

Appropriation Account 2022

Vote 28

Foreign Affairs

Introduction

As Accounting Officer for Vote 28, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2022 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administered by that Office, including grants and contributions to international organisations.

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 €15.838 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.

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 exception of the following.

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost until such time as the next relevant valuation.

The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of each month. Foreign exchange transactions completed by headquarters are recorded at the rate at date of settlement of the transaction. All foreign currencies held in the Department's diplomatic missions' bank accounts have been revalued using European Central Bank rates as at 31 December 2022.

Accrued expenses, prepayments and commitments at diplomatic missions

Accrued expenses, prepayments and commitments do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental.

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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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 is kept under ongoing review.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Department and the National Shared Services Office for the provision of payroll and human resource functions.

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 Department.

Financial control environment

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

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

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place. It includes the following and, in particular, that

- there is segregation of duties and system of delegation and accountability
- 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 setting out financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter that I have approved. Its work is informed by analysis of the risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. The annual 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Procurement

I confirm that the Department 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 Department has provided details of 19 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 Department complied with the relevant guidelines, with the exception of six contracts (in excess of €25,000 Ex VAT), totalling €658,362.

Four contracts (€558,898) which had previously been awarded under a competitive tender process were extended beyond the original contract date without a competitive process. Three contracts will be tendered by the Department in Q3 2023 and the other contract is currently in a tender process using an OGP central government framework.

Two contracts (€99,464) were awarded without a competitive tendering process and will be tendered during 2023.

Missions' tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's internal audit function includes a review of compliance with local taxes in each mission's internal audit review. The Department also provides guidance on local tax rules as part of its training programme for staff in advance of overseas postings.

Risk and control framework

The Department 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 Department and these have been identified, 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. Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit plan.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated in a timely manner to those responsible for taking corrective action and to management and the Management Board. 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 Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Passport refunds overpayments

The Department refunds passport applicants where a passport application is unsuccessful, where an application has been cancelled or where a customer has paid the relevant fee more than once, for example due to multiple applications through different application channels. The volume of refunds issued by the Passport Service has increased significantly since 2021, as a result of COVID-19. As most overseas travel was not possible during 2020 and parts of 2021, passport applications did not progress and refunds fell due to many customers. Refunds peaked in 2022, due to an overall increase in the volume of applications being processed, as well as an increase in simultaneous applications through two or three different passport application channels, when turnaround times were particularly long. Refunds continued at a high level in 2023 as the arrears of refunds were processed.

In early 2023, the Department identified an issue whereby duplicate refunds were processed due to a systems error that was triggered when the volume of refunds exceeded a system threshold. A total of 1,260 payees received overpayments of duplicate refunds. The bulk of these overpayments were in 2022-2023, with a much smaller number in 2019, when applications through multiple channels first began to be seen at peak times, following the introduction of online applications for all applicants in Ireland. No overpayments occurred in other years. The total value of overpayments identified is €121,014 (2019: €1,738; 2022: €53,620; 2023: €65,656).

The error was confined to the system in place for applications by post. No errors were identified on the online passport application system. The Department has acted to correct the system errors to prevent future overpayments of passport refunds.

Joe Hackett

Accounting Officer

Department of Foreign Affairs

31 July 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 28 Foreign Affairs 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 28 Foreign Affairs 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 Department of Foreign Affairs 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 material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2022.

Passport refunds overpayments

The Accounting Officer has disclosed in the statement on internal financial control that, due to a control failure, there were duplicate payments totalling €121,000 in respect of certain refunds of passport application fees.

The passport service

Chapter 7 of my report on the accounts of the public services for 2022 reviews the systems in place in respect of the passport service.

Seamus McCarthy

Comptroller and Auditor General

3 August 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 28 Foreign Affairs

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	To serve our people at home and abroad and to promote reconciliation and co-operation ('Our people')			
	<i>Original</i>	103,759		
	<i>Supplementary</i>	13,895		
			117,654	122,773
				86,562
B	To protect and advance Ireland's values and interests in Europe ('Our place in Europe')			
	<i>Original</i>	39,130		
	<i>Supplementary</i>	905		
			40,035	40,039
				34,430
C	To work for a fairer, more just, secure and sustainable world ('Our values')			
	<i>Original</i>	62,357		
	<i>Supplementary</i>	67,590		
			129,947	128,773
				54,928
D	To advance Ireland's prosperity by promoting our economic interests internationally ('Our prosperity')			
	<i>Original</i>	44,340		
	<i>Supplementary</i>	(156)		
			44,184	43,719
				39,099
E	To strengthen our influence and capacity to deliver our goals ('Our influence')			
	<i>Original</i>	66,809		
	<i>Supplementary</i>	1,766		
			68,575	60,875
				51,331

Gross expenditure

	<i>Original</i>	316,395			
	<i>Supplementary</i>	<u>84,000</u>			
			400,395	396,179	266,350
<i>Deduct</i>					
F Appropriations-in-aid			65,000	78,872	51,169
Net expenditure					
	<i>Original</i>	251,395			
	<i>Supplementary</i>	<u>84,000</u>			
			335,395	317,307	215,181

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. €2.25 million of unspent allocations in respect of the capital elements of administration subhead 'office premises expenses' were carried forward to 2023.

	2022	2021
	€	€
Surplus	18,087,679	21,578,623
Deferred surrender	<u>(2,250,000)</u>	<u>—</u>
Surplus to be surrendered	<u>15,837,679</u>	<u>21,578,623</u>

Joe Hackett

Accounting Officer
Department of Foreign Affairs

31 July 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		159,662	72,157
Pay		119,346	109,160
Non pay		117,171	85,033
Gross expenditure		396,179	266,350
<i>Deduct</i>			
Appropriations-in-aid		78,872	51,169
Net expenditure		317,307	215,181
Changes in capital assets			
Purchases cash	(9,280)		
Disposals cash	55		
Profit on disposals	(37)		
Depreciation	2,483	(6,779)	191
Changes in net current assets			
Decrease in closing accruals	(252)		
Increase in closing prepayments	(1,688)		
Decrease in inventories	3,635	1,695	8,108
Direct expenditure		312,223	223,480
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		28,775	24,500
Notional rents		3,311	3,209
Net programme cost		344,309	251,189

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere, net of costs of shared services provided to other Votes.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	82	60
Vote 12	Superannuation and Retired Allowances	22,130	18,233
Vote 13	Office of Public Works	5,660	5,263
Vote 18	National Shared Services Office	197	165
Vote 20	Garda Síochána	235	159
Vote 43	Office of the Government Chief Information Officer	148	249
	Central Fund – ministerial pensions	433	405
	Costs of shared services provided to other Votes	(110)	(34)
		28,775	24,500

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	200,285	193,506
Current assets			
Inventories	2.3	7,505	11,140
Prepayments	2.4	9,605	7,917
Other debit balances	2.5	9,503	7,013
Total current assets		26,613	26,070
Less current liabilities			
Bank and cash	2.2	4,220	1,728
Accrued expenses	2.6	2,421	2,673
Other credit balances	2.7	4,034	3,780
Net Exchequer funding	2.8	1,249	1,505
Total current liabilities		11,924	9,686
Net current assets		14,689	16,384
Net assets		214,974	209,890
Represented by:			
State funding account	2.9	214,974	209,890

2.1 Capital assets

	Land and buildings	Motor Vehicles	Furniture and Fittings	Office equipment	Assets under development ^a	Total
	€000	€000	€000	€000	€000	€000
Gross assets ^b						
Cost or valuation at 1 January 2022	186,105	2,805	7,644	64,123	1,740	262,417
Additions	1,173	485	57	496	7,069	9,280
Disposals	—	(256)	(358)	(26)	—	(640)
Cost or valuation at 31 December 2022	187,278	3,034	7,343	64,593	8,809	271,057 ^b
Accumulated depreciation						
Opening balance at 1 January 2022	—	2,096	6,777	60,038	—	68,911
Depreciation for the year	—	402	39	2,042	—	2,483
Depreciation on disposals	—	(256)	(340)	(26)	—	(622)
Cumulative depreciation at 31 December 2022	—	2,242	6,476	62,054	—	70,772
Net assets at 31 December 2022	187,278	792	867	2,539	8,809	200,285
Net assets at 31 December 2021	186,105	709	867	4,085	1,740	193,506

Notes ^a Assets under development represents assets for the Passport Service and the construction of Ireland House in Tokyo currently in progress. These assets represent projects that were not complete at 31 December 2022.

^b Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2020.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	(23,794)	(26,238)
Commercial bank account balances	2,595	6,345
Mission bank balances and cash	16,979	18,165
	(4,220)	(1,728)

2.3 Inventories ^a

at 31 December	2022	2021
	€000	€000
Passport books and cards	7,466	11,059
Protocol stocks	39	18
Stationery	—	15
Prepaid postage	—	5
IT consumables	—	43
	7,505	11,140

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

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Mission rents	2,090	1,671
Contributions to international organisations	2,205	3,384
Other prepayments	5,310	2,862
	9,605	7,917

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Departmental and agency accounts	7,728	5,419
Imprest and personal suspense accounts	1,345	1,081
Salary advance accounts	3	5
Repatriations ^a	124	135
Payroll control accounts	356	317
Honorary consulate debtors	(60)	47
Other balances	7	9
	9,503	7,013

Note ^a In 2020 and 2021, €1.6 million was spent on emergency repatriation costs due to Covid-19. To date, €1 million has been recouped (including €436,000 from the EU). In previous years, the following was charged to programme A.4: 2021: €41,000; 2020: €347,000.

2.6 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration accruals	1,496	1,801
Programme accruals	819	789
Travel and subsistence accruals	106	83
	2,421	2,673

2.7 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,409	1,284
Pay related social insurance	1,098	941
Universal social charge	301	261
Local property tax	8	9
Value added tax	30	17
Professional services withholding tax	222	225
	3,068	2,737
 Sundry creditors	 966	 1,043
	4,034	3,780

2.8 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus to be surrendered	15,838	21,579
Deferred surrender	2,250	—
Exchequer grant undrawn	(16,839)	(20,074)
Net Exchequer funding	1,249	1,505
Represented by:		
Debtors		
Other debit balances	9,503	7,013
Creditors		
Bank and cash	(4,220)	(1,728)
Due to the State	(3,068)	(2,737)
Other credit balances	(966)	(1,043)
	(8,254)	(5,508)
	1,249	1,505

2.9 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		209,890	191,377
Disbursements from the Vote			
Estimate provision	Account	335,395	
Surplus to be surrendered	Account	(15,838)	
Deferred surrender	Account	(2,250)	
Net vote		317,307	215,181
Expenditure (cash) borne elsewhere	1.1	28,775	24,500
Non cash expenditure – notional rent	1	3,311	3,209
Non-cash items – capital assets adjustments		—	26,812
Net programme cost	1	(344,309)	(251,189)
Balance at 31 December		214,974	209,890

2.10 Commitments

Commitments include those amounts for which the Department may be legally liable in 2023 and subsequent years under binding enforceable contracts.

at 31 December	2022	2021
	€000	€000
Lease commitments ^a	83,590	85,579
Procurement of goods and services	14,376	14,710
Total commitments	97,966	100,289

Note ^a Property lease commitments are offset by prepayments. Prepaid rents amounted to €2.09 million (2021: €1.671 million) which is included in the prepayments figure of €9.605 million (note 2.4). Lease commitments at 31 December 2022 reflect total future commitments under legally binding lease agreements.

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>	116,837		
	<i>Supplementary</i>	<u>3,000</u>		
			119,837	109,160
ii	Travel and subsistence		6,550	4,716
iii	Training and development and incidental expenses		6,950	3,851
iv	Postal and telecommunications services			
	<i>Original</i>	6,950		
	<i>Supplementary</i>	<u>1,500</u>		
			8,450	4,797
v	Office equipment and external IT services			
	<i>Original</i>	24,890		
	<i>Supplementary</i>	<u>9,000</u>		
			33,890	26,327
vi	Office premises expenses			
	<i>Original</i>	47,065		
	<i>Supplementary</i>	<u>1,998</u>		
			49,063	31,953
vii	Consultancy services and value for money and policy reviews		100	79
viii	Posting supports			
	<i>Original</i>	13,597		
	<i>Supplementary</i>	<u>1,002</u>		
			14,599	13,310
			239,439	194,193
			236,517	

Significant variations

The following outlines the reasons for significant variations in admin expenditure (+/- 25% and €100,000) compared to the original provision.

v Office equipment and external IT services

Estimate provision €24.89 million; outturn €35.519 million

The additional spend of €10.629 million arose due primarily to advance purchases of passport books and the chips used therein. These purchases were deemed necessary in order to guarantee that the Passport Office has sufficient supply of passports books to meet expected demand in 2023, in the context of a global shortage of chips and other supply chain issues.

Programme A Our people

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	Original	30,950		
	Supplementary	795		
			31,745	31,615
				28,868
A.2	Administration – non pay			
	Original	38,936		
	Supplementary	11,600		
			50,536	56,458
				36,076
A.3	Fulbright Commission		404	404
A.4	Emergency consular assistance		79	76
				53
A.5	Support for Irish emigrant services			
	Original	12,595		
	Supplementary	1,500		
			14,095	13,959
				12,912
A.6	North-South and Anglo-Irish co-operation		5,045	5,031
				4,895
A.7	International Fund for Ireland		4,650	4,650
				2,650
A.8	Diaspora affairs		1,100	725
				704
A.9	Covid contingency		10,000	9,855
				—
			117,654	122,773
				86,562

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

A.5 Support for Irish emigrant support services

Estimate provision €12.595 million; outturn €13.959 million

The additional spend of €1.364 million arose due to adverse currency movements and inflationary pressures affecting beneficiaries of emigrant support programmes in the UK, the US and other parts of the world.

A.8 Diaspora affairs

Estimate provision €1.1 million; outturn €725,000

The underspend of €375,000 arose due to an over-estimation of funds required, including in relation to the 'Back for Business' programme.

Programme B Our place in Europe

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	Original	26,800		
	Supplementary	688		
		27,488	27,376	24,945
B.2	Administration – non pay			
	Original	7,697		
	Supplementary	217		
		7,914	7,489	5,892
B.3	Actions consequent on Title V of the Treaty on European Union	418	299	284
B.4	EU engagement	1,215	1,647	1,014
B.5	Irish personnel in EU and international institutions	3,000	3,228	2,295
		40,035	40,039	34,430

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

B.3 Actions consequent on Title V of the Treaty on European Union

Estimate provision €418,000; outturn €299,000

The underspend of €119,000 arose due to mandatory contributions to the EU which were previously paid from subhead B.3 but are now being paid from subhead C.3, resulting in an underspend in B.3. This change will be reflected in the 2024 budgetary process.

B.4 EU engagement

Estimate provision €1.215 million; outturn €1.647 million

The additional spend of €432,000 arose in the context of Ireland's Presidency of the Committee of Ministers of the Council of Europe from May to November 2022 and in relation to EU50, a programme of events to mark 50 years of Ireland's membership of the EU.

B.5 Irish personnel in EU and international institutions

Estimate provision €3 million; outturn €3.228 million

The additional spend of €228,000 arose due to the late submission of claims for recoupment from other departments relating to 2021.

Programme C Our values

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	Original	14,537		
	Supplementary	373		
		14,910	14,849	13,578
C.2	Administration – non pay			
	Original	7,617		
	Supplementary	217		
		7,834	7,415	6,124
C.3	Contributions to international organisations			
	Original	40,203		
	Supplementary	67,000		
		107,203	106,509	35,226
		129,947	128,773	54,928

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

C.3 Contributions to international organisations

Estimate provision €40.203 million; outturn €106.509 million

The original provision was exceeded by €66.306 million for a number of reasons, notably a decision to provide significant institutional support for the stability of the governments of Ukraine and Moldova; an increase in Ireland's mandatory contributions to the UN, primarily in respect of peacekeeping costs, which can fluctuate significantly; higher than anticipated contributions to the European Peace Facility, in the light of the Russian invasion of Ukraine; and a decision to provide additional voluntary contributions to the International Criminal Court.

Programme D Our prosperity

			2022	2021
			Estimate provision	Outturn
			€000	€000
D.1	Administration – pay			
	<i>Original</i>	23,400		
	<i>Supplementary</i>	601		
			24,001	23,903
D.2	Administration – non pay			
	<i>Original</i>	8,595		
	<i>Supplementary</i>	243		
			8,838	8,364
D.3	Promoting Ireland			
	<i>Original</i>	9,116		
	<i>Supplementary</i>	(1,000)		
			8,116	7,941
D.4	Contributions to national and international organisations		3,229	3,511
			44,184	43,719
				39,099

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

D.3 Promoting Ireland

Estimate provision €9.116 million; outturn €7.941 million

The underspend of €1.175 million was due to a reduction in promotional activity during 2022.

D.4 Contributions to national and international organisations

Estimate provision €3.229 million; outturn €3.511 million

The additional spend of €282,000 arose due to higher than anticipated assessed contributions to the OECD. The level of Ireland's contributions only became clear in early 2022.

Programme E Our influence

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay			
	<i>Original</i>	21,150		
	<i>Supplementary</i>	<u>543</u>		
		21,693	21,603	19,764
E.2	Administration – non pay			
	<i>Original</i>	43,257		
	<i>Supplementary</i>	<u>1,223</u>		
		44,480	37,445	29,704
E.3	Information services	<u>2,402</u>	<u>1,827</u>	<u>1,863</u>
		<u>68,575</u>	<u>60,875</u>	<u>51,331</u>

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The variation in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

E.3 Information services

Estimate provision €2.402 million; outturn €1.827 million

The underspend of €575,000 arose due to reduced expenditure on planned Brexit and Covid public campaigns.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Passports, visa and other consular services	61,570	74,774	46,857
2	Repayments of repatriation and maintenance advances	30	—	—
3	VAT refunds to diplomatic missions	500	1,081	1,287
4	Miscellaneous	500	422	678
5	Receipts from additional superannuation contributions on public service remuneration	2,400	2,595	2,347
Total		65,000	78,872	51,169

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.87 million more than the estimate. Explanations for variances are set out below:

1 Passports, visa and other consular services

Estimate €61.57 million; realised €74.774 million

Income was ahead by €13.2 million due to the significant increase in the volume of passport applications. As the passport service is a demand-led service, it is difficult to project with certainty the level of applications that will be received in any given year.

3 VAT refunds to diplomatic missions

Estimate €500,000; realised €1.081 million

Income was ahead by €581,000 due to higher than anticipated VAT and sales tax refunds from foreign governments to missions overseas.

5 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.4 million; realised €2.595 million

The increase of €195,000 arose as receipts were more than anticipated due to higher payroll costs arising from national pay agreements.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>2,253</u>	<u>2,059</u>

5.2 Pay

	2022	2021 ^a
	€000	€000
Pay	102,076	87,254
Higher, special or additional duties allowances	535	196
Other allowances	11,519	10,670
Overtime	1,660	1,179
Employer's PRSI	7,648	6,066
Foreign social security/health insurance (missions)	4,089	3,795
Total pay ^b	<u>127,527</u>	<u>109,160</u>

Note ^a Comparative 2021 figures were restated for consistency with the basis of analysis in 2022.

^b Total pay includes administration pay (A.1, B.1, C.1, D.1 and E.1) and the pay elements of subhead A.9 Covid contingency. The amount included for pay in Note 1 and Note 3 refers to administrative subheads only.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021 ^a
			€	€
Higher, special or additional duties	108	14	54,939	22,002
Other allowances	586	378	89,842	103,556
Overtime	465	47	44,833	46,513
Extra remuneration in more than one category	117	52	63,584	49,189

Note ^a Comparative 2021 figures were restated for consistency with the basis of analysis in 2022.

5.4 Department staffing by pay band

The number of Department 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	1,093	967
60,000	69,999	100	71
70,000	79,999	95	86
80,000	89,999	64	58
90,000	99,999	57	46
100,000	109,999	56	57
110,000	119,999	36	36
120,000	129,999	36	36
130,000	139,999	24	17
140,000	149,999	15	13
150,000	159,999	16	11
160,000	169,999	12	12
170,000	179,999	5	2
180,000	189,999	3	10
190,000	199,999	9	2
200,000	209,999	2	2
210,000	219,999	4	—
220,000	229,999	1	1
230,000	239,999	—	2
240,000	249,999	1	—
250,000	259,999	1	1
260,000	269,999	1	—
270,000	279,999	—	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 €3,565. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and other Provisions) Act 2012 (2021: €67,133).

5.6 Overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	84	123,127	118,666
Recovery plans in place	30	45,932	62,239

Overpayment recovery plans in respect of seven individuals to the value of €3,140 were transferred to other government bodies during the year.

5.7 Remuneration and benefits of Accounting Officer

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

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>203</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants 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 incurred during the year

	Claims by Employees	Members of the public	Total 2022	Total 2021
Number of cases	1	11	12	10
	€000	€000	€000	€000
Department's own legal costs	13	16	29	40
Payments by/on behalf of Department				
Compensation	15	91	106	5
Legal costs	—	—	—	—
Other costs	—	4	4	—
2022 Total	28	111	139	45
2021 Total	—	45	45	

6.2 Late payment penalties

	2022	2021
	€	€
Interest and compensation	13,532	8,936

6.3 Passport Service operating cost statement ^a

		2022
		Outturn
	€000	€000
Direct expenditure		
Payroll costs		
Permanent staff	19,860	
Temporary staff	8,867	
		28,727
Passport books and cards		16,264
Office operating costs		8,703
Postage and telecoms		4,127
Other operational costs		731
Premises and utility costs		697
Travel and subsistence		44
Total ^b		59,293

Note ^a This statement covers direct costs (e.g. postage, building utility costs, operating costs, etc.) incurred by the passport offices. It does not include any allocation of indirect costs incurred by central services e.g. ICT, HR, finance, corporate services, etc.

^b Total costs include costs related to subhead A.9 Covid contingency, €9.855 million in 2022. This subhead was created in order to assist the Department with the clearance of the passport backlogs which emerged due to Covid-19.

Appendix A Accounts of Bodies and Funds under the Aegis of the Department of Foreign Affairs

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2023, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Ireland–United States Commission for Educational Exchange (Fulbright Commission) ^a	1 Oct 2021 – 30 Sep 2022	7 Mar 2023	7 Mar 2023	7 Mar 2023

Note ^a The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Government and supports study, research, teaching and other educational activities between Ireland and the United States. The Commission receives annual funding from the Department and further funding from other sources.