

Appropriation Account 2022

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2022 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

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

A surplus of €24,000 is liable for surrender to the Exchequer.

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

Role of the Commission

The Irish Human Rights and Equality Commission is an independent statutory body, established on 1 November 2014 under the Irish Human Rights and Equality Commission Act 2014. The statutory mandate of the Commission is to protect and promote human rights and equality in Ireland and to build a culture of respect for human rights, equality and intercultural understanding. The Commission is Ireland's National Human Rights Institution and National Equality Body. It is also Ireland's National Rapporteur on Anti Human Trafficking.

The Commission has fifteen members, one of whom is the Chief Commissioner. The provisions of the Act are designed to ensure the independence of the Commission in its work. Members of the Commission are appointed by the President of Ireland, following a resolution by both Houses of the Oireachtas. The Commission is a body corporate. It accounts directly to the Oireachtas for its statutory functions and the members independently determine its policy and activities. The executive, led by the Director as Accounting Officer, implements the strategy and policies of the Commission.

The Commission must prepare every three years a strategy statement which must be laid before the Houses of the Oireachtas. The Commission's Strategy Statement 2022-2024 was laid before the Oireachtas in December 2021. The Commission must also, no later than six months after the end of each financial year, prepare an annual report on its activities which is laid before the Houses of the Oireachtas and is subsequently published.

Statement of Accounting Policies and Principles

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

Depreciation rate for leasehold improvements

Leasehold premises improvements are depreciated at a rate of 5% per annum on a straight line basis.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Shared services

Payroll and human resources services are provided to the Irish Human Rights and Equality Commission on a shared services basis by the National Shared Services Office. I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of payroll and human resources shared services.

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

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Irish Human Rights and Equality Commission
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Irish Human Rights and Equality Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal audit and Audit and Risk Committee

I confirm that the Irish Human Rights and Equality Commission has an internal audit function (currently outsourced) with appropriately trained personnel. Its work is informed by analysis of the financial risks to which the Irish Human Rights and Equality Commission is exposed and its annual internal audit plans, approved by me and the Audit and Risk Committee, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee.

I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

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

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

Non-compliance with procurement rules

The Commission complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €37,706 (exclusive of VAT). The contract for graphic design and print services was extended beyond its expiry date to meet the increased needs of the Irish Human Rights and Equality Commission awareness campaign. The value of the services obtained after the expiry date of the contract was €37,706. A detailed annual procurement plan has been developed which will assist in capturing effectively the Irish Human Rights and Equality Commission procurement requirements.

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

Risk and control framework

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

A risk register is in place which identifies the key risks facing the Irish Human Rights and Equality Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by senior management, the Audit and Risk Committee and the Irish Human Rights and Equality Commission regularly. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

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

Ongoing monitoring and review

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

Review of effectiveness

I confirm that the Irish Human Rights and Equality Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Irish Human Rights and Equality Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee and the senior management within the Irish Human Rights and Equality Commission responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

I took up responsibility as Accounting Officer on 19 September 2022 following the retirement of the former Accounting Officer, Mr. Laurence Bond.

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

Éimear Fisher

Accounting Officer

Irish Human Rights and Equality Commission

28 March 2023

Comptroller and Auditor General**Report for presentation to the Houses of the Oireachtas****Vote 25 Irish Human Rights and Equality Commission****Opinion on the appropriation account**

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2022 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

25 July 2023

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

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

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Irish Human Rights and Equality Commission function	7,614	7,610	6,817
Gross expenditure	7,614	7,610	6,817
<i>Deduct</i>			
B Appropriations-in-aid	81	101	76
Net expenditure	7,533	7,509	6,741

Surplus

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

	2022	2021
	€	€
Surplus to be surrendered	24,118	192,105

Éimear Fisher

Accounting Officer

Irish Human Rights and Equality Commission

28 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		4,474	3,642
Non pay		3,136	3,175
Gross expenditure		7,610	6,817
<i>Deduct</i>			
Appropriations-in-aid		101	76
Net expenditure		7,509	6,741
Changes in capital assets			
Depreciation	170	170	38
Changes in net current assets			
Increase in closing prepayments	(199)		
Increase / decrease in closing accruals	273	74	(286)
Direct expenditure		7,753	6,493
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		106	88
Net programme cost		7,859	6,581

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

		2022	2021
		€000	€000
Vote 18	National Shared Services Office	9	9
Vote 43	Office of the Government Chief Information Officer	97	79
		106	88

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,473	1,643
Current assets			
Bank and cash		59	83
Prepayments	2.2	664	465
Net Exchequer funding	2.6	164	75
Other debit balances	2.3	9	1
Total current assets		896	624
Less current liabilities			
Accrued expenses	2.4	296	23
Other credit balances	2.5	232	159
Total current liabilities		528	182
Net current assets		368	442
Net assets		1,841	2,085
Represented by:			
State funding account	2.7	1,841	2,085

2.1 Capital assets

	Leasehold improvements	Furniture and fittings	IT and office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022 ^a	1,746	360	476	2,582
Additions	—	—	—	—
Cost or valuation at 31 December 2022	1,746	360	476	2,582
Accumulated depreciation				
Opening balance at 1 January 2022	508	205	226	939
Depreciation for the year	87	36	47	170
Cumulative depreciation at 31 December 2022	595	241	273	1,109
Net assets at 31 December 2022	1,151	119	203	1,473
Net assets at 31 December 2021	1,238	155	250	1,643

Note ^a A threshold of €10,000 for the capitalisation of capital assets for asset additions has been applied from 1 January 2021. The opening balance asset valuation, based on historic cost, included assets valued at less than €10,000.

2.2 Prepayments

at 31 December	2022 €000	2021 €000
Training and development and incidental expenses	500	341
Office premises expenses	114	98
Office equipment and external IT services	47	21
Travel and subsistence	2	—
Postal and telecommunications services	1	—
Consultancy and VFM and policy reviews	—	5
	664	465

2.3 Other debit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Tax saver ticket	4	—
Payroll debtors	3	—
Cycle to work scheme	2	1
	9	1

2.4 Accrued expenses

at 31 December	2022	2021
	€000	€000
Consultancy and VFM and policy reviews	145	—
Office premises expenses	82	5
Training and development and incidental expenses	44	6
Office equipment and external IT services	19	10
Postal and telecommunications services	3	2
Travel and subsistence	3	—
	296	23

2.5 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Professional services withholding tax	88	47
Income tax	71	52
Pay related social insurance	53	40
Universal social charge	14	10
Value added tax	5	8
Salaries	1	1
Tax saver ticket	—	1
	232	159

2.6 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	24	192
Exchequer grant undrawn	(188)	(267)
Net Exchequer funding	(164)	(75)
Represented by:		
Debtors		
Bank and cash	59	83
Debit balances	9	1
	68	84
Creditors		
Due to the State	(232)	(159)
	(232)	(159)
	(164)	(75)

2.7 State funding account

	Note	2022	2021
		€000	€000
Net assets at 1 January		2,085	1,837
Disbursements from the Vote			
Estimate provision	Account	7,533	
Surplus to be surrendered	Account	24	
Net vote		7,509	6,741
Expenditure (cash) borne elsewhere	1.1	106	88
Net programme cost	1	(7,859)	(6,581)
Balance at 31 December		1,841	2,085

2.8 Commitments

Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services ^a	1,306	1,740
Non-capital grant programmes	284	101
Legal and other projects	35	138
Total of legally enforceable commitments	1,625	1,979

Note ^a Lease of premises commitment is €393,897 per year up to 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 25 Irish Human Rights and Equality Commission is classified as administration expenditure applied towards a single programme: Irish Human Rights and Equality Commission function.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	4,356	4,474	3,642
ii	Travel and subsistence	30	35	4
iii	Training and development and incidental expenses	1,887	1,571	1,638
iv	Postal and telecommunications services	47	71	75
v	Office equipment and external IT services	244	289	320
vi	Office premises expenses	600	515	511
vii	Consultancy services and value for money and policy reviews	450	655	627
		7,614	7,610	6,817

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €450,000; outturn €655,000

The increase on expenditure of €205,000 on consultancy services and policy review was due to increased specialist legal assistance required to support our increased human rights and equality litigation activity pursued by IHREC in accordance with its statutory functions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	81	88	73
2	Miscellaneous	—	13	3
Total		81	101	76

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>82</u>	<u>73</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	4,031	3,288
Higher, special or additional duties allowances	22	13
Overtime	—	1
Employer's PRSI	421	340
Total pay	<u>4,474</u>	<u>3,642</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	3	1	13,176	12,740
Overtime	—	—	—	934

5.4 Other remuneration arrangements

In 2022, one retired civil servant in receipt of a civil service pension was re-engaged at a total cost of €33,600. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Commission staffing by pay band

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

Pay band (€)		Number of employees	
From	To	2022	2021
20,000	59,999	56	49
60,000	69,999	4	3
70,000	79,999	6	4
80,000	89,999	3	1
90,000	99,999	1	3
100,000	109,999	2	—
110,000	119,999	—	2
120,000	129,999	2	—
130,000	139,999	—	—
140,000	149,999	—	1
150,000	159,999	1	—

5.6 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	8	12,087	4,225
Overpayments with recoupment plans in place.	3	3374	4,225

The Irish Human Rights and Equality Commission is engaging with the National Shared Services Office to implement the recoupment plans in place.

5.7 Remuneration and benefits of Accounting Officer

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

	2022	2021
	€000	€000
Basic pay		
Laurence Bond (retired 31 December 2022)	112	101
Éimear Fisher (appointed 19 September 2022)	30	—
Allowances	17	25
	159	126

Éimear Fisher was appointed as an interim Accounting Officer for a period of nine months.

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

Laurence Bond was a member of the pre-2004 superannuation scheme for non-established State employees, and his entitlements to retirement benefits did not extend beyond the terms of that scheme.

Éimear Fisher is a member of the post 1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that scheme.