

Appropriation Account 2022

Vote 9

Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, 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 Revenue Commissioners, including certain other services administered by that Office.

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, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €14.048 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.

Valuation of capital assets

Seized vehicles that have been appropriated by Revenue are included in the capital assets at open market value at the time of appropriation and are depreciated at a rate of 20% per annum on a straight line basis.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. 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.

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

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office in relation to the provision of human resources and payroll shared services.

The position in regard to the financial control environment, the framework of administrative procedures, in management reporting and internal audit is as follows.

Financial control environment

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

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

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place, 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
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines.

A risk management system operates within the Office of the Revenue Commissioners. Mitigations used to manage risk include

- Revenue's governance structures
- environmental scanning to ensure Revenue is aware of influences that affect risk
- integrated strategic/business planning and risk management system that regularly reviews risks at organisational, divisional and branch level
- project management methodologies for all significant projects.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written internal audit 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 56 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 Office complied with the guidelines with the exception of seven contracts (in excess of €25,000), totalling €2,917,768 (ex. VAT) in 2022 as set out below.

- Two contracts for the provision of daily office cleaning services and the supply of uniforms with a combined value of €2,110,459 had previously been awarded under compliant competitive processes but were extended while revised arrangements were being put in place. New contracts are now in place for these items.
- One contract for the provision of mobile voice and data services with a value of €557,337, previously awarded under a compliant competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. Migration to the new provider is ongoing and under review.
- One contract for the provision of managed print services with a value of €121,313, previously awarded under a competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. The new service provider is now in place for these services.
- One contract for the supply, storage and distribution of PPE was awarded under a compliant competitive process in 2020 during the Covid pandemic. However, storage with the contractor was continued during 2022 at a cost of €40,451. The remaining inventory will be transferred to Revenue premises during 2023 thus closing the contract.
- One contract for the provision of antigen test kits with a value of €57,993, previously awarded under a compliant competitive process, was deemed non-compliant due to aggregated spend being above the national threshold for publication of tender requests. The contract is complete and will not be required in future.
- One contract for the provision of fuel testing kits and associated supplies with a value of €30,215 was deemed non-compliant due to aggregated spend being above the national threshold for publication of tender requests. Requirements will be reviewed with a view to implementing a compliant procurement process during 2023.

Except for the last two items listed, the above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

This Office operates a corporate risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks. A corporate risk register is in place which identifies the key risks facing this Office. These risks are described, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated into Revenue's strategic and business planning process.

There is a quarterly review process for the Corporate Risk Register. Divisions report on the effectiveness of risk mitigating controls and residual risk levels following mitigation. Revisions to the register, including whether there should be any changes to the priority or ranking of individual risks, are then considered as part of a formal review by the Risk Management Committee (RMC). The RMC then presents the updated register for note to the Management Advisory Committee (MAC). This process provides that risk escalation is recognised, reviewed, reported, and included in the Corporate Risk Register. The RMC Chair presents a Corporate Risk Management Annual Report to the Board of the Revenue Commissioners which outlines the activities of the RMC throughout the preceding year and provides assurance of adherence to Revenue's risk management policies.

A Data Protection Officer with responsibility for overseeing Revenue's data protection strategy and implementation, including compliance with the General Data Protection Regulation (GDPR) is in place and is supported by a data protection unit.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and for how control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 this Office are 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.

Emerging from the Covid-19 pandemic

In February 2022 the Government agreed to end almost all remaining Covid-19 restrictions. The Blended Working Policy Framework for the Civil Service was introduced in March 2022 and, based on this, Revenue's blended working policy was introduced in September 2022. Approximately 5,400 of Revenue's 6,850 staff (FTE 6,676 at 31 December 2022) had agreed a formal blended working arrangement by the end of the year. The remaining staff include those in work areas such as frontier management where blended working is not feasible and staff who have chosen to attend the office on a full-time basis.

Business support schemes

The commitment and engagement of Revenue's staff allowed Revenue to successfully maintain delivery of our core business programmes while continuing to deliver our additional role of administering Business support schemes.

Revenue continued to utilise its advanced technology infrastructure and its strong operational and project management capabilities to manage the range of subsidy and support schemes introduced by the Government to support businesses and their employees. The Business Resumption Support Scheme (BRSS) closed for applications in November 2021 with the Covid Restrictions Support Scheme (CRSS) closed in January 2022. The Covid Employment Wage Subsidy Scheme (EWSS) ended for employers in May 2022. The Temporary Business Energy Support Scheme (TBESS) was introduced in December 2022 to support businesses with increases in their electricity or natural gas (energy) costs.

These schemes ensured that critical support payments were provided to employers, employees, and businesses.

The administration of these schemes entailed the management of significant sums, with a net total of €770.6 million paid in respect of EWSS in 2022 (funded by the Department of Social Protection) and €5.5 million paid in respect of TBESS (funded by the Department of Enterprise, Trade and Employment). Net recoveries for the Temporary Wage Subsidy Scheme (TWSS) amounted to €26.3 million in 2022. Any balance owing to or from either Department at the year end are disclosed in note 2.9 of the account. CRSS and BRSS were funded through income tax or corporation tax and are paid as an advanced tax credit.

In early 2022, Revenue commenced a phased return to standard debt collection and normal periodic reviews for tax clearance which had been suspended since the start of the pandemic in March 2020.

Niall Cody

Accounting Officer

Office of the Revenue Commissioners

31 March 2023

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 9 Office of the Revenue Commissioners

Opinion on the appropriation account

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners 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 9 Office of the Revenue Commissioners 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 Revenue Commissioners and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2022.

Seamus McCarthy

Comptroller and Auditor General

19 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 9 Office of the Revenue Commissioners

Appropriation Account 2022

			2022	2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Administration and collection of taxes and duties, and frontier management				
	<i>Estimate provision</i>	496,424		
	<i>Deferred surrender</i>	493		
			496,917	491,699
				488,701
Gross expenditure		496,917	491,699	488,701
	<i>Deduct</i>			
B Appropriations-in-aid		55,322	64,152	56,739
Net expenditure				
	<i>Estimate provision</i>	441,102		
	<i>Deferred surrender</i>	493		
			441,595	427,547
				431,962

Surplus

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

	2022	2021
	€	€
Surplus	14,048,260	9,764,842
Deferred surrender	—	(493,000)
Surplus to be surrendered	14,048,260	9,271,842

Niall Cody

Accounting Officer

Office of the Revenue Commissioners

31 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Pay		350,751	339,678
Non pay		140,948	149,023
Gross expenditure		491,699	488,701
<i>Deduct</i>			
Appropriations-in-aid		64,152	56,739
Net expenditure		427,547	431,962
Changes in capital assets			
Purchases cash	(22,382)		
Depreciation	21,617		
Disposals cash	1		
Loss on disposals	99	(665)	(6,607)
Changes in net current assets			
Increase in closing accruals	5,825		
Decrease in inventories	496	6,321	(7,251)
Direct expenditure		433,203	418,104
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		167,154	156,539
Notional rents (non-cash)		12,043	12,043
Net programme cost		612,400	586,686

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 9 borne elsewhere, net of costs of shared services provided to other Votes.

		2022	2021
		€000	€000
Vote 12	Superannuation and Retired Allowances	152,597	141,114
Vote 13	Office of Public Works	19,380	19,424
Vote 18	National Shared Services Office	680	667
		<u>172,657</u>	<u>161,205</u>
	Costs of shared services provided to other voted services rendered by Revenue without charge ^a	(5,503)	(4,666)
		<u>167,154</u>	<u>156,539</u>

Note ^a In addition to services rendered without charge to other Votes shown here (€5.503 million), services to the value of approximately €1.381 million were also provided without charge to other non-voted bodies. While the majority of the allied service costs are actual costs, approximated costs have been applied where actual costs are not available.

The costs incurred by Revenue on the administration of the Department of Social Protection funded schemes (Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme) and the Department of Enterprise, Trade and Employment funded scheme (Temporary Business Energy Support Scheme) have not been included as the operation of these schemes was fully integrated within Revenue's systems.

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	104,098	103,536
Current assets			
Bank and cash	2.2	30,170	24,963
Inventories	2.3	1,405	1,901
Prepayments	2.4	15,256	18,947
Accrued income	2.5	975	1,155
Other debit balances	2.6	1,883	1,809
Total current assets		49,689	48,775
Less current liabilities			
Accrued expenses	2.7	4,789	3,666
Deferred income	2.8	1,376	648
Other credit balances	2.9	25,999	26,045
Net Exchequer funding	2.10	6,054	727
Total current liabilities		38,218	31,086
Net current assets		11,471	17,689
Net assets		115,569	121,225
Represented by:			
State funding account	2.11	115,569	121,225

2.1 Capital assets ^a

	Vehicles and equipment €000	Office/IT equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
Gross assets					
Cost or valuation at 1 January 2022	18,948	431,398	88,771	3,303	542,420
Additions	1,990	5,520	1,639	13,130	22,279
Brought into use	—	10,682	—	(10,682)	—
Disposals	(145)	(1,226)	(1,729)	—	(3,100)
Cost or valuation at 31 December 2022	20,793	446,374	88,681	5,751	561,599
Accumulated depreciation					
Opening balance at 1 January 2022	15,086	365,249	58,549	—	438,884
Depreciation for the year ^b	1,248	16,148	4,221	—	21,617
Depreciation on disposals	(145)	(1,206)	(1,649)	—	(3,000)
Cumulative depreciation at 31 December 2022	16,189	380,191	61,121	—	457,501
Net assets at 31 December 2022	4,604	66,183	27,560	5,751	104,098
Net assets at 31 December 2021	3,862	66,149	30,222	3,303	103,536

- Notes
- ^a Includes certain assets acquired for less than €10,000 prior to 1 January 2021.
 - ^b Depreciation is calculated and charged on capital assets on a monthly basis from the month of acquisition until the month of disposal.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	20,272	14,382
Commercial bank account balance	55	55
TWSS bank account balance ^a	1,662	6,895
EWSS bank account balance ^a	8,156	3,631
TBESS bank account balance	25	—
	30,170	24,963

Note ^a The TWSS and EWSS bank account ledger balances at the end of 2022 include €66,000 in claimant overpayments recovered by Revenue which had not yet been paid over to the Department of Social Protection (DSP). The TWSS and EWSS suspense account balances due to DSP in note 2.9 also include €66,000 in claimant overpayments.

2.3 Inventories

at 31 December	2022 ^a	2021
	€000	€000
Stationery and small stores	59	645
Equipment/clothing/miscellaneous	1,322	1,255
IT consumables	24	1
	1,405	1,901

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

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
ICT services and support	13,707	17,310
Postal and telecommunications	1,151	1,151
Other administration expenses	398	486
	15,256	18,947

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Administration income	975	1,155
	975	1,155

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Shared building advances	247	291
Recoupable travel expenditure	12	1
Advances to OPW for building works, etc.	929	1,057
Vote 10 Tax Appeals Commission	300	228
Recoupable salaries	186	9
Recoupable travel pass scheme expenditure	100	113
Other debit suspense items	109	110
	1,883	1,809

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
Other administration expenses	2,164	1,044
ICT services and support	1,313	1,103
Training and development and other day-to-day expenses	1,312	1,519
	4,789	3,666

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
EU funding for the procurement of specialised equipment	1,252	504
Fee income received in advance	124	144
	1,376	648

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income Tax	4,300	3,983
Universal Social Charge	875	800
Pay Related Social Insurance	3,249	2,859
Professional Services Withholding Tax	2,210	2,553
Value Added Tax	937	883
Pension contributions	1,229	958
Local Property Tax	35	38
Extra Exchequer receipts	—	445
	12,835	12,519
 Payroll deductions held in suspense	 2,554	 2,614
Recoupable expenditure in advance	258	239
Due to DSP in respect of		
• TWSS ^a	1,662	6,895
• EWSS ^a	8,156	3,631
Due to the Account of the Receipt of Revenue of the State in respect of		
• TBESS ^b	25	—
Other credit suspense items	509	147
	25,999	26,045

- Notes ^a In 2022, payments (net of refunds and unpaid claims) administered under EWSS amounted to €770.6 million. In 2022, payments and recoveries administered under TWSS were as follows.
- TWSS payments €651,000
 - TWSS recoveries €27 million
- Recoveries of €27 million arose due to repayment of TWSS liabilities.
- ^b Revenue opened a number of suspense accounts during the year to facilitate payments under TBESS, funded by the Vote of the Department of Enterprise, Trade and Employment. In 2022, payments (net of unpaid claims) administered under TBESS amounted to €5.5 million.

2.10 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus to be surrendered	14,048	9,272
Deferred surrender	—	493
Exchequer grant undrawn	(7,994)	(9,038)
Net Exchequer funding	6,054	727
Represented by:		
Debtors		
Bank and cash	30,170	24,963
Other debit balances	1,883	1,809
	32,053	26,772
Creditors		
Due to the State	(12,835)	(12,519)
Other credit balances	(13,164)	(13,526)
	(25,999)	(26,045)
	6,054	727

2.11 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		121,225	107,367
Disbursements from the Vote			
Estimate provision	Account	441,595	
Surplus to be surrendered	Account	(14,048)	
Net vote		427,547	431,962
Expenditure (cash) borne elsewhere	1.1	167,154	156,539
Non-cash expenditure – notional rent	1	12,043	12,043
Net programme cost	1	(612,400)	(586,686)
Balance at 31 December		115,569	121,225

2.12 Commitments

at 31 December	2022	2021
	€000	€000
Procurement of goods and services	<u>25,070</u>	<u>24,803</u>

2.13 Contingent liabilities

Revenue has contingent liabilities estimated at €4.092 million (2021: €3.415 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	352,824	350,751	339,678
ii	Travel and subsistence	2,500	1,836	772
iii	Training and development and incidental expenses	33,500	28,496	30,651
iv	Postal and telecommunications services	9,000	11,156	9,641
v	Office equipment and external IT services			
	<i>Estimate provision</i>	74,050		
	<i>Deferred surrender</i>	493		
		74,543	72,763	74,557
vi	Office premises expenses	6,025	9,308	18,207
vii	Consultancy services and value for money and policy reviews	250	165	73
viii	Motor vehicles	5,350	5,421	4,503
ix	Law charges, fees and rewards	11,800	11,419	9,366
x	Compensation and losses	1,125	384	1,253
		496,917	491,699	488,701

Significant variations

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

ii Travel and subsistence

Estimate provision €2.5 million; outturn €1.836 million

Expenditure was €664,000 less than the estimate provision due to a more gradual return to in-person business meetings and compliance fieldwork following the Covid-19 pandemic.

vi Office premises expenses

Estimate provision €6.025 million; outturn €9.308 million

An excess of €3.283 million arises due to Brexit infrastructure costs at Dublin Port and due to increases in energy costs.

x Compensation and losses

Estimate provision €1.125 million; outturn €384,000

Expenditure was €741,000 less than the estimate provision due to a significant decrease in legal cost award payments compared to previous years.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for services relating to the PRSI scheme	37,437	37,437	37,437
2	Fines, forfeitures, law costs recovered	1,800	2,441	1,942
3	Cherished numbers	175	368	293
4	Receipts in respect of Environmental Levy collection	400	407	809
5	Share of Single Authorisation for Simplified Procedures (SASP) collection costs	4,785	10,453	6,098
6	Miscellaneous	2,400	4,349	1,988
7	Receipts from additional superannuation contributions on public service remuneration	8,325	8,697	8,172
		55,322	64,152	56,739

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €8.83 million higher than the original estimate. Explanations for variances are set out below.

2 Fines, forfeitures, law costs recovered

Estimate €1.8 million; realised €2.441 million

Additional receipts arise due to an increase in compliance activity following the Covid-19 pandemic resulting in a greater volume of fines in respect of diesel and excise offences.

3 Cherished numbers

Estimate €175,000; realised €368,000

The demand for cherished vehicle registrations can be difficult to forecast accurately as it relates to discretionary expenditure by purchasers of new vehicles. A conservative estimate is taken when preparing the estimate. There was a marginal increase in the volume of new cars purchased in 2022 compared to 2021.

5 Share of SASP collection costs

Estimate €4.785 million; realised €10.453 million

Centralised clearance (currently known as Single Authorisation for Simplified Procedures (SASP)) allows economic operators to declare goods in one EU member state while the goods are physically imported or exported in a different member state. Under the centralised clearance system, the State retains a percentage of the duties collected. The increase of €5.668 million arises due to increased imports into mainland Europe, following the Covid-19 pandemic, where the customs duties are declared and collected in the State.

6 Miscellaneous

Estimate €2.4 million; realised €4.349 million

The increase of €1.949 million in miscellaneous receipts arises due to increased Vote refund receipts (in respect of liquidation cases) and additional EU grant payments.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	445	415
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	726	460
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with global cigarette manufacturers	130	864
Transferred to the Exchequer	(1,301)	(1,294)
Balance at 31 December	—	445

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end	<u>6,676</u>	<u>6,535</u>

5.2 Pay

	2022	2021
	€000	€000
Pay	313,000	304,532
Higher, special or additional duties allowances	8,885	8,957
Overtime	2,582	2,294
Employer's PRSI	26,284	23,895
Total pay	<u>350,751</u>	<u>339,678</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	96	17	21,600	27,532
Overtime and extra attendance	1,231	134	30,983	21,921
Shift and roster allowances	844	167	53,509	34,473
Miscellaneous	131	8	43,117	21,048
Extra remuneration in more than one category	265	88	54,311	34,586

5.4 Office employee pay bands

The number of Revenue 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	5,217	5,637
60,000	69,999	610	496
70,000	79,999	373	346
80,000	89,999	205	192
90,000	99,999	122	45
100,000	109,999	22	38
110,000	119,999	46	31
120,000	129,999	10	2
130,000	139,999	—	1
140,000	149,999	1	2
150,000	159,999	3	9
160,000	169,999	10	1
170,000	179,999	2	—
180,000	189,999	—	—
190,000	199,999	—	2
200,000	209,999	1	1
210,000	219,999	1	—

5.5 Performance awards

A total of €127,000 (2021: €128,000) was spent on staff recognition schemes. There were 2,413 (2021: 2,401) individual awards, ranging from €20 to €250.

5.6 Other remuneration arrangements

A total of €77,000 was paid to 51 retired civil servants by Revenue in 2022 in respect of committee member payments, interview board payments and witness expenses (2021: €63,000 was paid to 36 retired civil servants). These payments were made in accordance with the appropriate Department of Public Expenditure, National Development Plan Delivery and Reform rates.

This account includes expenditure of €1.23 million in respect of 21 officers who were serving outside Revenue for all or part of 2022 and whose salaries were paid by Revenue (2021: €795,000 in respect of 19 officers).

This account does not include expenditure in respect of 43 officers who were serving outside Revenue for all or part of 2022 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.7 Payroll overpayments

at 31 December	Number of recipients	2022 €000	2021 €000
Overpayments	916	1,520	1,432
Recovery plans in place	513	710	713

Fifteen overpayment recovery plans, in respect of fourteen individuals to the value of €5,807 were transferred to nine other departments/offices during the year.

5.8 Remuneration and benefits of Accounting Officer

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

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants, and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year:

	2022	2021
	€000	€000
Payroll overpayments	10	7
Payroll amendments ^a	10	—
Obsolete inventory	9	—
	29	7

Note ^a A total of €10,000 (Income Tax €6,000, PRSI €3,000 and USC €1,000) was written off in 2022 as the amounts were outside the four-year limit for claiming a tax refund. The amount of €10,000 is included in note 3 subhead A (i) salaries, wages and allowances.

6.2 Law charges, fees and rewards (subhead A (ix))

Legal costs paid during the year are categorised as follows:	2022	2021
	€000	€000
External solicitors	2,337	1,970
Counsel fees	5,446	4,519
Bankruptcy/liquidation costs	2,009	2,086
Court fees	—	12
Miscellaneous costs and rewards	1,627	779
	11,419	9,366

6.3 Compensation and losses (subhead A (x))

Payments/costs paid by Revenue Commissioners in the year

	Claims by					Total 2022	Total 2021
	employees		members of the public				
	Personal injury ^a	Other	Personal injury ^b	Loss or damage ^c	Other ^d		
Number of cases	13	1	4	3	3	24	32
	€000	€000	€000	€000	€000	€000	€000
Revenue's own legal costs	27	—	2	—	—	29	20
Payments by/on behalf of Revenue							
Compensation	73	72	1	1	—	147	286
Legal costs	170	—	—	—	31	201	947
Other costs	6	—	1	—	—	7	—
2022 total	276	72	4	1	31	384	1,253
2021 total	300	—	5	1	947	1,253	

- Notes
- ^a Amounts paid in individual cases ranged from €60 to €81,000
 - ^b Amounts paid in individual cases ranged from €60 to €1,500
 - ^c Amounts paid in individual cases ranged from €1 to €278
 - ^d Amounts paid in individual cases ranged from €1,100 to €24,000

At 31 December 2022, the following claims are outstanding.

- Personal injury claims: 21 – employees 14, members of the public 7 (2021: 25)
- Loss or damage claims: 7 – members of the public 7 (2021: 1)
- Other claims: 19 – members of the public 19 (2021: 11)

Cumulative costs of cases completed in 2022

	Claims by					Total
	employees		members of the public			
	Personal injury	Other	Personal injury	Loss or damage	Other	
Number of cases	2	1	2	2	3	10
	€000	€000	€000	€000	€000	€000
Revenue's own legal costs	1	—	—	—	33	34
Payments by/on behalf of Revenue						
Compensation	—	72	1	1	—	74
Legal costs	—	—	—	—	31	31
Other costs	—	—	1	—	1	2
Total	1	72	2	1	65	141

6.4 EU funding

Under a grant agreement with EU Commission Anti-Fraud Office (OLAF), the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.44 million, or 80% of the eligible cost for the purchase of a mobile X-ray scanning van which is used by Investigation, Prosecution and Frontier Management Division (IPFMD) to scan trucks and containers. The first instalment of grant funding €720,000 was received in 2020 and the scanner was ordered in 2021. The scanner was delivered in October 2022. The second grant instalment of €361,000 will be claimed by Revenue in Q3 2023.

Under a grant agreement with OLAF, the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.84 million, or 40% of the eligible cost for the purchase of a Customs cutter which will be used by IPFMD to detect prohibited goods and illicit excisable products in the maritime domain. The first instalment of €920,000 was received in June 2022 and is included in category 6 'miscellaneous' in appropriations-in-aid.

Under a grant agreement with the Directorate-General Taxation and Customs Union (DG-TAXUD), the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.19 million, or 80% of the eligible cost for the purchase of various X-ray machines, trace detection systems, bore scopes and spectrometers which will be used by IPFMD to detect prohibited goods and illicit excisable products in ports, airports, and postal depots. The first instalment of €595,200 was received in October 2022 and is included in category 6 'miscellaneous' in appropriations-in-aid.

Appendix A Accounts under the aegis of the Office of the Revenue Commissioners

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

Name of Account	Last accounting period	Date of audit report	Date presented to the Oireachtas
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners	2021	22 Apr 2022	11 May 2022