152	3,734	2,181	40,067
Additions	106	—	13	119
Assets brought into use	2,194	—	(2,194)	—
Disposals	—	(25)	—	(25)
Cost or valuation at 31 December 2022	36,452	3,709	—	40,161
Accumulated depreciation				
Opening balance at 1 January 2022	33,041	3,644	—	36,685
Depreciation for the year	855	21	—	876
Depreciation on disposals	—	(25)	—	(25)
Cumulative depreciation at 31 December 2022	33,896	3,640	—	37,536
Net assets at 31 December 2022	2,556	69	—	2,625
Net assets at 31 December 2021	1,111	90	2,181	3,382

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	793	877
Other commercial bank balances ^a	465	637
	1,258	1,514

Note ^a Included in other commercial bank balances is €453,000 owing to the Exchequer on 31 December 2022 in respect of registration fees collected. The remaining €12,000 is in an account used for the receipt of Department of Social Protection benefit payments. Not included are non-Exchequer balances held at the Central Bank (€6.28 million: 2021 €6 million) and Danske Bank (€25,968: 2021: €30,577) in respect of Ground Rent Scheme purchase moneys.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery	—	96
Miscellaneous supplies	—	40
IT consumables	—	3
	—	139

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

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software support	642	561
Estate management	2	16
Administration	48	103
	692	680

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Building charges recoupable	91	29
Payroll deductions held in suspense	33	50
Other debit balances	38	—
	162	79

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration expenses	184	64
ICT and telecommunications	59	87
Building expenses	113	91
	356	242

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	405	374
Pay related social insurance	251	217
Value added tax	38	47
Professional services withholding tax	—	4
Extra receipts payable to the Exchequer	453	637
	<u>1,147</u>	<u>1,279</u>
Payroll deductions held in suspense	168	183
	<u>1,315</u>	<u>1,462</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	3,168	1,933
Deferred surrender	—	100
Exchequer grant undrawn	<u>(3,063)</u>	<u>(1,902)</u>
Net Exchequer funding	<u>105</u>	<u>131</u>
Represented by:		
Debtors		
Bank and cash	1,258	1,514
Debit balances: suspense	<u>162</u>	<u>79</u>
	1,420	1,593
Creditors		
Due to the State	(1,147)	(1,279)
Credit balances: suspense	<u>(168)</u>	<u>(183)</u>
	(1,315)	(1,462)
	<u>105</u>	<u>131</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		3,966	3,607
Disbursements from the Vote			
Estimate provision	Account	34,471	
Deferred surrender	Account	100	
Surplus to be surrendered	Account	(3,168)	
Net vote		31,403	30,448
Expenditure (cash) borne elsewhere	1.1	11,144	9,046
Non cash expenditure – notional rent	1	2,279	2,279
Net programme cost	1	(45,830)	(41,414)
Balance at 31 December		2,962	3,966

2.10 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	478	594

2.11 Contingent liabilities

The Authority was involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

A payment of €325,000 was made in March 2023 as a result of loss suffered by reliance on the Register.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 23 Property Registration Authority is classified as administration expenditure applied towards a single programme: manage the Land Registry and the Register of Deeds.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,963	27,537	26,747
ii	Travel and subsistence	110	34	6
iii	Training and development and incidental expenses	1,570	1,237	1,227
iv	Postal and telecommunications services	900	800	825
v	Office equipment and external IT services			
	<i>Estimate provision</i>	2,951		
	<i>Deferred surrender</i>	100		
		3,051	1,946	1,956
vi	Office premises expenses	612	541	339
vii	Consultancy services and value for money and policy reviews	25	—	8
		35,231	32,095	31,108

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.57 million; outturn €1.237 million

The under-spend on this subhead arose as a result of a low level of section 120 compensation payments made in the year. See note 6.2.

v Office equipment and external IT services

Estimate provision €3.051 million; outturn €1.946 million

The ICT capital allocation was not utilised due to a deferral of certain expenditure and a change in software licencing arrangements from a multi annual to an annual basis.

Note 4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
Receipts from additional superannuation contributions on public service remuneration	660	692	660
Total	660	692	660

4.2 Extra receipts payable to the Exchequer

	2022 €000	2021 €000
Opening balance at 1 January	637	1,037
Land Registry and Registry of Deeds fees	75,252	70,934
Ground rent fees	57	53
Paid over to Exchequer ^a	(75,493)	(71,387)
Closing balance at 31 December	453	637

Note ^a Fees collected in respect of registration fees are remitted to the Exchequer on a weekly basis. At end December 2022, there were 117,276 applications for registration on hand (2021: 110,073 applications). The related fees received, estimated at €49 million (2021: €44.6 million) have been paid over to the Exchequer. Legal rights are protected from the date of lodgement of an application, rather than on completion of registration.

An online portal www.landdirect.ie is used by many PRA customers for lodging applications and conducting searches. (Of the fees remitted to the Exchequer in 2022, almost one third was lodged through customer landdirect accounts.) Customers lodge moneys to their landdirect accounts in advance. There were credit balances of €503,090 on the landdirect accounts at the end of the year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>505</u>	<u>492</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	24,646	24,628
Higher, special or additional duties allowances	11	13
Other allowances	93	69
Overtime	732	125
Employer's PRSI	2,055	1,912
Total pay	<u>27,537</u>	<u>26,747</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	5	—	8,755	8,302
Other allowances	26	1	10,282	5,047
Overtime	172	20	20,330	12,062
Extra remuneration in more than one category	17	5	22,380	14,651

5.4 Property Registration Authority staffing by pay bands

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

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	469	434
60,000	69,999	39	26
70,000	79,999	14	24
80,000	89,999	27	15
90,000	99,000	10	7
100,000	109,999	5	7
110,000	119,999	8	5
120,000	129,999	1	1
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	1
160,000	169,999	1	—

5.5 Remuneration and benefits of Accounting Officer

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

	2022	2021
	€000	€000
Basic pay	162	155

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

5.6 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	59	178,611	166,193
Recovery plans in place	20	81,766	89,541

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the PRA in the year

	Claims by employees (personal injury)	Section 120 and other related claims	Total 2022	Total 2021
Number of cases	4	15	19	5
	€000	€000	€000	€000
PRA's own legal costs	11	—	11	18
Payments by/on behalf of the PRA				
Compensation	42	142	184	97
Legal costs	13	—	13	68
Other costs	—	—	—	7
2022 total	66	142	208	190
2021 total	176	14	190	

Cumulative costs of cases completed in 2022

	Claims by employees (personal injury)	Section 120 and other related claims	Total
Number of cases	2	15	17
	€000	€000	€000
PRA's own legal costs	1	—	1
Payments by/on behalf of the PRA			
Compensation	42	142	184
Legal costs	13	—	13
Other costs	—	—	—
Total	56	142	198

6.2 Fraud and suspected fraud

The Office continues to manage a small number of cases of suspected fraudulent applications for registration. These cases remain under investigation. The cases may result in a payment under Section 120 of the Registration of Title Act 1964.

6.3 Dissolution of PRA and establishment of Tailte Éireann

As part of the Public Service Reform Programme, a Government decision was made to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority.

The Tailte Éireann Act 2022 provided for the dissolution of the PRA and OSI and the transfer of the functions of those bodies, along with the functions of the Commissioner of Valuation and the Boundary Surveyor, to Tailte Éireann. The dissolution and transfer took effect on 1 March 2023.

The core business of Tailte Éireann is to provide a system of registration of ownership to land in Ireland, to deliver to stakeholders accurate, up-to-date valuations of commercial and industrial properties and to create and maintain the definitive mapping records and physical infrastructure of the State.