

## **Appropriation Account 2023**

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### **Vote 14**

### **State Laboratory**

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## Introduction

As Accounting Officer for Vote 14, 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 2023 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €263,000 is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 5 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 2023, have been applied in the preparation of the account except for the following.

### ***Depreciation***

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset class	Useful life	Rate of amortisation
Software licences	5 years	20%
Acquired/developed software	5 years	20%

### ***Inventories***

Valuation of inventories includes high-volume low-value consumable items given their nature and the need for monitoring and security.

## 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 State Laboratory.

This responsibility is exercised in the context of the resources available to me and my other obligations as State Chemist. 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***

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

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the State Laboratory.

### ***Financial control environment***

A control environment comprising 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***

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 State Laboratory
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines

### ***Internal audit and Audit Committee***

The State Laboratory 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 State Laboratory 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***

The State Laboratory ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €5.6 million in 2023.

The State Laboratory has provided details of five non-competitive contracts in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

The State Laboratory complied with the guidelines for 2023 and did not have any non-compliant contracts.

### ***Risk and control framework***

The State Laboratory 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 State Laboratory and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

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

### ***Ongoing monitoring and review***

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

### ***Review of effectiveness***

The State Laboratory has procedures to monitor the effectiveness of its risk management and control procedures. The State Laboratory'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 State Laboratory 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 2023 that require disclosure in the appropriation account.

**Barbara O'Leary**  
Accounting Officer  
State Laboratory

11 March 2024

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 14 State Laboratory**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2023 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 14 State Laboratory for the year ended 31 December 2023, 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 State Laboratory 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

17 June 2024

## 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 14 State Laboratory

## Appropriation Account 2023

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A Government analytical laboratory and advisory service				
	<i>Original</i>	12,847		
	<i>Supplementary</i>	537		
			13,384	13,265
				11,725
<b>Gross expenditure</b>			<b>13,384</b>	<b>13,265</b>
<i>Deduct</i>				
B Appropriations-in-aid				
	<i>Original</i>	1,111		
	<i>Supplementary</i>	149		
			1,260	1,404
				1,070
<b>Net expenditure</b>				
	<i>Original</i>	11,736		
	<i>Supplementary</i>	388		
			12,124	11,861
				10,655

**Surplus**

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

	2023	2022
	€	€
<b>Surplus to be surrendered</b>	<b>262,950</b>	<b>401,340</b>

**Barbara O'Leary**  
Accounting Officer  
State Laboratory

11 March 2024



## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Pay	7,651	6,516
Non pay	5,614	5,209
<b>Gross expenditure</b>	<b>13,265</b>	<b>11,725</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>1,404</b>	<b>1,070</b>
<b>Net expenditure</b>	<b>11,861</b>	<b>10,655</b>
<b>Changes in capital assets</b>		
<b><i>Property, plant and equipment (note 2.1)</i></b>		
Purchases	(706)	
Depreciation	1,001	
<b><i>Intangible assets (note 2.2)</i></b>		
Amortisation	20	
	315	(350)
<b>Changes in net current assets</b>		
Decrease in inventories	14	
Decrease in prepayments	230	
Decrease in accrued income	125	
(Decrease) accrued expenses	(54)	
	315	306
<b>Direct expenditure</b>	<b>12,491</b>	<b>10,611</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	1,819	2,147
Notional rents	1,688	1,688
<b>Net programme cost</b>	<b>15,998</b>	<b>14,446</b>

### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 14 borne elsewhere.

		<b>2023</b>	<b>2022</b>
		<b>€000</b>	<b>€000</b>
Vote 9	Office of the Revenue Commissioners	10	10
Vote 12	Superannuation and Retired Allowances	1,796	2,126
Vote 18	National Shared Services Office	13	11
		<b>1,819</b>	<b>2,147</b>

**Note 2 Statement of Financial Position as at 31 December 2023**

	<b>Note</b>	<b>2023</b> <b>€000</b>	<b>2022</b> <b>€000</b>
<b>Fixed assets</b>			
Property, plant and equipment	2.1	1,807	2,102
Intangible assets	2.2	—	20
<b>Total fixed assets</b>		<b>1,807</b>	<b>2,122</b>
<b>Current assets</b>			
Bank and cash		312	254
Inventories	2.3	296	310
Prepayments	2.4	800	1,030
Accrued income	2.5	53	178
Other debit balances		4	3
<b>Total current assets</b>		<b>1,465</b>	<b>1,775</b>
<b>Less current liabilities</b>			
Accrued expenses	2.6	268	322
Other credit balances	2.7	300	223
Net Exchequer funding	2.8	16	34
<b>Total current liabilities</b>		<b>584</b>	<b>579</b>
<b>Net current assets</b>		<b>881</b>	<b>1,196</b>
<b>Net assets</b>		<b>2,688</b>	<b>3,318</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.9	<b>2,688</b>	<b>3,318</b>

**2.1 Property, plant and equipment <sup>a</sup>**

	<b>Equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Cost or valuation <sup>b</sup></b>			
At 1 January 2023	14,747	559	15,306
Additions	706	—	706
Disposals	(155)	—	(155)
At 31 December 2023	15,298	559	15,857
<b>Accumulated depreciation</b>			
At 1 January 2023	12,654	550	13,204
Depreciation for the year	999	2	1,001
Depreciation on disposals	(155)	—	(155)
At 31 December 2023	13,498	552	14,050
<b>Net assets</b>			
<b>At 31 December 2023</b>	<b>1,800</b>	<b>7</b>	<b>1,807</b>
At 31 December 2022	2,093	9	2,102

Note <sup>a</sup> Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021.

<sup>b</sup> From 1 January 2023, software acquisition and development assets are classified as intangible assets (note 2.2).

**2.2 Intangible assets <sup>a</sup>**

	<b>Acquired and developed software</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>
<b>Cost or valuation</b>		
At 1 January 2023	174	174
At 31 December 2023	174	174
<b>Accumulated amortisation</b>		
At 1 January 2023	154	154
Amortisation for the year	20	20
At 31 December 2023	174	174
<b>Net assets</b>		
<b>At 31 December 2023</b>	<b>—</b>	<b>—</b>
At 31 December 2022	20	20

Note <sup>a</sup> At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

**2.3 Inventories**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Chemicals and laboratory consumables	251	264
Stationery and IT consumables	45	46
	<b>296</b>	<b>310</b>

**2.4 Prepayments**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Laboratory and IT	763	1,018
Administration	37	12
	<b>800</b>	<b>1,030</b>

**2.5 Accrued income**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Due for services	53	178
	<b>53</b>	<b>178</b>

**2.6 Accrued expenses**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Laboratory and IT	130	146
Administration	138	176
	<b>268</b>	<b>322</b>

**2.7 Other credit balances**

at 31 December	2023	2022
	€000	€000
<b>Amounts due to the State</b>		
Income tax	111	79
Pay related social insurance	85	62
Universal social charge	24	16
Relevant contracts tax	—	1
Value added tax on intra-EU acquisitions	25	18
	<u>245</u>	<u>176</u>
Payroll deductions held in suspense	55	46
Other credit suspense items	<u>—</u>	<u>1</u>
	<b>300</b>	<b>223</b>

**2.8 Net Exchequer funding**

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	263	401
Exchequer grant undrawn	<u>(247)</u>	<u>(367)</u>
<b>Net Exchequer funding</b>	<b>16</b>	<b>34</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	312	254
Debit balances: suspense	<u>4</u>	<u>3</u>
	316	257
<b>Creditors</b>		
Due to the State	(245)	(176)
Credit balances: suspense	<u>(55)</u>	<u>(47)</u>
	(300)	(223)
	<b>16</b>	<b>34</b>

**2.9 State funding account**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		3,318	3,274
Disbursements from the Vote			
Estimate provision	Account	12,124	
Surplus to be surrendered	Account	(263)	
Net vote		11,861	10,655
Expenditure (cash) borne elsewhere	1.1	1,819	2,147
Non cash expenditure – notional rent	1	1,688	1,688
Net programme cost	1	(15,998)	(14,446)
<b>Balance at 31 December</b>		<b>2,688</b>	<b>3,318</b>

**2.10 Commitments**

<b>Global commitments</b>	<b>2023</b>	<b>2022</b>
at 31 December	<b>€000</b>	<b>€000</b>
Goods and services	530	431
<b>Total</b>	<b>530</b>	<b>431</b>

### Note 3 Vote Expenditure

#### Analysis of administration expenditure

All of the allocation for Vote 14 State Laboratory is classified as administration expenditure applied towards a single programme: Government analytical laboratory and advisory service.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	7,867		
	<i>Supplementary</i>	(103)		
		7,764	7,651	6,516
ii	Travel and subsistence	35	20	9
iii	Training and development and incidental expenses	375	518	324
iv	Postal and telecommunications services	60	39	47
v	Lab equipment and external IT services	3,027	2,766	3,081
vi	Office premises expenses			
	<i>Original</i>	1,458		
	<i>Supplementary</i>	640		
		2,098	2,248	1,711
vii	Consultancy and VFM and policy reviews	25	23	37
		<b>13,384</b>	<b>13,265</b>	<b>11,725</b>

#### Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

#### iii Training and development and incidental expenses

*Estimate €375,000; realised €518,000*

The increased spend of €143,000 is due to additional recruitment costs and additional training costs to cover the significant recruitment of staff in the year. The number of staff employed at the end of 2023 increased by 24% relative to the end of the previous year.

#### vi Office premises expenses

*Estimate €1.458 million; realised €2.248 million*

The need for a supplementary estimate of €640,000 arose due to the continued volatility in the costs of electricity and gas. State Laboratory electricity and gas costs are contracted through OGP frameworks. Additional costs of €150,000 were incurred due to unforeseen costs in facilities management in relation to inflation and also due to improvement works being completed.



## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2023		2022
	Estimated €000	Realised €000	Realised €000
1 Receipts for various analyses, examinations, tests etc.			
<i>Original</i>	900		
<i>Supplementary</i>	149		
	1,049	1,162	864
2 Receipts from additional superannuation contributions on public service remuneration	210	242	205
3 Miscellaneous receipts	1	—	1
<b>Total</b>	<b>1,260</b>	<b>1,404</b>	<b>1,070</b>

### Significant variations

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

#### 1 Receipts for various analyses, examinations, tests etc.

*Estimate €1.05 million; realised €1.162 million*

A supplementary estimate of €149,000 was included due to better than forecasted cash collections on debtors and an increase in the number of tests completed in the year.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	<b>124</b>	<b>100</b>

### 5.2 Pay

	2023 €000	2022 €000
Pay	6,981	5,953
Higher, special or additional duties allowances	3	20
Employer's PRSI	667	543
<b>Total pay</b>	<b>7,651</b>	<b>6,516</b>

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	—	—	—	10,489
Other allowances	4	—	1,317	1,276

Under the terms of the AHCPs 1% PCW restructuring agreement, 14 officers received PCW allowances. The total amount paid was €44,037 (2022: €37,449).

### 5.4 State Laboratory staffing pay bands

The number of State Laboratory 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	2023	2022
20,000	59,999	58	58
60,000	69,999	12	14
70,000	79,999	26	16
80,000	89,999	6	6
90,000	99,999	3	2
100,000	109,999	2	2
110,000	119,999	1	1
120,000	129,999	1	—

### 5.5 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€	€
Basic pay		
Ita Kinahan – to 20 May 2022	—	41,615
Barbara O'Leary – from 21 May 2022	125,583	65,158
Allowances	1,259	17,343
	<b>126,842</b>	<b>124,116</b>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the Contributory Pension Scheme for Established Civil Servants and its associated Contributory Revised Spouses' and Children's Scheme and her entitlements in that regard do not extend beyond the standard terms of that scheme.