

## **Appropriation Account 2022**

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### **Vote 42**

### **Rural and Community Development**

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## Introduction

As Accounting Officer for Vote 42, 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 Rural and Community Development, including certain services administered by that Office and for the 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 €4.233 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, except for the following.

### ***Payments to Pobal***

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see note 6.3).

## 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 of Rural and Community Development.

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***

Payroll and human resource functions are being provided on a shared services basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services.

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

Financial shared services are provided by the Financial Shared Service Centre of the Department of Justice (Vote 24). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department and the Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer of the Justice Vote that the appropriate controls are exercised in the provision of financial shared services to my 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.
- There are systems in place to safeguard the assets of the Department.

### ***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
- the Office of the Government Chief Information Officer (OGCIO) has a delegated responsibility for ensuring the security of ICT under a memorandum of understanding
- there are appropriate capital investment control guidelines in place.

***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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. As part of the continued development of the internal audit function, it will be periodically reviewed by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

***Procurement***

I confirm that the 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 two 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 one contract (in excess of €25,000), totalling €215,477 (exclusive of VAT). This contract related to an air service to the Aran Islands for the period 1 April 2022 to 6 June 2022 with a value of €215,477 (ex. VAT). The extension was necessary to allow for continued provision of lifeline transport services while a new long-term public service obligation contract is put in place. Tender documentation for these services was advertised on e-tenders in February 2022. Following a competitive process, the contract was awarded on 7 June 2022. The contract has been included in the 40/2002 annual return referenced above.

It is the policy of this Department to avail of all currently available frameworks as soon as they come on stream and to engage with the Office of Government Procurement in relation to more specific requirements. Controls remain in place to ensure compliance in this area.

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

A Risk Committee is also in place to oversee the system of risk management and its implementation. The Committee includes all members of the Management Board and meets on a quarterly basis. The risk register is reviewed and updated at each quarterly meeting.

The outcome of these assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

***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***

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.

***Internal financial control issues***

No weaknesses in internal financial control were identified in relation to 2022 that resulted in, or may result in, a material loss. The 2021 Appropriation Account identified issues with regard to claims made by Mayo County Council under the Outdoor Recreation Infrastructure Scheme for works not yet completed. Mayo County Council returned €1.253 million to the Department in 2022 following the termination in 2021 of a number of funding agreements (to the value of €1.092 million), and the imposition, also in 2021, of a sanction of €161,000. Throughout 2022, the Department continued its work with Mayo County Council to ensure agreed governance arrangements were in place and being fully implemented. The Department's Inspection Services Unit carried out inspection on all Mayo County Council Rural Schemes project claims prior to payments being made. In addition, senior officials from the Department met with officials in Mayo County Council on a monthly basis to ensure that the agreed arrangements were being implemented.

***Covid-19 control issues***

Assessments of the impact of Covid-19 were carried out and the results were as follows. The Department put in place robust processes at the outset of the pandemic so as to ensure continued processing of payments and the continued effectiveness of controls in a remote working environment. These processes and controls were developed in co-operation with the Financial Shared Services Centre of the Department of Justice. These processes are now well embedded within the organisation. They have become standard operating procedure and will remain in place in the context of remote working being part of a blended working approach.

***Mary Hurley***

Accounting Officer

Department of Rural and Community Development

22 March 2023

**Comptroller and Auditor General****Report for presentation to the Houses of the Oireachtas****Vote 42 Rural and Community Development****Opinion on the appropriation account**

I have audited the appropriation account for Vote 42 Rural and Community Development 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 42 Rural and Community Development 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 Rural and Community Development and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

**Seamus McCarthy**

Comptroller and Auditor General

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 42 Rural and Community Development

### Appropriation Account 2022

		<b>2022</b>		<b>2021</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Programme expenditure</b>				
A	Rural Development and Regional Affairs			
	<i>Original</i>	202,255		
	<i>Deferred surrender</i>	11,860		
	<i>Supplementary</i>	87		
			214,202	181,384
				169,159
B	Community Development			
	<i>Original</i>	171,687		
	<i>Deferred surrender</i>	5,000		
	<i>Supplementary</i>	10,063		
			186,750	203,566
				171,164
C	Charities Regulatory Authority			
			4,606	4,292
				4,127
<b>Gross expenditure</b>				
	<i>Original</i>	378,548		
	<i>Deferred surrender</i>	16,860		
	<i>Supplementary</i>	10,150		
			405,558	389,242
				344,450
	<i>Deduct</i>			
D	<b>Appropriations-in-aid</b>		<b>53,250</b>	<b>55,667</b>
				81,580
<b>Net expenditure</b>				
	<i>Original</i>	325,298		
	<i>Deferred surrender</i>	16,860		
	<i>Supplementary</i>	10,150		
			352,308	333,575
				262,870



**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. €14.5 million of unspent allocations in respect of the capital elements of subheads A.6 Regional economic development, A.7 Rural regeneration and development, and B.10 Library development was carried forward to 2023 (see note 6.4).

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Surplus	18,732,854	58,310,228
Deferred surrender	(14,500,000)	(16,860,000)
<b>Surplus to be surrendered</b>	<b>4,232,854</b>	<b>41,450,228</b>

**Mary Hurley**

Accounting Officer

Department of Rural and Community Development

22 March 2023

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	376,889	333,120
Pay	11,155	10,394
Non pay	1,198	936
<b>Gross expenditure</b>	<b>389,242</b>	<b>344,450</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>55,667</b>	<b>81,580</b>
<b>Net expenditure</b>	<b>333,575</b>	<b>262,870</b>
<b>Changes in capital assets</b>		
Purchases cash	(1,388)	
Depreciation	345	342
<b>Changes in net current assets</b>		
Increase in closing accruals	7,882	12,276
Decrease in inventories	10	(5)
<b>Direct expenditure</b>	<b>340,424</b>	<b>275,483</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	1,916	1,881
<b>Net programme cost</b>	<b>342,340</b>	<b>277,364</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount comprises the following amounts in relation to Vote 42 borne elsewhere.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners	—	1
Vote 12 Superannuation and Retired Allowances	194	185
Vote 13 Office of Public Works	1,107	1,123
Vote 18 National Shared Services Office	23	21
Vote 24 Justice	350	341
Vote 43 Office of the Government Chief Information Officer	242	210
	<b>1,916</b>	<b>1,881</b>

## Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
<b>Capital assets</b>	2.1	11,398	10,355
<b>Current assets</b>			
Bank and cash	2.2	15,545	17,864
Inventories	2.3	—	10
Prepayments	2.4	7,348	21,363
Accrued income	2.5	30,578	24,368
Other debit balances	2.6	69	71
<b>Total current assets</b>		<b>53,540</b>	<b>63,676</b>
<b>Less current liabilities</b>			
Accrued expenses	2.7	139	62
Other credit balances	2.8	1,111	1,066
Net Exchequer funding	2.9	14,503	16,869
<b>Total current liabilities</b>		<b>15,753</b>	<b>17,997</b>
<b>Net current assets</b>		<b>37,787</b>	<b>45,679</b>
<b>Net assets</b>		<b>49,185</b>	<b>56,034</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.10	<b>49,185</b>	<b>56,034</b>

## 2.1 Capital assets

	Buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
<b>Gross assets</b>				
Cost or valuation at 1 January 2022	11,602	1,006	210	12,818
Additions	1,340	48	—	1,388
Cost or valuation at 31 December 2022	12,942	1,054	210	14,206
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2022	1,560	838	65	2,463
Depreciation for the year	234	90	21	345
Cumulative depreciation at 31 December 2022	1,794	928	86	2,808
<b>Net assets at 31 December 2022</b>	<b>11,148</b>	<b>126</b>	<b>124</b>	<b>11,398</b>
Net assets at 31 December 2021	10,042	168	145	10,355

## 2.2 Bank and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account.

## 2.3 Inventories

at 31 December	2022 <sup>a</sup>	2021
	€000	€000
Stationery	—	5
IT consumables	—	5
	<b>—</b>	<b>10</b>

Note <sup>a</sup> 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
Rural regeneration and development fund	—	7,705
Town and village renewal	—	1,723
Outdoor Recreation Infrastructure Scheme	296	—
Library development and archive service	—	2,944
Regional economic development	—	2,946
Community Services Programme	3,792	1,035
Rural supports	2,171	2,450
Leader – rural economy sub programme	1,012	2,368
Dormant accounts measures	—	125
Administration	77	67
	<b>7,348</b>	<b>21,363</b>

## 2.5 Accrued income

at 31 December	2022	2021
	€000	€000
<b>Subhead</b>	<b>Description</b>	
A.5	Leader – rural economy sub programme	8,083 8,189
A.7	Rural regeneration and development – outdoor recreation infrastructure scheme	5,350 1,253
B.8	Programme for Peace and Reconciliation	17,145 14,926
	<b>30,578</b>	<b>24,368</b>

## 2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Travel pass schemes	22	17
Leader food initiative	46	—
Salary suspense	—	52
Other debit suspense items	1	2
	<b>69</b>	<b>71</b>

## 2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	5	7
Specific programme accruals	110	39
Administration expenses	18	11
Other accruals	6	5
	<b>139</b>	<b>62</b>

## 2.8 Other credit balances

at 31 December	2022	2021
	€000	€000
<b>Amounts due to the State</b>		
Income tax	221	190
Pay related social insurance	117	106
Professional services withholding tax	41	52
Value added tax	212	39
	<b>591</b>	<b>387</b>
Tidy Towns	449	612
Other	71	67
	<b>1,111</b>	<b>1,066</b>

## 2.9 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	4,233	41,450
Deferred surrender	14,500	16,860
Exchequer grant undrawn	(4,230)	(41,441)
<b>Net Exchequer funding</b>	<b>14,503</b>	<b>16,869</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	15,545	17,864
Debit balances: suspense	69	71
	<b>15,614</b>	<b>17,935</b>
<b>Creditors</b>		
Credit balances: suspense	(1,111)	(1,066)
	<b>(1,111)</b>	<b>(1,066)</b>
	<b>14,503</b>	<b>16,869</b>

## 2.10 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		56,034	68,647
Disbursements from the Vote			
Estimate provision	Account	352,308	
Deferred surrender		(14,500)	
Surplus to be surrendered	Account	(4,233)	
Net vote		333,575	262,870
Expenditure (cash) borne elsewhere	1.1	1,916	1,881
Net programme cost	1	(342,340)	(277,364)
<b>Balance at 31 December</b>		<b>49,185</b>	<b>56,034</b>

## 2.11 Commitments

<b>a) Global commitments</b>	<b>2022</b>	<b>2021</b>
at 31 December	€000	€000
Procurement of goods and services	156	292
Non-capital grant programmes	140,543	109,106
Capital grant programmes	263,290	244,996
<b>Total of legally enforceable commitments</b>	<b>403,989</b>	<b>354,394</b>
<b>b) Non-capital grant programmes</b>	<b>2022</b>	<b>2021</b>
	€000	€000
Opening balance	109,106	106,703
Grants paid in the year	(182,062)	(163,432)
New grant commitments	213,655	165,835
<b>Closing balance</b>	<b>140,699</b>	<b>109,106</b>
<b>c) Capital grant programmes</b>	<b>2022</b>	<b>2021</b>
	€000	€000
Opening balance	244,996	191,548
Grants paid in the year	(186,868)	(163,815)
New grant commitments	205,162	217,263
<b>Closing balance</b>	<b>263,290</b>	<b>244,996</b>

### **2.12 Contingent liabilities**

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The Department is involved in three legal cases 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.

		<b>2022</b>		<b>2021</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances			
	<i>Original</i>	11,298		
	<i>Supplementary</i>	150		
		11,448	11,155	10,394
ii	Travel and subsistence	410	265	95
iii	Training and development and incidental expenses	663	420	373
iv	Postal and telecommunications services	82	53	53
v	Office equipment and external IT services	302	199	205
vi	Office premises expenses	216	85	43
vii	Consultancy and value for money and policy reviews	121	120	167
viii	Research	101	56	—
		<b>13,343</b>	<b>12,353</b>	<b>11,330</b>

#### Significant variations

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

##### ii Travel and subsistence

*Estimate provision €410,000; outturn €265,000*

The shortfall in expenditure of €145,000 on travel and subsistence was due to the blended work environment and the increased use of online meeting facilities resulting in continued lower costs in this area.

##### iii Training and development and incidental expenses

*Estimate provision €663,000; outturn €420,000*

The shortfall in expenditure of €243,000 relative to the estimate was due to the continued impact of the pandemic on training and development opportunities and also on incidental expenses. The latter are variable in nature and were less than anticipated.

**v Office equipment and external IT services**

*Estimate provision €302,000; outturn €199,000*

The shortfall in expenditure of €103,000 relative to the estimate provision was due to lower than an anticipated expenditure on office equipment and IT services. The level of spend in these areas is difficult to project, in particular given the impact of the pandemic on office configurations.

**vi Office premises expenses**

*Estimate provision €216,000; outturn €85,000*

The shortfall in expenditure of €131,000 relative to the estimate provision was due to expenditure on office premises and facilities in both Ballina and Trinity Point sites being less than anticipated due to delays in planned upgrades.

### Programme A Rural Development and Regional Affairs

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	6,543		
	<i>Supplementary</i>	87		
		6,630	6,895	6,427
A.2	Administration – non pay	1,011	715	500
A.3	Western Development Commission	2,266	2,325	2,150
A.4	Rural supports <sup>a</sup>	30,872	34,337	31,928
A.5	Leader – rural economy sub programme			
	<i>Original</i>	48,000		
	<i>Supplementary</i>	4,000		
		52,000	51,984	55,954
A.6	Regional economic development	3,380	1,902	3,836
A.7	Rural regeneration and development <sup>b</sup>			
	<i>Original</i>	97,000		
	<i>Deferred surrender</i>	11,860		
	<i>Supplementary</i>	(4,000)		
		104,860	70,367	58,011
A.8	Islands	13,183	12,859	10,353
		<b>214,202</b>	<b>181,384</b>	<b>169,159</b>

- Notes
- <sup>a</sup> A.4 – Rural supports includes the CLÁR programme, the Local Improvement Scheme (LIS) and the Walks Scheme.
- <sup>b</sup> A.7 – Rural regeneration and development consists of the Rural Regeneration and Development Fund (RRDF), the Town and Village Renewal Scheme (TVRS), and the Outdoor Recreation Infrastructure Scheme (ORIS).

#### Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €32.731 million lower than (originally) provided. Administration expenditure was €56,000 higher than anticipated and has already been explained, the balance of the variance of €32.787 million was mainly due to the following:

**A.4 Rural supports**

*Estimate provision €30.872 million; outturn €34.337 million*

This subhead provides funding for a number of schemes including the walks scheme CLÁR and LIS, as well as some other initiatives supporting rural development. The increase in expenditure of €3.465 million relative to the estimate provision was largely due to additional demand under the Local Improvement Scheme which was funded from savings elsewhere within the vote.

**A.5 Leader – rural economy sub programme**

*Estimate provision €48 million; outturn €51.984 million*

The increase in expenditure of €3.984 million relative to the estimate provision was due to Leader being a multi annual programme which is demand led. Delivery in 2022 exceeded anticipated levels as the programming period comes to conclusion.

**A.6 Regional economic development**

*Estimate provision €3.38 million; outturn €1.902 million*

The shortfall in expenditure of €1.478 million relative to the estimate provision was due to some local authority managed WiFi4EU projects being either cancelled, reduced or delayed due to a shortage of equipment. Planned equipment purchases for Broadband Connection Points (BCPs), such as firewalls and associated network equipment, could not proceed due to equipment shortages and some delays in agreeing a design solution. Funding of €400,000 was also carried forward from this sub-head for use in 2023.

**A.7 Rural regeneration and development**

*Estimate provision €108.86 million; outturn €70.367 million*

The shortfall in expenditure of €38.493 million relative to the estimate provision was largely due to savings under the Rural Regeneration and Development Fund (RRDF) element of this subhead. Expenditure for RRDF projects was impacted by the continuing effect of the Covid-19 pandemic. The subsequent high demand for contractors has had an impact on timelines, particularly on projects engaged in construction. In addition, inflationary cost increases have necessitated a detailed review of costs in many cases. The savings were utilised elsewhere to fund additional delivery under the Leader programme, the Local Improvement Scheme, the Community Enhancement Programme and Ukrainian supports. Funding of €12.9 million was also carried forward for use in 2023.

**Programme B Community Development**

		<b>2022</b>		<b>2021</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
B.1	Administration – pay			
	<i>Original</i>	4,679		
	<i>Supplementary</i>	63		
			4,742	3,931
B.2	Administration – non pay		854	430
B.3	Supports for community and voluntary sector (part funded by the National Lottery)		474	
	<i>Original</i>	18,345		
	<i>Supplementary</i>	10,000		
			28,345	17,542
B.4	SICAP, local/regional development supports (part funded by the National Lottery)		51,066	45,066
B.5	Local community development committees (support)		2,405	2,399
B.6	Supports for disadvantaged communities		7,500	6,500
B.7	Dormant account measures		12,570	12,481
B.8	Programme for Peace and Reconciliation		6,967	6,967
B.9	Water Safety Ireland		1,179	1,179
B.10	Library development and archive service		7,731	7,731
B.11	Community Enhancement Programme			8,048
	<i>Estimate provision</i>	9,501		
	<i>Deferred surrender</i>	5,000		
			14,501	24,998
B.12	Community Services Programme		48,890	48,890
B.13	Covid-19 Stability Fund		—	10,000
		<b>186,750</b>	<b>203,566</b>	<b>171,164</b>

**Significant variations**

The following outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €26.879 million higher than (originally) provided. This was made up of a shortfall in expenditure of €837,000 in relation to administration spend, which has previously been explained, and an increase in expenditure of €27.716 million in other programme spend. This additional spend was mainly due to the following.

**B.3 Supports for community and voluntary sector**

*Estimate provision €18.345 million; outturn €33.774 million*

The increase in expenditure of €15.429 million relative to the original estimate provision was mainly due to the Energy Support scheme for community and voluntary organisations, which targeted organisations not covered by other government energy support schemes; and spend of €5.5 million to fund community and voluntary Ukrainian supports.

**B.4 Social Inclusion and Community Activation Programme**

*Estimate provision €51.066 million; outturn €56.064 million*

The increase in expenditure of €4.998 million relative to the estimate provision was due to an additional €5 million to fund SICAP Ukrainian supports.

**B.8 Programme for Peace and Reconciliation**

*Estimate provision: €6.967 million; outturn: €8.467 million*

The increase in expenditure of €1.5 million relative to the estimate provision was due to additional capital requirements of the SEUPB under PEACE IV programme.

**B.9 Water Safety Ireland**

*Estimate provision: €1.179 million; outturn: €1.389 million*

The increase in expenditure of €210,000 relative to the estimate provision was due to costs associated with building momentum increases, governance training for board members and employees, and a once off settlement payment which was required to be paid in 2022.

**B.10 Library development and archive service**

*Estimate provision: €7.731 million; outturn: €5.398 million*

The shortfall in expenditure of €2.333 million relative to the estimate provision was due to capital projects being delayed or not starting due to construction supply issues. Delays in the approval of My Open Library initiatives also contributed to a lower than expected outturn. €1 million of the saving was utilised for increased costs under B.8 PEACE. In addition, funding of €1.2 million was carried forward from this area for use in 2023.

**B.11 Community Enhancement Programme**

*Estimate provision: €14.501 million; outturn: €24.998 million*

The increase in expenditure of €10.497 million relative to the estimate provision was due to the significant demand for the Community Centre Investment Fund and the Community Support Fund.

### Programme C Charities Regulatory Authority

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	76	37	36
C.2	Administration – non pay	30	10	7
C.3	Charities Regularity Authority	4,490	4,244	4,084
C.4	Charities Appeal Tribunal	10	—	—
		<b>4,606</b>	<b>4,291</b>	<b>4,127</b>

#### Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

#### C.3 Charities Regulatory Authority

*Estimate provision €4.49 million; outturn €4.244 million*

The shortfall in expenditure of €246,000 relative to the estimate provision arose due to pay related programme costs in the Charities Regulatory Authority being less than anticipated due to continued recruitment delays.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous contributions	100	5,375	36,734
2	Leader – rural economy sub programme	33,200	32,577	31,278
3	Programme for Peace and Reconciliation	3,000	4,978	690
4	Dormant accounts – programme expenditure	12,570	12,302	12,481
5	Social Inclusion and Community Activation Programme	4,000	—	—
6	Receipts from additional superannuation contributions on public service remuneration	380	435	397
<b>Total</b>		<b>53,250</b>	<b>55,667</b>	<b>81,580</b>

### Significant variations

The following outlines the reasons for significant variations (+/- 5% and €100,000).

#### 1 Miscellaneous contributions

*Estimate €100,000; realised €5.375 million*

The excess receipts of €5.275 million for 2022 was due to the following:

- a) The recoupment of project funding under the Outdoor Recreation Infrastructure Scheme, from Mayo County Council, to the value of €1.253 million, on foot of audit and inspection findings in 2021. This funding was not certain to accrue at the time of estimate being prepared.
- b) The recoupment of €3.412 million from local authorities under a range of Town and Village Renewal Scheme measures as works could not be completed within the scheme deadlines and funding which had been advanced was returned, as required. The main measure was TVR Streetscapes for which €2.651 million was recouped. At the time of estimate preparation, it was anticipated that these schemes would fully spend amounts paid.



- c) The remaining variation of €610,000 relates to similar smaller recoupments from a range of grant schemes which were not expected at the time of estimate preparation, including ORIS (€306,000), the Local Improvement Scheme (€150,000) and Rural Recreation (€50,000). The recoupment of €3.412 million from local authorities under a range of Town and Village Renewal Scheme measures as works could not be completed within the scheme deadlines and funding which had been advanced was returned, as required. The main measure was TVR Streetscapes for which €2.651 million was recouped. At the time of estimate preparation, it was anticipated that these schemes would fully spend amounts paid.

### 3 Programme for Peace and Reconciliation

*Estimate €3 million; realised €4.978*

The increase of €1.978 million is due to receipts anticipated in 2021 not being issued until 2022.

### 5 Social Inclusion and Community Activation Programme

*Estimate €4 million; realised €nil*

This Department (DRCD) operates a programme called the Social Inclusion and Community Activation Programme which is eligible for funding from the European Social Fund.

Total funding of €40 million from the ESF was approved. Of this, €36 million was received by the DRCD in 2021, with the remaining €4 million to be paid following completion of audit of the programme by the EU Commission.

The Department of Further and Higher Education, Research, Innovation and Science (D/FHERIS), which is the managing authority for the ESF, initially indicated that the remaining amount would be received by DRCD in 2022. It was included in the Vote's appropriations-in-aid profile on that basis. Subsequently, D/FHERIS indicated that it would not be received in 2022, as the audit process would not be complete at that time.

#### 4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	16	7
Voluntary surrender of ministerial salaries	16	16
Transferred to the Exchequer	(16)	(7)
<b>Balance at 31 December</b>	<b>16</b>	<b>16</b>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents at year end	2022	2021
Department	172	166
Agencies <sup>a</sup>	80	76
<b>Total</b>	<b>252</b>	<b>242</b>

Note <sup>a</sup> Includes staffing of the following agencies: Charities Regulatory Authority, Western Development Commission and Water Safety Ireland.

### 5.2 Pay

Remuneration of Department staff	2022	2021
	€000	€000
Pay	10,212	9,557
Higher, special or additional duties allowances	126	110
Overtime	23	20
Employer's PRSI	794	707
<b>Total pay</b>	<b>11,155</b>	<b>10,394</b>

Note <sup>a</sup> The total pay figure is distributed across subheads A.1, B.1 and C.1.

#### Remuneration of agency staff

	2022	2021
	€000	€000
Pay	4,541	4,074
Higher, special or additional duties allowances	25	31
Overtime	—	—
Employer's PRSI	458	877
<b>Total pay</b>	<b>5,024</b>	<b>4,982</b>

Note <sup>a</sup> The total pay figure is distributed across subheads A.3, B.9 and C.3.

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
<b>Department staff</b>				
Higher, special or additional duties allowances	8	1	24,941	22,002
Overtime	5	1	20,682	16,828
Extra remuneration in more than one category	1	1	25,682	22,444
	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
<b>Agency staff</b>				
Higher, special or additional duties allowances	2	2	14,040	13,630
Overtime	—	—	—	—
Extra remuneration in more than one category	—	—	—	—

### 5.4 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	13	12,313	9,967

Recovery plans were put in place for all overpayments that occurred in 2022.

### 5.5 Department employee pay bands

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	113	113
60,000	69,999	22	18
70,000	79,999	13	12
80,000	89,999	15	14
90,000	99,999	8	4
100,000	109,999	2	6
110,000	119,999	7	2
120,000	129,999	—	—
130,000	139,999	1	—
140,000	149,999	1	1
150,000	159,999	1	1
160,000	169,999	1	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1

### 5.6 Remuneration and benefits of Accounting Officer

The Accounting Officers' remuneration for the financial year was as follows

	2022	2021
	€000	€000
Kevin McCarthy	14,755	190,349
Mary Hurley	145,539	—
	<b>160,294</b>	<b>190,349</b>

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 terms of that pension scheme.

## Note 6 Miscellaneous

### 6.1 National Lottery funding

Subhead	Description	2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
B.3	Supports for community and voluntary sector (part funded by the National Lottery) <sup>a</sup>	14,528	14,902	10,848
B.4	SICAP local/regional development supports (part funded by the National Lottery) <sup>a</sup>	2,797	2,890	2,733
		<b>17,325</b>	<b>17,792</b>	<b>13,581</b>

Note <sup>a</sup> The schemes part-funded by National Lottery funding within the B.3 subhead are the Volunteering Supports, Scheme to Support National Organisations and the Senior Alert Scheme. The total outturn for these in 2022 was €5.371 million, €7.942 million and €1.589 million respectively. The Senior Alerts Scheme is also part funded by the Dormant Accounts Fund, given the level of demand for the scheme, and the outturn for both 2021 and 2022 includes €3 million which is funded through the Dormant Accounts Fund, with the remainder (i.e. €1.589 million in 2022) part-funded by the National Lottery.

The grants part-funded by National Lottery Funding within the B.4 sub-head are for work or projects that are outside of the Department's Social Inclusion and Community Activation Programme but within its ethos, with a focus on organisations that provide supports to those who are disadvantaged.

## 6.2 EU funding <sup>a</sup>

The outturn shown in Subheads A.5 and B.8 includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development and European Regional Development Fund respectively. Estimates of EU funding and actual outturns, based on expenditure and co-financing rates were as follows:

		2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead	Description			
A.5	Leader - Rural Economy Sub Programme	33,200	32,528	33,193
B.8	Programme for Peace and Reconciliation	6,967	8,467	6,967
		<b>40,167</b>	<b>40,995</b>	<b>40,160</b>

Note <sup>a</sup> Payments made under A.5 and B.8 are co-financed 62.8% and 85% respectively by the EU.

### 6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2022, the Department transferred amounts totalling €92.515 million to support these programmes as outlined below.

Subhead	Description	2022	2021
		Outturn €000	Outturn €000
A.4	Rural supports	1,665	1,450
A.5	Leader – rural economy sub programme	834	1,698
A.6	Regional Economic Development	750	—
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	19,528	9,059
B.4	SICAP, local regional development supports (part funded by the National Lottery)	1,798	1,500
B.5	Local community development committees (support)	—	107
B.6	Supports for disadvantaged communities	1,236	1,000
B.7	Dormant account measures	5,098	3,939
B.11	Community Enhancement Programme	14,936	—
B.12	Community Services Programme	46,670	48,890
B.13	Covid 19 Stability Fund	—	4,500
	<b>Total <sup>a</sup></b>	<b>92,515</b>	<b>72,143</b>

Note <sup>a</sup> Pobal has identified amounts totalling €22.843 million which remain unspent in relation to 2022 payments (€6.86 million in 2021). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal. The increase in 2022 relates to balances on hand due to the administration of two new schemes in 2022, the Community & Voluntary Sector Energy Support Scheme which provided €10 million to facilitate grants to organisations with regard to increased energy costs in 2022 (within the B.3 Supports for C&V Sector sub-head), and the Community Centre Investment Fund (within the B.11 CEP subhead) which approved grant payments in 2022. The balances on hand in these areas relate to the volume of payments to be made late in the year, with some delays occurring.

#### 6.4 Deferred surrender

Deferred surrender comprises savings in 2022 of €14.5 million in capital expenditures in the following subheads that were carried over to 2023.

		€000
<b>Description of subhead:</b>		
A.6	Regional economic development	400
A.7	Rural regeneration and development	12,900
B.10	Library development and archive service	1,200
		<b>14,500</b>



## Appendix A Accounts of bodies under the aegis of the Department of Rural and Community Development

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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 the date on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Pobal	2021	30 Aug 2022	18 Nov 2022	25 Nov 2022
Charities Regulatory Authority	2021	23 May 2022	23 May 2022	1 Jun 2022
Western Development Commission	2021	22 Dec 2022	16 Jan 2023	21 Mar 2023
Water Safety Ireland	2021	20 Dec 2022	21 Dec 2022	2 Feb 2023