

Appropriation Account 2022

Vote 43

Office of the Government Chief Information Officer

Introduction

As Secretary General of the Department of Public Expenditure, National Development Plan Delivery and Reform, I am the Accounting Officer for Vote 43. Accordingly, 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 Government Chief Information Officer.

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 €368,000 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.

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 Office.

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, that transactions are 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

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office (NSSO) for the provision of HR, finance and payroll shared service.

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

In April 2022, the NSSO Financial Shared Services (FSS) system went live for eight client bodies, including this vote. FSS replaced the existing financial system in use in the Department and this meant that there were two separate accounting systems in place during the accounting year 2022. The introduction of this cross-organisational financial management system brought with it some challenges, and in the context of preparing these accounts, additional manual checks were carried out by the Finance Unit within this Department to ensure that the figures being reported are accurate. In collaboration with the NSSO, the Department continues to work on addressing the challenges.

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.
- The statement on internal financial control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 43.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- 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
- the Office 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.

Data security

The Office of the Government Chief Information Officer (OGCIO) in its role as a service provider to a number of public sector bodies implements a multi-layered defence-in-depth approach to cybersecurity and to protecting ICT systems, infrastructures, and services and have achieved ISO 27001 certification through the internationally accredited certification body, Certification Europe. This information security management system provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. OGCIO's defence-in-depth security strategy is achieved by utilisation of people, processes and technology to support the implementation of ICT security services.

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 which I have approved. Its work is informed by analysis of the financial risks to which the Office 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. The internal audit function is reviewed periodically by me and by 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 Office 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 Office has provided details of four non-competitive, but compliant 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. Article 31 (1)(b) of Directive 2004/18/EC allows the award of public contracts through negotiated procedures without prior publication of a contract notice to protect exclusive rights and where there are limited options for procurement.

Risk and control framework

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

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

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management 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 require disclosure in the appropriation account.

David Moloney

Accounting Officer

Office of the Government Chief Information Officer

21 March 2023

Comptroller and Auditor General**Report for presentation to the Houses of the Oireachtas****Vote 43 Office of the Government Chief Information Officer****Opinion on the appropriation account**

I have audited the appropriation account for Vote 43 Office of the Government Chief Information Officer 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 Vote 43 Office of the Government Chief Information Officer 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 Office of the Government Chief Information Officer 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

8 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 43 Office of the Government Chief Information Officer

Appropriation Account 2022

		2022	2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Government ICT services	43,467	43,154	22,664
Gross expenditure	43,467	43,154	22,664
<i>Deduct</i>			
B Appropriations-in-aid	165	220	181
Net expenditure	43,302	42,934	22,483

Surplus

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

	2022	2021
	€	€
Surplus to be surrendered	368,007	316,307

David Moloney

Accounting Officer

Office of the Government Chief Information Officer

21 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost	36,170	15,576
Pay	5,629	5,068
Non pay	1,355	2,020
Gross expenditure	43,154	22,664
<i>Deduct</i>		
Appropriations-in-aid	220	181
Net expenditure	42,934	22,483
Changes in capital assets		
Purchases cash	(19,097)	
Depreciation	2,619	1,514
Changes in net current assets		
Decrease in closing accruals	(53)	743
Direct expenditure	26,403	24,740
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(6,204)	(5,132)
Net programme cost	20,199	19,608

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 43 borne elsewhere, net of costs of shared services provided to other votes.

	2022	2021
	€000	€000
Vote 7 Office of the Minister for Finance	41	100
Vote 9 Office of the Revenue Commissioners	1,558	300
Vote 12 Superannuation and Retired Allowances	32	—
Vote 13 Office of Public Works	1,092	1,262
Vote 18 National Shared Services Office	135	7
	2,858	1,669
Cost of shared services provided to other votes	(9,062)	(6,801)
	(6,204)	(5,132)

Note In addition to the value of services rendered without charge to other votes shown here (€9.062 million), services costing approximately €740,400 were also provided without charge to other non-voted public bodies.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	21,657	5,179
Current assets			
Bank and cash		552	457
Prepayments	2.2	3,461	3,132
Other debit balances	2.3	259	347
Total current assets		4,272	3,936
Less current liabilities			
Accrued expenses		589	313
Other credit balances	2.4	772	608
Net Exchequer funding	2.5	39	196
Total current liabilities		1,400	1,117
Net current assets		2,872	2,819
Net assets		24,529	7,998
Represented by:			
State funding account	2.6	24,529	7,998

2.1 Capital assets

	IT equipment	Furniture and fittings	Capital assets under development ^b	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	19,173	17	—	19,190
Additions	4,403	—	14,694	19,097
Adjustment ^a	(2,710)	—	—	(2,710)
Cost or valuation at 31 December 2022	20,866	17	14,694	35,577
Accumulated depreciation				
Opening balance at 1 January 2022	13,999	12	—	14,011
Adjustment	(2,710)	—	—	(2,710)
Depreciation for the year	2,616	3	—	2,619
Cumulative depreciation at 31 December 2022	13,905	15	—	13,920
Net assets at 31 December 2022	6,961	2	14,694	21,657
Net assets at 31 December 2021	5,174	5	—	5,179

Note ^a During the year, OGCI0 reviewed the capital assets register and determined that assets with a nil carrying value purchased between 2004 and 2015 were no longer in use and were disposed of.

^b Payments of €14.7 million were made in relation to Indefeasible Right of Use (IRU) for bandwidth from telecommunications providers as part of the National Low Latency Platform Project, funded by the EU Recovery and Resilience Facility, referenced in Note 6.2.

2.2 Prepayments

at 31 December	2022 €000	2021 €000
IT services	1,114	1,100
Licences	1,938	1,484
Software maintenance	46	81
Telecom services	363	430
Warranty	—	37
	3,461	3,132

2.3 Other debit balances

at 31 December	2022	2021
	€000	€000
Government networks	221	343
Other debit suspense accounts	5	4
Recoupment of secondment	33	—
	259	347

2.4 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	103	92
Pay related social insurance	37	46
Professional services withholding tax	241	144
Value added tax	361	285
Pension contributions	16	14
	758	581
Payroll deductions held in suspense	14	13
Other credit suspense items	—	14
	772	608

2.5 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	368	316
Exchequer grant undrawn	(329)	(120)
Net Exchequer funding	39	196

Represented by:

Debtors

Bank and cash	552	457
Debit balances: suspense	259	347
	811	804

Creditors

Due to the State	(758)	(581)
Credit balances: suspense	(14)	(27)
	(772)	(608)
	39	196

2.6 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		7,998	11,150
Disbursements from the Vote			
Estimate provision	Account	43,302	
Surplus to be surrendered	Account	(368)	
Net vote		42,934	22,483
Expenditure (cash) borne elsewhere	1.1	(6,204)	(5,132)
Non-cash items – capital assets adjustment	2.1	—	(895)
Net programme cost	1	(20,199)	(19,608)
Balance at 31 December		24,529	7,998

2.7 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	1,917	1,937
Total of legally enforceable commitments	1,917	1,937

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	6,333	5,629	5,068
ii	Travel and subsistence	70	36	11
iii	Training and development and incidental expenses	70	48	86
iv	Professional, consultancy and other services	750	892	800
v	Operating expenses	67	72	68
vi	Asset and equipment expenses	150	148	829
vii	Premises and accommodation expenses	40	23	26
viii	Communication and marketing expenses	300	136	200
		7,780	6,984	7,088

Note ^a Changes were made to the administration subheads to facilitate the new single cross-Government chart of accounts for all votes. Nine votes, including this vote moved to the new chart of accounts in 2022. Four subheads were retired and five new subheads were created. Expenditure for 2021 has been re-analysed to align with the new subheads.

Programme A Government ICT Services

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	6,333	5,629	5,068
A.2	Administration – non pay	1,447	1,355	2,020
A.3	Government ICT services	17,187	17,670	15,576
A.4	EU Recovery and Resilience ^a	18,500	18,500	—
		43,467	43,154	22,664

Note ^a This is a new subhead. The EU allocated €23 million to the OGCI0 as part of its Recovery and Resilience Programme to fund the National Low Latency Platform (NLLP) project. This project aims to ensure that the public service maximises the benefits and outcomes from 5G and to develop its capacity to innovate through increased connectivity that supports the use of new technologies.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	15	41	16
2	Receipts from additional superannuation contributions on public service remuneration	150	179	165
Total		165	220	181

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	25
Transferred to the Exchequer	—	(25)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>81</u>	<u>73</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	5,056	4,538
Other allowances	68	64
Overtime	66	58
Employer's PRSI	439	408
Total pay	<u>5,629</u>	<u>5,068</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Allowances	7	1	15,527	12,543
Overtime	22	1	14,825	15,859
Extra remuneration in more than one category	—	—	—	23,815

5.4 OGCI0 staffing by pay band

The number of OGCI0 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	56	50
60,000	69,999	5	8
70,000	79,999	13	6
80,000	89,999	2	8
90,000	99,999	10	6
100,000	109,999	1	2
110,000	119,999	2	—
120,000	129,999	—	1
130,000	139,999	1	1
190,000	199,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	3	24,537	6,023
Recovery plans in place	2	1,162	4,114

5.6 Salary of Accounting Officer

The Accounting Officer for Vote 43 Office of the Government Chief Information Officer is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2022 €000	2021 €000
Data Governance Board ^a	2021	22	3

Note ^a The Data Sharing and Governance Act 2019 established the Data Governance Board. The Board plays a key role in implementing the provisions of the Act.

Under the legislation, the Board has a clearly defined set of legal powers and obligations and will advise the Minister for Public Expenditure, National Development Plan Delivery and Reform on

- the designation and operation of base registries (to store citizens' data)
- advise the Minister on the introduction of data management standards and guidelines
- promote and report on public sector bodies' compliance with the above standards and guidelines
- advise the Minister on the prohibition of collection of certain data by public sector bodies
- advise the Minister on directing public sector bodies to share data under the Act
- advise the Minister on the designation and operation of base registries, and
- review all data sharing agreements under the Act.

Remuneration for eligible Board members is paid through the salary subhead.

6.2 EU funding

The outturn shown in Subhead A.4 includes payments in respect of activities which are included in the National Recovery and Resilience Plan. Estimates of expenditure and actual outturns were as follows.

Description	2022 Estimate €000	2022 Outturn €000	2021 Outturn €000
A.4 EU Recovery and Resilience	18,500	18,500	—
	18,500	18,500	—