

Appropriation Account 2022

Vote 40

Children, Equality, Disability, Integration and Youth

Introduction

As Accounting Officer for Vote 40, 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 Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of 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 €86.718 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.

The Russian invasion of Ukraine in February 2022 resulted in significant operational challenges for the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) as it sought to provide emergency short-term accommodation and assistance for more than 55,000 beneficiaries of temporary protection (BOTPs). This event severely increased the pressures and demands on the work of the Department at a time when the number of international protection applicants also increased significantly. There was no provision for Ukraine spending in the 2022 estimate for the Vote, but the Department secured a supplementary estimate later in the year to ensure it could meet all its financial liabilities.

Statement of Accounting Policies and Principles

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

Depreciation

Assets are depreciated annually on a straight-line basis over their estimated useful life, with a full year's depreciation charged in the year of purchase and none in year of disposal.

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated. Motor vehicles are depreciated over five years at a rate of 20% per annum.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see note 6.1).

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. 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

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements for this Department for the provision of ICT shared services, and the National Shared Services Office for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice in respect of the Oberstown Children Detention Campus.

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. The Director of Oberstown Children Detention Campus also holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and youth related programmes. In 2022, net funding of €745 million was advanced to Pobal in this regard (note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement (SLA) which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The current SLA is in place until 31 December 2024. This ensures that Pobal can continue to engage the requisite staff and external contract services required to support the sector.

An independent Review of the Early Learning and Care (ELC) and School-Age Childcare (SAC) operating model was undertaken by Indecon Economic Consultants in 2022. The review, published on 30 March 2022, concluded that a new dedicated State agency under the remit of the Minister for Children, Equality, Disability, Integration and Youth (the Minister) is the optimal operating model for the ELC and SAC sector for the years ahead. This agency would undertake the functions currently carried out by Pobal Early Years (including Better Start), the 30 City/County Childcare Committees, as well as operational functions undertaken by the Department. Following publication of the review, the Department commenced a design and implementation planning phase of this reform project. A programme board has been appointed to oversee this work and comprises inter-departmental representatives alongside several external experts. A full agency design and implementation plan will then be presented to Government for approval.

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.
- The senior management of the Department sign off on financial control assurance statements in relation to their individual areas of responsibility. These statements are available to me as Accounting Officer in finalising the appropriation account.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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 are in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel and operates in accordance with a written Charter which is approved by the Accounting Officer. The function's work is informed by analysis of the risks to which the Department is exposed. Its annual audit plans, which are approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. On a periodic basis I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are considered by the Department's Management Board.

The Head of Internal Audit is a professional accountant and has a staffing complement of two higher executive officers and two executive officers. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to Department of Public Expenditure, National Development Plan Delivery and Reform and Chartered Institute of Internal Auditors (CIIA) standards. In addition to its ongoing duties, Internal Audit has been designated by the Minister as the Audit Authority for the Asylum, Migration and Integration Fund (AMIF). The internal audit function is reviewed periodically by me and by the Audit Committee. The function was subject to an external quality review in February 2020 by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

The internal audit plan for 2022 was approved by me on 20 June 2022. During 2022, internal audit issued eight reports. On no occasion was a 'no assurance' or a 'limited assurance' audit opinion made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately followed up.

Procurement

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 62 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 guidelines with the exception of 62 contracts (in excess of €25,000), totalling €111,579,196 (exclusive of VAT) in 2022, as set out below:

- Sixty contracts with a combined value of €111,403,302 relating to the provision of international protection accommodation services
- One contract with a value of €106,394 regarding the software and support for the Department's financial management system
- One contract with a value of €69,500 related to the Commission of Investigation into Mother and Baby Homes.

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

The increase in non compliant procurement can be attributed to the significant increase in international protection applicants since the lifting of Covid travel restrictions.

The Department has taken steps to address the issue of non-compliant procurement in relation to International protection accommodation services. A request for tenders to set up a bespoke panel arrangement for the provision of accommodation and related services for persons seeking international protection in accordance with Regulations 74-77 of the European Union (Award of Public Authority Contracts) Regulations 2016 (SI 284/2016), was published in the Official Journal of the European Union in January 2022 and republished in October 2022. To date, this tendering process has failed to deliver sufficient capacity to meet demand. As a result, the Department has no option but to continue to source required additional accommodation and other supports on an emergency basis, through negotiated procurement procedures.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level. The Minister is briefed on corporate risk on a regular basis.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and unit level risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk and is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we have no tolerance for risks which infringe on our operating procedures or regulatory requirements.

Ongoing monitoring and review

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

Review of effectiveness

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 controls 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.

Internal financial control issues***Impact of Russian invasion of Ukraine on the Department***

The urgent demand for emergency accommodation and support for over 55,000 Ukrainian BOTPs had a very significant impact on the Department in 2022.

Of these, more than 46,400 were in serviced accommodation (hotels, bed and breakfasts, etc.) at the end of the year and approximately 1,630 were in emergency accommodation. This unprecedented level of activity required the setting up and resourcing of teams recruited via various means including drawing from Public Appointments Service panels, internal staff reassignments, recruitment of temporary clerical officers and contracted staff, and availing of staff on secondment or temporary assignment from other departments and offices. As of the January 2023, there were over 130 staff assigned to the Ukraine team.

The provision of accommodation for BOTPs is a demand-led, time urgent and highly responsive service with immediate requirements determined by fluctuating and growing numbers of arrivals from Ukraine. In 2022, approximately 70 per cent of arriving BOTPs sought short term accommodation from the State and procuring sufficient bed space to keep pace with incoming arrivals was extremely challenging. The Department operated in accordance with an EU Commission communication of 1 April 2022 in relation to the urgent need to provide shelter, supply and services.

The timely payment of invoices from suppliers in respect of accommodation and support services for BOTPs also proved very challenging. The Department is committed to ensuring that invoices are paid promptly while also ensuring that appropriate financial procedures are followed.

In 2022, the number of invoices paid per month rose from 381 in January to 1,011 in December, due mainly to the accommodation of BOTPs. Increased resources were allocated to the checking and authorising of invoices, but it was difficult to manage this level of payments using the same manual process used in previous years.

As a result of the increased volume of invoices, there were three instances of overpayments in 2022 to a combined value of €1.85 million. There was no monetary loss as a consequence. In two cases, the overpayment was offset against subsequent invoices and in the third case, the full amount was paid back by the recipient.

Optimisation of the relevant business process commenced in early 2023. Changes have been introduced to enhance payment validation and authorisation, and to address the reasons for the payment errors. A further project is currently under development to overhaul the Department's system for receiving and processing invoices.

The Department's risk register was updated to reflect the impact the conflict in Ukraine had on the Department.

Early Years — compliance with programme rules

The impact of Covid-19 on the operation of the various Early Learning and Care (ELC) and School Age Childcare (SAC) schemes significantly reduced in 2022 transitioning from desk based compliance checks borne from the impact of Covid-19. On-site announced compliance checks re-commenced in November 2021 and remained in operation until April 2022. Unannounced on-site inspections resumed from April 2022 for the remainder of the 2021/22 programme cycle. Business as usual for the 2022/23 compliance cycle resumed in September 2022, ensuring all unannounced compliance checks could be carried out on-site.

For the 2022 calendar year, consisting of two programme years (2021/22 and 2022/23), of the service providers contracted to deliver the National Childcare Scheme (NCS), 367 were inspected. The over-claims rate as a percentage of the allocation inspected was 0.68%. All identified over-claims are earmarked for recoupment against future funding. The average number of non-compliances was just over 3 out of 28 checks per service, 89% of services having 3 or fewer instances of non-compliance. Following a non-compliance outcome under NCS, service providers are required to take rectification actions and to submit self-declarations of future compliance. 98% of services inspected in 2022 took the requisite rectification actions.

In relation to the Early Childhood Care and Education (ECCE) programme, of the 473 inspections conducted for the calendar year up to November 2022, 16% were found to be 'major non-compliant' where major non-compliance reflects the compliance issues of greatest significance to Exchequer funding, including attendance record requirements, facilitating a compliance visit, and where more than 20% of child registrations require updating. The over-claim rate was 0.25% of the total funding allocation inspected. In relation to the Community Childcare Subvention Plus (CCSP) Savers scheme, of the 109 services inspected, 20% were found to be 'major non-compliant'. The over-claim rate from the total funding allocation checked was 4.27%.

There were a number of positive developments during the 2022 calendar year. The Compliance Unit streamlined the 28 NCS inspection checks. The reduction of checks is aimed to bring greater effectiveness and efficiency to the inspection process for both the Authorised/Visiting Officers and providers without impacting the quality of the verification process. In line with the Office of the Comptroller and Auditor General (OCAG) recommendations, the Compliance Unit initiated a review of NCS outcome categories from binary outcomes (compliant/ non-compliant) to minor, moderate and major non-compliant (similar to how outcomes are reported for the ECCE programme). This is expected to be finalised in 2023.

Another important development has been the transition of ECCE, CCSP and Access and Inclusion model (AIM) Level 1 Compliance on to the Early Years Platform (EYP) currently used for NCS.

The platform has multiple advantages including

- enablement of issuance of compliance notifications to service providers
- improved monitoring of rectification actions by service providers
- automatic updating of incorrect Hive registrations/claims identified as part of the compliance process enables improved recoupment of over claims.

Additionally, the compliance risk rating model designed by Pobal became operational at the end of 2022. This model will ensure compliance resources are deployed according to risk. This will allow a more targeted approach by highlighting higher risk services. The target approach will provide insights to the correlation between risk and levels of compliance and offer a pathway to better assurances.

A new revised iteration of the Compliance Framework was introduced during 2022. There were ten service providers on the existing Framework, all of whom had been placed on Level 1 for not rectifying NCS non-compliance outcomes for the 2021/22 programme year. These service providers had another compliance visit in the 2022/23 programme year. They have not been included on the revised 2023 Framework. A targeted approach to addressing specific areas of non-compliance is being adopted in 2023.

The majority of verification work on the Covid-19 schemes has been completed. The Temporary Wage Subsidy Childcare Scheme (TWSCS) non-compliant amounts totalling approximately €464,000 (3.31%) has been fully recouped. Similarly, for the Reopening Support Payment (RSP), which was introduced to assist service providers with the costs associated with re-opening following the Covid-19 closures in 2020, resulted in ineligible expenditure of €61,535 for which recoupment is nearing completion. The Covid-19 Operating Support Payment (COSP) was intended to support service providers that were reliant on parental fees, to remain sustainable during the period of high level restrictions and met the condition of not charging fees for families whose children were not attending the service. Total ineligible expenditure to be recouped is €2,213 and recoupment letters have been issued to the relevant service providers. Verifications are in progress, but yet to be completed, for the Ventilation Grant and the Playing Outside Grant which are the Covid-19 schemes remaining in the current compliance programme.

At the end of 2022, Pobal's debt management process recorded a debtor balance of approximately €4.5 million against all Departmental programmes. This included programmes other than the ELC and SAC programme that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal have reviewed the legacy debts and have identified amounts that are irrecoverable. This debtor management process will conclude by establishing a set procedure for the future identification and treatment of debts as they emerge.

Covid-19 control issues

The assessment of the impact of Covid-19 was an on-going focus of the senior management team and business units across the Department throughout 2022. The Covid-19 Response Management Unit (incorporating Facilities Management), established in 2020, continued to assess and manage the impacts of Covid-19 on the Department throughout 2022. The Department established a Covid-19 Response Management Group in 2020 to oversee the Covid-19 response in DCEDIY, which is chaired at Management Board level.

The Department maintains a listing of corporate risks which is reviewed by the Risk Committee on a quarterly basis. In 2020, a specific Covid-19 corporate risk was included to reflect the impact of Covid-19 on the ability of the Department, and bodies under its aegis, to continue to function as normal and to deliver essential services to children and families.

A programme of work continued throughout 2022 to facilitate and support the work of the Department.

- The Covid-19 Response Unit continued its work throughout 2022. The work of the Unit was guided by the Government's *Work Safely Protocol: Good Practice Guidance for Continuing to Prevent the Spread of Covid-19* published in January 2022. The measures in place to prevent the spread of the Covid-19 virus were updated in line with the transitional protocol and other national guidance.
- All staff were supported to continue to work remotely. All new staff were equipped (ICT and furniture) to work from home. Arrangements were made to provide staff with remote ergonomic assessments to ensure their health and safety while working in their home workspaces. Staff who did not receive remote ergonomic assessments in 2022 will be assessed in 2023.
- Attendance at the Department's offices was initially limited to a small number of essential staff, with strict protocols in place for such attendance. Staff who needed to attend the office on an ad hoc basis for essential business were facilitated.
- A bespoke Covid-19 training module was prepared and delivered to all Department staff in preparation for a return to the office.
- A safe, phased return to the office commenced in February 2022. The Department launched its *Blended Working Policy* on 29 August 2022.
- The Department was represented at various central committees chaired by the Department of the Taoiseach to oversee all department responses to Covid-19, including the Senior Officials Group (which reports to the Cabinet Committee), Communications Group and Civil and Public Service Sectoral groups. The Department developed an *Action Plan* detailing impacts of Covid-19 on service delivery, backlogs/pent-up demand for the Department's sectoral areas for the Department of the Taoiseach in line with the Government's *Covid-19 Resilience and Recovery 2021 – The Path Ahead*. Regular updates were also provided to the Department of the Taoiseach in relation to the *COVID-19: Reframing the Challenge, Continuing Our Recovery and Reconnecting*.
- Close contact was maintained with all bodies under the aegis of the Department, with the impact of Covid-19 on services assessed and response measures put in place or supported where required.
- The Management Board continued its oversight of the impact of Covid-19 on the Department and bodies under its aegis, and the Minister was kept fully informed.

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

22 September 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth 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 40 Children, Equality, Disability, Integration and Youth 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 Children, Equality, Disability, Integration and Youth and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2022.

Payment controls and late payment interest

The Accounting Officer has outlined in the statement on internal financial control the pressures faced by his Department as a result of the war in Ukraine, and the steps being taken to address the problem in 2023. Note 2.11 disclosed that liabilities estimated at €54.7 million had been incurred and invoiced at end 2022, but had not been paid. Note 6.5 discloses that late payment interest and compensation charged to the vote in 2022 amounted to €247,000.

Seamus McCarthy

Comptroller and Auditor General

22 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 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and family support programme			
	<i>Original</i>	934,956		
	<i>Deferred surrender</i>	1,250		
	<i>Supplementary</i>	14,664		
			950,870	948,879
				887,622
B	Sectoral programmes for children and young people			
	<i>Original</i>	814,378		
	<i>Deferred surrender</i>	1,950		
	<i>Supplementary</i>	10,255		
			826,583	824,919
				680,612
C	Policy and legislation programme			
	<i>Original</i>	44,895		
	<i>Supplementary</i>	(7,577)		
			37,318	33,597
				28,896
D	An equal and inclusive society			
	<i>Original</i>	38,805		
	<i>Supplementary</i>	(4,924)		
			33,881	29,611
				26,634
E	A fair and efficient support system for international protection seekers			
	<i>Original</i>	274,143		
	<i>Supplementary</i>	693,495		
			967,638	892,961
				200,460

		2022		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Gross expenditure				
	<i>Original</i>	2,107,177		
	<i>Deferred surrender</i>	3,200		
	<i>Supplementary</i>	<u>705,913</u>		
		2,816,290	2,729,967	1,824,224
<i>Deduct</i>				
F Appropriations-in-aid				
	<i>Original</i>	48,160		
	<i>Supplementary</i>	<u>(13,500)</u>		
		34,660	35,055	39,175
Net expenditure				
	<i>Original</i>	2,059,017		
	<i>Deferred surrender</i>	3,200		
	<i>Supplementary</i>	<u>719,413</u>		
		2,781,630	2,694,912	1,785,049

Surplus

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

	2022	2021
	€	€
Surplus	86,718,120	98,511,940
Deferred surrender	—	(3,200,000)
Surplus to be surrendered	<u>86,718,120</u>	<u>95,311,940</u>

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

22 September 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		2,691,451	1,794,047
Pay		33,484	25,252
Non pay		5,032	4,925
Gross expenditure		2,729,967	1,824,224
<i>Deduct</i>			
Appropriations-in-aid		35,055	39,175
Net expenditure		2,694,912	1,785,049
Changes in capital assets			
Purchases cash	(40,462)		
Loss on disposals	2		
Depreciation	5,240	(35,220)	3,739
Changes in net current assets			
Increase in prepayments	(5,366)		
Increase in closing accruals	156,580	151,214	(8,311)
Direct expenditure		2,810,906	1,780,477
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		7,187	5,997
Net programme cost		2,818,093	1,786,474

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	30
Vote 12	Superannuation and Retired Allowances	2,866	2,126
Vote 13	Office of Public Works	3,366	3,129
Vote 18	National Shared Services Office	74	60
Vote 20	Garda Síochána	70	—
Vote 43	Office of the Government Chief Information Officer	695	581
Central Fund - ministerial pensions		75	71
		7,187	5,997

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	100,359	63,701
Current assets			
Bank and cash	2.2	32,716	35,669
Inventories		6	6
Prepayments	2.3	29,729	24,363
Other debit balances	2.4	12,049	349
Total current assets		74,500	60,387
Less current liabilities			
Accrued expenses	2.5	158,904	2,324
Other credit balances	2.6	3,286	5,051
Asylum Migration and Integration Fund	2.7	30,582	25,117
Net Exchequer funding	2.8	10,897	5,850
Total current liabilities		203,669	38,342
Net current (liabilities) / assets		(129,169)	22,045
Net (liabilities) / assets		(28,810)	85,746
Represented by:			
State funding account	2.9	(28,810)	85,746

2.1 Capital assets

	Land and buildings	Office equipment	Furniture, fittings and motor vehicles	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2022 ^a	61,718	14,818	922	—	77,458
Adjustments ^b	—	1,797	—	—	1,797
Additions ^c	8,707	2,303	182	29,270	40,462
Disposals	—	(60)	—	—	(60)
Cost or valuation at 31 December 2022	70,425	18,858	1,104	29,270	119,657
Accumulated depreciation					
Opening balance at 1 January 2022	7,145	6,152	460	—	13,757
Adjustments	—	359	—	—	359
Depreciation for the year	1,402	3,743	95	—	5,240
Depreciation on disposals	—	(58)	—	—	(58)
Cumulative depreciation at 31 December 2022	8,547	10,196	555	—	19,298
Net assets at 31 December 2022	61,878	8,662	549	29,270	100,359
Net assets at 31 December 2021	54,573	8,666	462	—	63,701

Note ^a Includes assets acquired for less than €10,000 prior to 1 January 2021.

^b Office equipment includes an adjustment in respect of the Early Years Platform Customer Relationship Management (CRM) system developed by Pobal in 2021.

^c Assets under development is comprised of expenditure relating to the Rapid Build Housing Programme and the Early Years Platform Customer Relationship Management (CRM) system developed by Pobal.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances	(4,835)	32,900
Other bank balances	37,551	2,769
	32,716	35,669

2.3 Prepayments

at 31 December	2022	2021
	€000	€000
Pobal	13,584	10,659
International protection seekers costs	12,817	13,174
Ukrainian accommodation and certain related expenditure	1,890	—
Childcare programmes	1,000	—
Administration/operational	288	357
Research	150	173
	29,729	24,363

2.4 Other debit balances

at 31 December	2022	2021
	€000	€000
Advances to OPW	8,009	24
Ukrainian recognition scheme	3,660	—
Recoupable salaries	79	76
Other debit suspense items	301	249
	12,049	349

2.5 Accrued expenses

at 31 December	2022	2021
	€000	€000
Ukrainian accommodation and certain related expenditure	143,626	—
International protection seekers costs	14,481	1,565
Refugee and migrant integration	207	197
Other programme accruals	140	244
Administration/operational	450	318
	158,904	2,324

2.6 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	755	617
Pay related social insurance	569	449
Professional services withholding tax	191	54
Value added tax	63	54
Local property tax	6	6
Universal social charge	149	119
	<u>1,733</u>	<u>1,299</u>
Extra exchequer receipts	505	2,967
Other credit suspense items	1,048	785
	<u>3,286</u>	<u>5,051</u>

2.7 Asylum Migration and Integration Fund

at 31 December	2022	2021
	€000	€000
EU receipts	<u>30,582</u>	<u>25,117</u>

2.8 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	86,718	95,312
Deferred surrender	—	3,200
Exchequer grant undrawn	(75,821)	(92,662)
Net Exchequer funding	<u>10,897</u>	<u>5,850</u>
Represented by:		
Debtors		
Bank and cash	32,716	35,669
Debit balances: suspense	12,049	349
	<u>44,765</u>	<u>36,018</u>
Creditors		
Due to the State	(1,733)	(1,299)
Credit balances: suspense	(1,553)	(3,752)
Asylum Migration and Integration Fund	(30,582)	(25,117)
	<u>(33,868)</u>	<u>(30,168)</u>
	<u>10,897</u>	<u>5,850</u>

2.9 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		85,746	81,174
Disbursements from the Vote			
Estimate provision	Account	2,781,630	
Deferred surrender	Account	—	
Surplus to be surrendered	Account	(86,718)	
Net vote		2,694,912	1,785,049
Expenditure (cash) borne elsewhere	1.1	7,187	5,997
Adjustment	2.1	1,438	—
Net programme cost	1	(2,818,093)	(1,786,474)
Balance at 31 December		(28,810)	85,746

2.10 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services ^a	96,092	33,362
Capital ^b	208,390	153
Non-capital grant programmes ^c	235,055	—
Total of legally enforceable commitments	539,537	33,515

- Note ^a The increase in procurement of good and services primarily relates to
- the introduction of commitments relating to the provision of accommodation for BOTPs as a result of the Department's response to the Ukrainian crisis
 - IPPS commitments as a result of record levels of new arrivals seeking international protection in 2022.
- ^b The capital commitments increased as a result of the commencement of the rapid build programme for modular housing in 2022 as part of the Department's response to the Ukrainian crisis.
- ^c The non-capital grant programmes is comprised of core funding of €175 million and Ukraine recognition payment of €60 million which were not in place in 2021.

b) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Rapid Build Programme	—	29,010	208,390	237,400	—

2.11 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimates of matured liabilities not discharged at year end	54,675	1,972

2.12 Contingent liabilities

Legal costs for the eight judicial reviews settled by the Department in December 2021 which were noted in the 2021 Appropriation Account were still payable as at 31 December 2022. It is anticipated that the legal costs for the applicants will be paid by the Department in 2023. The Department is currently unable to quantify the total liability to be settled as a request for payment has yet to be received by the Department.

Legal costs in respect of two illegal birth registration cases settled by the Department during 2022 are payable as at 31 December 2022. The Department is currently unable to quantify the total liability to be settled. Other costs related to these cases have been paid in 2023 as noted in Note 6.2.

Indemnities have been provided to the owners of Citywest in relation to the Department's use of the hotel and convention centre as a Transit Hub for beneficiaries of temporary protection and international protection applicants. These indemnities relate to the cancellation of events in the conference centre, insurance and the potential damages/litigation arising from claims from residents. The costs associated with the cancellation of events has been estimated at approximately €2 million, but negotiations are still ongoing between Citywest and various relevant parties regarding cancellations. There have been no claims to date in relation to insurance, damages or litigation and any actual amount or the timing of potential liabilities is uncertain.

The Department received a direction from the Commission of Investigation to pay approximately €71,000 to the State Claims Agency in respect of legal costs. However, the amount is currently being disputed by the claimant and therefore the Department is currently unable to quantify the total liability to be settled or the timing of the payment.

The Department is involved in 46 legal cases, six which were noted in the 2021 Appropriation Account that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There are two potential legal challenges relating to wardship and 64 potential personal injury cases, 54 of which were noted in the 2021 Appropriation Account that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	40,819		
	<i>Supplementary</i>	(4,460)		
			36,359	25,252
ii	Travel and subsistence			
	<i>Original</i>	260		
	<i>Supplementary</i>	(49)		
			211	126
iii	Training and development and incidental expenses			
	<i>Original</i>	3,437		
	<i>Supplementary</i>	(649)		
			2,788	1,885
iv	Postal and telecommunications services			
	<i>Original</i>	123		
	<i>Supplementary</i>	(23)		
			100	101
v	Office equipment and external IT services			
	<i>Original</i>	1,567		
	<i>Supplementary</i>	(295)		
			1,272	952
vi	Office premises expenses			
	<i>Original</i>	1,600		
	<i>Supplementary</i>	(300)		
			1,300	1,721
vii	Consultancy services and value for money policy reviews			
	<i>Original</i>	1,299		
	<i>Supplementary</i>	(244)		
			1,055	140
		43,085	38,516	30,177

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €3.437 million; outturn €1.761 million

The under spend of €1.676 million primarily relates to legal fees associated with proceedings which were not received before year end and costs associated with data minimisation in respect of the Mother and Baby Homes archive were less than anticipated due to a requirement to deliver some of the work in-house as well as overall lower demand for attendance at in person events such as conferences.

v Office equipment and external IT services

Estimate provision €1.567 million; outturn €945,000

The under spend of €622,000 was primarily driven by the impact of the Ukrainian crisis as planned projects were postponed in order to enable specific Ukrainian crisis projects to take place. The under spend was also driven by the delay in the transfer of functions for the Specialist Community Disability Services from the Department of Health.

vii Consultancy services and value for money policy reviews

Estimate provision €1.299 million; outturn €234,000

Expected spend on consultancy did not materialise during the year.

Programme A Children and family support

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
			Outturn	€000
			€000	
A.1	Administration – pay			
	<i>Original</i>	7,346		
	<i>Supplementary</i>	(793)		
			6,553	3,283
A.2	Administration – non pay			
	<i>Original</i>	1,491		
	<i>Supplementary</i>	(282)		
			1,209	886
A.3	Child and Family Agency			
	<i>Original</i>	898,453		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	16,187		
			915,640	857,345
A.4	Youth justice – including Oberstown Children Detention Campus			
	<i>Original</i>	26,820		
	<i>Deferred surrender</i>	250		
	<i>Supplementary</i>	398		
			27,468	26,108
A.5	Guardian ad Litem Executive Office			
	<i>Original</i>	845		
	<i>Supplementary</i>	(845)		
			—	—
A.6	Child and Family Agency Covid related supports			
	<i>Original</i>	1		
	<i>Supplementary</i>	(1)		
			—	—
		950,870	948,879	887,622

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €12.673 million higher than originally provided.

A.5 Guardian ad Litem Executive Office

Estimate provision €845,000; outturn €nil

The non-expenditure of €845,000 was due to the pausing of the project following a delay in the enactment of the underpinning legislation. The Child Care (Amendment) Act 2022, which provides for reform of the guardian ad litem (GAL) system, was signed into law on 19 July 2022. Previous uncertainty regarding the timelines for enacting this legislation, coupled with prioritisation of other demands, limited further progress on this in the second half of the year. In preparation for commencement of the Act a significant body of work is now underway in the Department. The Department intends that the new national guardian ad litem service will be operated by an executive office. The Department must ensure that this executive office is established and fully functional before the legislative provisions come into force.

Programme B Sectoral programmes for children and young people

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	9,389		
	<i>Supplementary</i>	<u>(1,029)</u>		
			8,360	7,702
				6,313
B.2	Administration – non pay			
	<i>Original</i>	1,906		
	<i>Supplementary</i>	<u>(358)</u>		
			1,548	1,158
				1,182
B.3	ECCE and AIM pre-school programmes			
	<i>Original</i>	316,600		
	<i>Supplementary</i>	<u>12,667</u>		
			329,267	330,867
				323,154
B.4	National Childcare Scheme and other childcare programmes			
	<i>Original</i>	208,726		
	<i>Supplementary</i>	<u>8,349</u>		
			217,075	219,942
				185,958
B.5	Childcare programmes: delivery supports and other initiatives			
	<i>Original</i>	153,610		
	<i>Deferred surrender</i>	750		
	<i>Supplementary</i>	<u>6,261</u>		
			160,621	158,442
				84,411
B.6	Youth organisations and services (part funded by the National Lottery)			
	<i>Original</i>	73,289		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>(494)</u>		
			73,995	72,492
				68,575
B.7	Creative Ireland			
	<i>Original</i>	150		
	<i>Supplementary</i>	<u>(99)</u>		
			51	120
				7
B.8	Economic and social disadvantage measures (Dormant Accounts funded)		12,008	10,545
				9,388

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.9	Programme for Peace and Reconciliation			
	<i>Original</i>	1,700		
	<i>Supplementary</i>	(718)		
			982	975
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports			1,624
	<i>Original</i>	37,000		
	<i>Supplementary</i>	(14,324)		
			22,676	22,676
		826,583	824,919	680,612

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €8.591 million higher than originally provided.

B.4 National Childcare Scheme and other childcare programmes

Estimate provision €208.726 million; outturn €219.942 million

The over spend of €11.2 million relative to the estimate provision was primarily driven by a return to pre-Covid-19 anticipated levels of usage and the introduction of the two NCS reforms in May and August 2022. The first reform measure was the discontinuation of the practice of deducting hours spent in pre-school or school from the entitlement to NCS subsidised hours. This measure benefited an estimated 5,000 children from low income families from May 2022 onwards. The second measure was the extension of the age of eligibility to 15 years to access the NCS universal subsidy from August 2022. It was estimated that up to 40,000 children would benefit from this extension. Both measures have resulted in an increase in the number of registrations from circa 30,000 at the start of the calendar year 2022 to circa 98,000 by the year end 2022. Virement was sanctioned by the Department of Public Expenditure, National Development Plan Delivery and Reform of €3.1 million to cover part of this cost.

B.8 Economic and social disadvantage measures (Dormant Accounts funded)

Estimate provision €12.008 million; outturn €10.545 million

The shortfall in expenditure of €1.5 million was mainly due to delays at organisation level due to the challenging staff recruitment environment (2022) and commencement of the initiative due to public health restrictions (2021/early 2022) as well as delays in commencing the In School Therapy Demonstration Project and Promotion of the Universal design Guidelines for ELC Settings project in 2022.

B.9 Programme for Peace and Reconciliation

Estimate provision €1.7 million; outturn €975,000

The shortfall in expenditure of €725,000 relative to the estimate provision reflects the transition between funding programmes, with final expenditures being released on completion of required processes under PEACE IV. All cash needs were met.

B.10 Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports

Estimate provision €37 million; outturn €22.676 million

The shortfall in expenditure of €14.3 million is due to lower than expected funding requirements for the transition fund. The transition fund was introduced to bridge the period between the end of Covid-19 supports (December 2021) and the introduction of core funding (August 2022). However, the transition fund operated for a shorter period, May to August, instead of January to August as planned.

Programme C Policy and legislation

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	<i>Original</i>	12,246		
	<i>Supplementary</i>	(1,342)		
			10,904	10,045
C.2	Administration – non pay			7,828
	<i>Original</i>	2,486		
	<i>Supplementary</i>	(467)		
			2,019	1,510
C.3	Miscellaneous legal fees and settlements		539	67
C.4	National Longitudinal Study and other research programmes			1,478
	<i>Original</i>	3,639		
	<i>Supplementary</i>	(99)		
			3,540	3,175
C.5	Children and young people's policy framework and other programmes			3,833
	<i>Original</i>	8,048		
	<i>Supplementary</i>	(1,709)		
			6,339	6,131
C.6	Adoption Authority of Ireland			6,048
	<i>Original</i>	6,966		
	<i>Supplementary</i>	591		
			7,557	8,096
C.7	Office of the Ombudsman for Children			4,219
	<i>Original</i>	3,312		
	<i>Supplementary</i>	183		
			3,495	3,495
C.8	Response to legacy of Mother and Baby Institutions			2,955
	<i>Original</i>	7,359		
	<i>Supplementary</i>	(5,034)		
			2,325	568
C.9	Magdalen Fund			1,981
	<i>Original</i>	300		
	<i>Supplementary</i>	300		
			600	510
			37,318	33,597
				28,896

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €11.298 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €67,000

The shortfall in expenditure of €472,000 was due to the variable nature of expenditure in the subhead and the resultant difficulties in general in predicting the outcomes and costs associated with legal cases and matters.

C.4 National Longitudinal Study and other research programmes

Estimate provision €3.639 million; outturn €3.175 million

The shortfall in expenditure of €464,000 was mainly due to an under spend on fieldwork and consumables for Growing Up in Ireland Study team in the Economic and Social Research Institute (ESRI), an under spend associated with staff departures and unpaid leave taken in the ESRI study team as well as Central Statistics Office transition costs which were also lower than budgeted.

C.5 Children and young people's policy framework and other programmes

Estimate provision €8.048 million; outturn €6.131 million

The shortfall in expenditure of €1.917 million was mainly due to a delay in the processing of European Social Fund (ESF) funding for projects intended to address parenting support needs, young parent support needs, a parenting awareness fund and the scaling up of proven models of intervention. These were submitted to the EU Commission for ESF funding in 2022.

C.6 Adoption Authority of Ireland

Estimate provision €6.966 million; outturn €8.096 million

The increase in expenditure of €1.13 million was mainly due to costs incurred in the preparation for the enactment and implementation of the Birth Information and Tracing Act 2022. Key areas of over spend were on the public information campaign which was a nationwide awareness programme in support of the legislation and required by the Act itself. The campaign included TV, radio and social media advertising, domestic and international press advertising, as well as an every residence national leaflet design, print and delivery.

Legal advice on the implementation of the Act was also required by the Adoption Authority of Ireland (AAI). In addition, the AAI acquired a space for the storage of important adoption and adoption related records, to fulfil their statutory role in safeguarding records under the Act. Finally, the AAI's legal costs across a year are difficult to accurately forecast and include cases where AAI is the respondent or where the AAI is obliged by the adoption acts to refer a case to the High Court. Legal advice was required on a number of complex adoption cases.

C.7 Office of the Ombudsman for Children

Estimate provision €3.312 million; outturn €3.495 million

The over spend of €183,000 is due to an underestimation of full year salary costs of additional staff recruited during 2022 when seeking the 2022 budget allocation.

C.8 Response to legacy of Mother and Baby Institutions

Estimate provision €7.359 million; outturn €568,000

The shortfall in expenditure of €6.791 million is due to delays in the enactment of the birth information and tracing legislation and consequently delays in the establishment of an executive office for the administration of the Mother and Baby Institutions Payment scheme.

C.9 Magdalen Fund

Estimate provision €300,000; outturn €510,000

The over spend of €210,000 relative to the estimate provision was mainly due to higher than anticipated claims submitted as a result of the Magdalen Scheme which is demand led.

Programme D An equal and inclusive society

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay			
	<i>Original</i>	1,633		
	<i>Supplementary</i>	(179)		
			1,454	1,340
D.2	Administration – non pay			1,010
	<i>Original</i>	331		
	<i>Supplementary</i>	(63)		
			268	201
D.3	National Disability Authority			148
	<i>Original</i>	5,453		
	<i>Supplementary</i>	61		
			5,514	5,330
D.4	Refugee and migrant integration			4,754
	<i>Original</i>	9,128		
	<i>Supplementary</i>	(2,261)		
			6,867	4,355
D.5	Grants to national women's organisations		611	4,814
D.6	Traveller and Roma initiatives		5,659	556
D.7	Positive Action for Gender Equality		5,077	4,914
	<i>Original</i>	5,865		
	<i>Supplementary</i>	(1,701)		
			4,164	3,190
D.8	Equality and LGBTI initiatives		1,025	3,414
D.9	Decision Support Service		1,293	1,670
	<i>Original</i>	7,300		
	<i>Supplementary</i>	(781)		
			6,519	6,519
D.10	Disability Equality		1,800	5,354
			33,881	29,611
				26,634

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €9.194 million lower than originally provided.

D.4 Refugee and migrant integration

Estimate provision €9.128 million; outturn €4.355 million

The shortfall in expenditure of €4.773 million is due to delays in Grant Agreements with Local Authorities due to the impact and challenges related to the Ukrainian crisis.

D.6 Traveller and Roma initiatives

Estimate provision €5.659 million; outturn €5.077 million

The shortfall in expenditure of €582,000 was due to lower than anticipated requirement for the funds that had been set aside for contingency payments to Traveller and Roma organisations to address the impact of Covid-19 in 2022.

D.7 Positive Actions for Gender Equality

Estimate provision €5.865 million; outturn €3.19 million

The shortfall in expenditure of €2.675 million included €1.735 million for a new European Social Fund (ESF) gender equality funding call which did not take place.

There was also an under spend on funding related to the introduction of gender pay gap reporting, as well as on funding earmarked for consultations on a new strategy, which were also not used.

D.8 Equality and LGBTI initiatives

Estimate provision €1.025 million; outturn €1.293 million

The over spend of €268,000 is due to the fact that the funding call for the LGBTI+ Community Services Fund was oversubscribed and a decision was made to fund as many eligible projects as possible.

D.9 Decision Support Service

Estimate provision €7.3 million; outturn €6.519 million

The shortfall in expenditure of €781,000 is due to lower than projected costs related to the recruitment of staff. Due to extensions in timeline the passage of the Assisted Decision-Making (Capacity) (Amendment) Act 2022 as it progressed through the Houses, recruitment of some personnel was pursued later than originally anticipated.

D.10 Disability Equality

Estimate provision €1.8 million; outturn €1.695 million

The shortfall in expenditure of €105,000 was mainly due to lower than expected costs for facilitating meetings during the year as due to the lingering effect of the pandemic there were less in person meetings with stakeholders resulting in lower expenses related to reasonable accommodations. Due to the impact of the war in Ukraine and internal restructuring certain projects, such as a mapping exercise and a job coaching scheme, were not progressed, with allocations re-profiled into boosting the Convention on the Rights of Persons with Disabilities (CRPD) and employment awareness raising activities.

Programme E A fair and efficient support system for international protection seekers

		Estimate provision		2022	2021
		€000	€000	Outturn	Outturn
				€000	€000
E.1	Administration – pay				
	<i>Original</i>	10,205			
	<i>Supplementary</i>	(1,117)			
			9,088	8,371	6,818
E.2	Administration – non pay				
	<i>Original</i>	2,072			
	<i>Supplementary</i>	(390)			
			1,682	1,258	1,231
E.3	Asylum Migration and Integration Fund				
	<i>Original</i>	2,930			
	<i>Supplementary</i>	(1,087)			
			1,843	1,538	1,580
E.4	International protection seekers accommodation				
	<i>Original</i>	258,936			
	<i>Supplementary</i>	102,889			
			361,825	367,223	190,831
E.5	Ukraine Accommodation and Related Costs				
	<i>Original</i>	—			
	<i>Supplementary</i>	593,200			
			593,200	514,571	—
			967,638	892,961	200,460

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €618.818 million higher than originally provided.

E.3 Asylum Migration and Integration Fund

Estimate provision €2.93 million; outturn €1.538 million

The shortfall in expenditure of €1.392 million is due to the delay in approving funding under a call for proposals. As a result, some of the payments will occur in early 2023.

E.4 International protection seekers accommodation

Estimate provision €258.936 million; outturn €367.223 million

The over spend of €108.287 million is due to record levels of new arrivals seeking international protection in 2022. From 1 January 2022 to 31 December 2022, over 15,000 people applied for international protection. The annual estimate for arrivals was 3,500, based on arrival figures for the years 2017 to 2019.

As of 31 December 2022, there were over 19,300 people accommodated in the International Protection Accommodation Seekers (IPAS) accommodation system as a whole. At end of 2021 this figure was 7,724.

Over 63 emergency centres opened in 2022. This figure excludes very short term arrangements such as the use of school halls, tents and sports facilities. The average cost of emergency accommodation per person per night is between €70 and €80.

E.5 Ukraine accommodation and related costs

Estimate provision €nil; outturn €514.571 million

The over spend of €515 million is due to the Ukrainian crisis which was not originally budgeted for. This led to the necessity to secure hotel and other accommodation for the significant number of BOTPs. A new subhead (E5) was set up to capture Ukraine expenditure separately as part of the supplementary estimate. This additional allocation was spent on accommodation and other supports for Ukrainian BOTPs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	9,086	8,672	8,580
2	Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	711	685	656
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Miscellaneous	343	583	469
6	Dormant Accounts receipts	12,008	10,531	9,389
7	Programme for Peace and Reconciliation	1,939	1,801	1,330
8	EU receipts			
	<i>Original</i>	15,000		
	<i>Supplementary</i>	(13,500)		
		1,500	3,335	9,699
9	Receipts from additional superannuation contributions on public service remuneration	9,070	9,448	9,052
Total		34,660	35,055	39,175

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.105 million lower than forecast.

5 Miscellaneous

Estimate provision €343,000; realised €583,000

These miscellaneous receipts are unpredictable and are difficult to forecast accurately.

6 Dormant Accounts receipts

Estimate provision €12.008 million; realised €10.531 million

The shortfall in expenditure of €1.5 million was mainly due to delays at organisation level due to the challenging staff recruitment environment (2022) and commencement of the initiative due to public health restrictions (2021/early 2022) as well as delays in commencing the In School Therapy Demonstration Project and Promotion of the Universal design Guidelines for ELC Settings project in 2022.

7 Programme for Peace and Reconciliation

Estimate provision €1.939 million; realised €1.801 million

The shortfall of €138,000 in receipts for the Programme for Peace and Reconciliation is owing to variances in the timing for the Special EU Programmes Body (SEUPB) to receive refunds from European Regional Development Fund (ERDF) funding, which it then passes on to the Department. This funding is only provided to the SEUPB by the EU following a validation process in relation to project expenditure. The timescales in relation to this process can vary and are difficult to predict.

8 EU receipts

Estimate provision €15 million; realised €3.335 million

The figure of €15 million was an estimate of EU receipts to be received in 2022. The level of appropriations-in-aid released in a particular year is based on claims submitted and payments received from the EU. As a result, it is difficult to accurately predict the timing of receipts and the level of appropriations-in-aid in any given year.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	2,968	538
Adjustment to opening balance	(8)	(98)
Refunds of grant funding: Pobal	7,167	8,149
Refunds of grant funding: ETBs	1,275	1,959
Oberstown Children Detention Campus	25	81
Child and Family Agency	21	—
Other	363	686
Transferred to the Exchequer	(11,306)	(8,347)
Balance at 31 December	505	2,968

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	606	486
Commission of Investigation	—	8
Agencies of the Department (note 5.2)	5,033	4,921
	5,639	5,415

5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	29,844	24,233
Higher, special or additional duties allowances	269	98
Overtime	598	148
Employer's PRSI	2,773	2,111
Total pay ^a	33,484	26,590

Remuneration of agency staff	2022	2021
	€000	€000
Pay ^b	297,374	279,525
Higher, special or additional duties allowances	2,872	4,398 ^c
Other allowances	1,607	38 ^c
Overtime	1,524	1,509
Employer's PRSI	31,185	28,789
Total pay	334,562	314,259

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

^b The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned.

^c Restated due to an error noted in the classification of the Director's allowance for the Ombudsman for Children. The agencies are National Disability Authority (NDA), Adoption Authority of Ireland (AAI), Child and Family Agency (Tusla), Office of the Ombudsman for Children (OCO) and Oberstown Children Detention Campus.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Departmental staff				
Higher, special or additional duties allowances	18	5	22,755	22,002
Other allowances	31	1	35,651	13,887
Overtime	180	12	41,270	13,880
Extra remuneration in more than one category	25	3	17,170	2,684
Staff of agencies of the Department				
Higher, special or additional duties allowances	270	4	20,880	20,275
Other allowances	1,017	87	30,218	6,243 ^a
Overtime	597	26	43,898	36,029
Extra remuneration in more than one category	601	40	58,130	46,571

Note ^a Restated due to an error noted in the classification of the Director's allowance for the Ombudsman for Children.

5.4 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments	37	61,867	74,950
Recovery plans in place	5	9,413	16,077

Notes Four officers who had overpayment recovery plans totalling €3,370 were transferred to four Government departments in 2022.

Nineteen overpayments have been recouped in full in 2022, and the National Shared Services Office (NSSO) is managing and progressing recoupment plans for the balance of the overpayments.

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 €23,700. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €55,856 (inclusive of salary, employee's superannuation and employer's PRSI) in respect of one officer who was serving outside the Department for part of 2022 in the Department of Justice and whose salary was paid by the Department. This amount is included in the figure for Recoupable Salaries within note 2.4 other debit balances.

5.6 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	370	272
60,000	69,999	29	41
70,000	79,999	55	58
80,000	89,999	29	19
90,000	99,999	28	14
100,000	109,999	21	11
110,000	119,999	8	3
120,000	129,999	1	1
130,000	139,999	—	1
140,000	149,999	—	1
150,000	159,999	1	4
160,000	169,999	3	—
170,000	179,999	—	—
180,000	189,999	1	—
190,000	199,999	—	1

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		
Kevin McCarthy - appointed 19 January 2022	187	—
Fergal Lynch - appointment ceased 18 January 2022	18	192
	205	192

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre 1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

In September 2023, following an independent report on the grading of certain Secretary General posts, the Minister for Public Expenditure, National Development Plan Delivery and Reform conveyed sanction for the re-grading of the post of Secretary General in the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) from Secretary General Level III to Secretary General Level II, with effect from the appointment date of the current Secretary General in January 2022.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net amount transferred to Pobal in the year of (€745 million) was charged to the relevant subheads as set out below.

During 2022, Pobal returned funds totalling €7.436 million to the Department. All of the funds relating to the current year were returned to the relevant subheads. The funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2).

		2022	2021
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	330,867	323,154
B.4	Affordable childcare scheme and other childcare programmes	219,942	185,958
B.5	Childcare programmes: delivery supports and other initiatives	148,489	75,668
B.6	Youth organisations and services (part funded by the National Lottery)	14,043	14,209
B.8	Economic and social disadvantage measures (Dormant Accounts funded)	1,366	1,210
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports	22,676	—
C.5	Children's and young people's policy framework and other programmes	1,262	1,886
E.5	Ukraine accommodation and related costs	6,345	—
Total paid to Pobal		744,990	602,085

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2022, Pobal had grant commitments totalling €13.6 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2022	2021
Number of cases	25	16	41	44
	€000	€000	€000	€000
Department's own legal costs	—	26	26	—
Payments by/on behalf of Department				
Compensation	230	—	230	544
Legal costs	164	163	327	652
Other costs	21	2	23	60
2022 Total	415	191	606	1,256
2021 Total	889	367	1,256	

- Notes
- ^a At 31 December 2022, the Department has included in accrued expenses, €52,989 (2021: €18,814) being the total outstanding legal costs due to the State Claims Agency.
 - ^b As at 31 December 2022, legal costs of €120,000 are payable by the State Claims Agency in respect of two judicial reviews relating to access to health data which were settled during 2022. The State Claims Agency will seek reimbursement for these costs from the Department.
 - ^c As at 31 December 2022, other costs of €126,937 are payable by the State Claims Agency in respect of two illegal birth registration cases which were resolved during 2022. These costs relate to senior counsel advices and attendance at mediation. The State Claims Agency sought reimbursement for these costs from the Department in 2023 and these have been paid.

Cumulative costs of cases completed in 2022

	Claims by		Total
	employees	members of the public	
Number of cases	8	1	9
	€000	€000	€000
Department's own legal costs	—	26	26
Payments by/on behalf of Department			
Compensation	260	—	260
Legal costs	154	—	154
Other costs	8	—	8
Total	422	26	448

6.3 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

Subhead	2022		2022	2021
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
B.6 Youth organisations and services				
<i>Original</i>	73,189			
<i>Deferred surrender</i>	1,200			
<i>Supplementary</i>	(494)			
		73,895	72,411	68,501

6.4 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the European Social Fund and the Asylum Migration and Integration Fund respectively. Estimates of expenditure and actual outturns were as follows.

Subhead	2022		2022	2021
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
B.9 – Programme for Peace and Reconciliation				
<i>Original</i>	1,700			
<i>Supplementary</i>	(718)			
		982	975	1,624
D.4 – Refugee and migrant integration				
<i>Original</i>	9,128			
<i>Supplementary</i>	(2,261)			
		6,867	4,355	4,814
E.3 – Asylum Migration and Integration Fund ^a				
<i>Original</i>	2,930			
<i>Supplementary</i>	(1,087)			
		1,843	1,538	1,580

Note ^a Asylum Migration and Integration Fund expenditure for the year was €1.54 million. EU receipts in respect of Asylum Migration and Integration Fund funding are released in the accounts through appropriations-in-aid when they are deemed to be certain. The balance of funds received but not released into the accounts are contained in note 2.7 and these relate to funding for expenditure previously reported under this subhead.

6.5 Late payment interest

	2022	2021
	€	€
Total of interest and compensation payments	247,332	24,253

Appendix A Accounts of bodies and funds under the aegis of the Department of Children, Equality, Disability, Integration and Youth

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

Body	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Oberstown Children Detention Campus	2021	21 Dec 2022	22 Dec 2022	22 Dec 2022
Adoption Authority of Ireland	2021	24 Jun 2022	12 Jan 2023	19 Jan 2023
Office of the Ombudsman for Children	2021	9 Sep 2022	15 Sep 2022	5 Oct 2022
Child and Family Agency	2021	16 Jun 2022	17 Jun 2022	8 Jul 2022
National Disability Authority	2021	6 Oct 2022	7 Oct 2022	1 Dec 2022