

**Appropriation Account 2023**

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**Vote 18**

**National Shared Services Office**

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## Introduction

As Accounting Officer for Vote 18, 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 National Shared Services Office.

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, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.91 million is liable for surrender to the Exchequer.

During the accounting period ending 31 December 2023, the National Shared Services Office operated as a separate civil service office under the aegis of the Department of Public Expenditure, National Development Plan Delivery and Reform.

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 2023, have been applied in the preparation of the account, except for the following.

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

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of amortisation</i>
Software licences and externally acquired software	Licence term 5 years	20%
Internally developed software	10 years	10%

### ***Basis of charge for services***

The National Shared Services Office applies a service charge for HR services and pensions administration. The service charge for 2023 has distributed a portion of operational costs on a pro-rata basis among each public sector body served, based on their employee headcount. The remainder is borne by the National Shared Services Office.

***Capital assets under development***

Capital expenditure in respect of the development of a Financial Management Shared Services (FMSS) system by the National Shared Service Office are included as part of note 2.2 Intangible assets. Staff, client service partner and overhead costs incurred as part of the development of the system are not capitalised.

**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 National Shared Services Office.

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

***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 independent Audit and Risk 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 National Shared Services Office
- 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 and Risk Committee***

The National Shared Services Office has an internal audit function with appropriately trained personnel. The National Shared Services Office internal audit unit operates in accordance with a written charter which I have approved. Its work is informed by analysis of the risks to which the National Shared Services 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

### ***Procurement***

The Office 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 €35.399 million in 2023.

The Office has provided details of two non-competitive contracts to the value of €5,022,616 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 one contract in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €59,952 (exclusive of VAT). The contract was awarded for IT hardware that relied on a non-compliant procurement process. This contract will continue until its expiration in 2024.

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

The National Shared Services Office 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 National Shared Services Office and these have been 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 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. These are communicated to those responsible for taking corrective action and 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 National Shared Services Office has procedures to monitor the effectiveness of its risk management and control procedures. The National Shared Services 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 the National Shared Services Office who are responsible for the development and maintenance of the internal financial control framework.

### ***Assurance reports on controls at a service organisation***

I have put in place an audit process to provide independent assurance on the operation of controls surrounding the delivery of services by the National Shared Services Office. The audits are conducted by independent auditors in accordance with the International Standards on Assurance Engagements (ISAE 3402) *Assurance Reports on Controls at a Service Organisation*.

HR Services, Payroll Services and Finance Shared Services achieved ISAE Type II certification in 2024 based on testing performed in 2023. This provides me with the assurance that the control objectives were achieved and operated effectively throughout the period under review.

### ***Overpayments***

Overpayments to client staff in 2023, in respect of which the root cause was attributable to the National Shared Services Office, were made in 960 cases (2022: 911 cases) with an estimated value of €1,510,435 (2022: €1,034,151). This amounts to 23% in 2023 (2022: 25%) of the financial value of all overpayments and 19% in 2023 (2022: 20%) of the volume of all overpayment cases.

The National Shared Services Office continues to address the overpayments attributable to the National Shared Services Office through process improvement and automation and improved end to end reporting and monitoring.

### ***Internal financial control issues***

#### ***Non-compliance with Public Financial Procedures regarding supplementary estimates***

While the National Shared Services Office has operated within its overall Voted allocation and returned an overall surplus of €4.9 million to be surrendered, it exceeded the expenditure allocation on a number of subheads by a combined amount of €7.5 million. This is driven largely by subhead A.2, where the level of expenditure to the end of 2023 was €6.6 million above the agreed estimate. The funding movement required to subhead A.2 was underestimated when a technical supplementary estimate was approved because the allocation of certain expenditure to subheads was not completed at that time.

No financial loss has occurred and the expenditure was appropriate in the overall context of the Office's core operations

The National Shared Services Office has updated its internal financial control procedures to ensure this error does not reoccur.

The National Shared Services Office continually reviews and implements recommendations made by the Comptroller and Auditor General and Internal Audit to strengthen the control environment, particularly in the areas of payroll overpayments; information technology; fraud and vulnerability; travel and subsistence; and superannuation and pensions.

No other weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

**Bernie Kelly**  
Accounting Officer  
National Shared Services Office

16 September 2024

## Comptroller and Auditor General

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

#### Vote 18 National Shared Services Office

##### Opinion on the appropriation account

I have audited the appropriation account for Vote 18 National Shared Services Office 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 18 National Shared Services Office 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 National Shared Services Office 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.

##### *Unsanctioned excess expenditure*

The use of any savings or underspending emerging on a Vote subhead to increase expenditure on another subhead in the Vote is only permissible where the funding has been transferred through a supplementary estimate, or – usually for smaller amounts – where the Department of Public Expenditure, National Development Plan Delivery and Reform has expressly sanctioned the transfer. This is based on the principle that the Exchequer has first claim on any savings on a vote subhead.

The Accounting Officer has disclosed in the statement on internal financial control that excess expenditure occurred on a number of the Vote 18 sub-heads in 2023. The most significant excesses relative to the amounts approved by Dáil Éireann were in respect of non-pay administration costs: a €5.442 million (215%) excess on asset and equipment expenses; a €1.861 million (or 9.7%) excess on professional, consultancy and other services; and a €100,000 (12.2%) excess on premises and accommodation expenses.

The excess spending on these subheads was funded from savings on other subheads. In particular, there was a saving of €12.166 million (74%) on the amount provided for subhead A.3 Financial Shared Services project, arising from delays in the project.

Additional spending of €1.401 million on professional, consultancy and other services was approved when a supplementary estimate for Vote 18 was approved in November 2023. The excess spending on that subhead referred to above (€1.861 million) was over and above the spending level approved through the supplementary estimate.

The sanction of the Department of Public Expenditure, National Development Plan Delivery and Reform to transfer the savings between subheads was not sought in the manner provided for in the Department's *Public Financial Procedures* guidelines.

The Accounting Officer has stated that the National Shared Services Office underestimated the amount of funding reallocation required when the supplementary estimate was presented for approval. She has also stated that the National Shared Services Office has updated its internal financial control procedures to ensure that this kind of excess spending does not recur.

**Seamus McCarthy**  
Comptroller and Auditor General

19 September 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 18 National Shared Services Office

### Appropriation Account 2023

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Programme expenditure</b>				
A	NSSO function			
	<i>Original</i>	43,626		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>(1,099)</u>		
		43,727	38,246	30,757
B	HR shared services		10,337	9,909
		10,857		
C	Payroll shared services			
	<i>Original</i>	13,760		
	<i>Supplementary</i>	<u>500</u>		
		14,260	14,254	13,477
D	Finance shared services			
	<i>Original</i>	10,524		
	<i>Supplementary</i>	<u>600</u>		
		11,124	11,380	11,060
<b>Gross expenditure</b>				
	<i>Original</i>	78,767		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>1</u>		
		79,968	74,217	65,203
	<i>Deduct</i>			
E	<b>Appropriations-in-aid</b>	<u>6,579</u>	<u>6,938</u>	<u>6,634</u>
<b>Net expenditure</b>				
	<i>Original</i>	72,188		
	<i>Deferred surrender</i>	1,200		
	<i>Supplementary</i>	<u>1</u>		
		73,389	67,279	58,569

**Surplus**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €1.2 million of unspent allocations in respect of the capital elements of subhead A.3 was carried forward to 2024.

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Surplus	6,109,695	8,523,412
Deferred surrender	<u>(1,200,000)</u>	<u>(1,200,000)</u>
<b>Surplus to be surrendered</b>	<b><u>4,909,695</u></b>	<b><u>7,323,412</u></b>

**Bernie Kelly**

Accounting Officer  
National Shared Services Office

11 March 2024

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	4,260	5,675
Pay	38,154	35,157
Non pay	31,803	24,371
<b>Gross expenditure</b>	<b>74,217</b>	<b>65,203</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>6,938</b>	<b>6,634</b>
<b>Net expenditure</b>	<b>67,279</b>	<b>58,569</b>
<b>Changes in capital assets</b>		
<b><i>Property, plant and equipment (note 2.1)</i></b>		
Purchases	(4,486)	
Depreciation	351	
<b><i>Intangible assets (note 2.2)</i></b>		
Purchases	(1,913)	
Amortisation	3,360	
	(2,688)	(1,224)
<b>Changes in net current assets</b>		
(Increase)/decrease in prepayments	783	
Increase/(decrease) in accrued expenses	(69)	
	714	(341)
<b>Direct expenditure</b>	<b>65,305</b>	<b>57,004</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	(20,172)	(10,224)
Notional rents	1,758	1,758
<b>Net programme cost</b>	<b>46,891</b>	<b>48,538</b>

**1.1 Net allied services expenditure**

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere, and costs borne by Vote 18 in respect of other votes.

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Vote 7 Office of the Minister for Finance	—	63
Vote 9 Office of the Revenue Commissioners	81	43
Vote 12 Superannuation and Retired Allowances	518	1,077
Vote 13 Office of Public Works	1,830	2,022
Vote 43 Office of the Government Chief Information Officer	1,053	1,001
Apportioned cost of shared services for other Votes	(23,654)	(14,430)
Net cost of shared services provided to other Votes	<b>(20,172)</b>	<b>(10,224)</b>

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

	Note	2023 €000	2022 €000
<b>Fixed assets</b>			
Property, plant and equipment	2.1	5,023	888
Intangible assets	2.2	27,119	28,566
<b>Total fixed assets</b>		<b>32,142</b>	<b>29,454</b>
<b>Current assets</b>			
Bank and cash	2.3	5,799	3,406
Prepayments	2.4	5,178	5,961
Other debit balances	2.5	639	670
Net Exchequer funding	2.9	—	292
<b>Total current assets</b>		<b>11,616</b>	<b>10,329</b>
<b>Less current liabilities</b>			
Accrued expenses	2.6	1,173	1,242
Other credit balances	2.7	1,829	1,962
Client funding/advance balances	2.8	3,751	2,406
Net Exchequer funding	2.9	858	—
<b>Total current liabilities</b>		<b>7,611</b>	<b>5,610</b>
<b>Net current assets</b>		<b>4,005</b>	<b>4,719</b>
<b>Net assets</b>		<b>36,147</b>	<b>34,173</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.10	<b>36,147</b>	<b>34,173</b>

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

	<b>Furniture and fittings €000</b>	<b>Office and IT equipment €000</b>	<b>Assets under development €000</b>	<b>Total €000</b>
<b>Cost or valuation</b>				
At 1 January 2023	31	5,513	—	5,544
Additions	—	1,015	3,471	4,486
At 31 December 2023	31	6,528	3,471	10,030
<b>Accumulated depreciation</b>				
At 1 January 2023	30	4,626	—	4,656
Adjustment <sup>b</sup>	—	51	—	51
Depreciation for the year	1	299	—	300
At 31 December 2023	31	4,976	—	5,007
<b>Net assets</b>				
<b>at 31 December 2023</b>	<b>—</b>	<b>1,552</b>	<b>3,471</b>	<b>5,023</b>
At 31 December 2022	1	887	—	888

Note <sup>a</sup> With effect from 1 January 2023, software acquisition and development assets were reclassified as intangible assets (note 2.2).

<sup>b</sup> The adjustment relates to the restatement of the useful life of an asset reclassified as hardware on 1 January 2023.

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

	Acquired and developed software €000	Assets under development €000	Total €000
<b>Cost or valuation</b>			
At 1 January 2023	54,143	1,072	55,215
Additions	—	1,913	1,913
Transfers	1,292	(1,292)	—
At 31 December 2023	55,435	1,693	57,128
<b>Accumulated amortisation</b>			
At 1 January 2023	26,649	—	26,649
Amortisation	3,360	—	3,360
At 31 December 2023	30,009	—	30,009
<b>Net assets</b>			
<b>At 31 December 2023</b>	<b>25,426</b>	<b>1,693</b>	<b>27,119</b>
At 31 December 2022	27,494	1,072	28,566

Note <sup>a</sup> With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

**2.3 Bank and cash**

at 31 December	2023 €000	2022 €000
PMG balances and cash	2,048	1,001
Client funded bank balances	3,751	2,405
	<b>5,799</b>	<b>3,406</b>

**2.4 Prepayments**

at 31 December	2023 €000	2022 €000
IT services and support	4,197	4,943
Finance shared services IT services and support	854	912
Other prepayments	127	106
	<b>5,178</b>	<b>5,961</b>



**2.5 Other debit balances**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Recoupable HRMS	574	585
Travel pass scheme expenditure	55	60
Office of Public Works	1	15
Other debit suspense items	9	10
	<b>639</b>	<b>670</b>

**2.6 Accrued expenses**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Finance shared services IT services and support	493	515
IT services and support	213	494
Bank charges	77	75
Other accruals	263	110
Facilities	59	41
FMSS project	68	7
	<b>1,173</b>	<b>1,242</b>

**2.7 Other credit balances**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Professional services withholding tax	535	679
Income tax	403	418
Pay related social insurance	410	402
Pension contributions	130	121
Value added tax	117	110
Universal social charge	86	86
Local property tax	3	3
	<b>1,684</b>	<b>1,819</b>
Payroll deductions held in suspense	145	143
	<b>1,829</b>	<b>1,962</b>

## 2.8 Client funding/advance balances

The National Shared Services Office provides a payroll shared service function to a number of Government departments, offices and agencies.

The amount of €3.751 million held on behalf of clients as at 31 December 2023 (2022: €2.406 million), consists of €3.553 million (2022: €1.291 million) lodged by clients to cover funding for salaries over the new year period, and €198,000 (2022: €1.114 million) representing amounts due to individuals and third party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €6.7 billion in 2023 (2022: €6.3 billion).

## 2.9 Net Exchequer funding

at 31 December	2023 €000	2022 €000
Surplus to be surrendered	4,910	7,323
Deferred surrender	1,200	1,200
Exchequer grant undrawn	(5,252)	(8,815)
<b>Net Exchequer funding</b>	<b>858</b>	<b>(292)</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	5,799	3,406
Debit balances: suspense	639	670
	6,438	4,076
<b>Creditors</b>		
Due to the State	(1,684)	(1,819)
Client funding/advance balances	(3,751)	(2,406)
Credit balances: suspense	(145)	(143)
	(5,580)	(4,368)
	<b>858</b>	<b>(292)</b>

**2.10 State funding account**

	Note	2023	2022
		€000	€000
Balance at 1 January		34,173	32,608
Disbursements from the Vote			
Estimate provision	Account	73,389	
Deferred surrender	Account	(1,200)	
Surplus to be surrendered	Account	(4,910)	
Net vote		67,279	58,569
Expenditure (cash) borne elsewhere	1.1	(20,172)	(10,224)
Non cash expenditure – notional rent		1,758	1,758
Net programme cost	1	(46,891)	(48,538)
<b>Balance at 31 December</b>		<b>36,147</b>	<b>34,173</b>

**2.11 Commitments**

a) Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	6,837	3,277
Capital projects	—	10,362
<b>Total of legally enforceable commitments</b>	<b>6,837</b>	<b>13,639</b>

**b) Major capital projects**

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
<b>Project</b>					
Financial	34,131	1,680	—	35,811	44,493
Management					
Shared Services					
	<b>34,131</b>	<b>1,680</b>	<b>—</b>	<b>35,811</b>	<b>44,493</b>

**Significant variations**

An explanation is provided below where projected project costs have varied by more than €500,000 compared to 2022.

**Financial Management Shared Services (FMSS)**

*Decrease in expected total spend: €8.68 million*

The reduction in total expected spend over the lifetime of the project is because a new contract for the system implementer is currently being procured. The reduction in expected total spend during the lifetime of the project is due to the de-committal of previously planned expenditure. This planned expenditure will not be incurred under this contract but is expected to be incurred with a new provider following a procurement process. It is expected that the overall spend will be in excess of €44 million.

**2.12 Matured liabilities**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	69	71

### Note 3 Vote Expenditure

#### Analysis of administration expenditure

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

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>		<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances			
	<i>Original</i>	40,494		
	<i>Supplementary</i>	(1,400)		
			39,094	35,157
ii	Travel and subsistence		200	73
iii	Training and development		535	722
iv	Professional, consultancy and other services			
	<i>Original</i>	17,841		
	<i>Supplementary</i>	1,401		
			19,242	19,131
v	Operating expenses		440	763
vi	Asset and equipment expenses		2,529	2,831
vii	Premises and accommodation expenses		820	467
viii	Communication and marketing expenses		682	384
		<b>63,542</b>	<b>69,957</b>	<b>59,528</b>

#### Significant variations

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

#### vi Asset and equipment expenses

*Estimate provision €2.529 million; outturn €7.971 million*

The excess of expenditure of €5.442 million was due to additional expenditure to improve reporting performance in Financial Shared Services operations, other essential improvements to critical ICT operations and inflationary pressures across a number of large contracts.

**Programme A National Shared Services Office function**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
A.1	Administration – pay			
	<i>Original</i>	12,801		
	<i>Supplementary</i>	(1,900)		
			10,901	9,864
A.2	Administration – non pay			
	<i>Original</i>	15,599		
	<i>Supplementary</i>	801		
			16,400	15,218
A.3	Financial Management Shared Services project			
	<i>Estimate provision</i>	15,226		
	<i>Deferred surrender</i>	1,200		
			16,426	5,675
			<b>43,727</b>	<b>30,757</b>

**Significant variations**

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

**A.3 Financial Management Shared Services project**

*Estimate provision €16.426 million; outturn €4.26 million*

The Financial Management Shared Services (FMSS) project delivery timelines were extended from mid-2023. This resulted in an under spend on programme expenditure of €12.166 million.

**Programme B HR shared services**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
B.1	Administration – pay	10,682	10,287	9,772
B.2	Administration – non pay	175	50	137
		<b>10,857</b>	<b>10,337</b>	<b>9,909</b>

**Programme C Payroll shared services**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
.				
C.1	Administration – pay			
	<i>Original</i>	12,790		
	<i>Supplementary</i>	500		
			13,290	12,292
C.2	Administration – non pay		970	1,185
		<b>14,260</b>	<b>14,254</b>	<b>13,477</b>

**Programme D Finance shared services**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
D.1	Administration – pay		4,221	3,229
D.2	Administration – non pay			
	<i>Original</i>	6,303		
	<i>Supplementary</i>	600		
			6,903	7,831
		<b>11,124</b>	<b>11,380</b>	<b>11,060</b>

## Note 4 Receipts

### 4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	HR services levy	5,919	6,019	5,718
2	Miscellaneous	200	294	342
3	Receipts from additional superannuation contributions on remuneration	460	625	574
<b>Total</b>		<b>6,579</b>	<b>6,938</b>	<b>6,634</b>

#### Significant variations

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

#### 3 Receipts from additional superannuation contributions on remuneration

*Estimate €460,000; realised €625,000*

Receipts from additional superannuation contributions on public service remuneration were €165,000 ahead of profile mainly as a result of increased staffing.



## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	797	829

### 5.2 Pay

	2023 €000	2022 €000
Pay	34,489	31,956
Higher, special or additional duties allowances	45	36
Other allowances	13	21
Overtime	856	889
Employer's PRSI	3,414	3,123
<b>Total pay</b>	<b>38,817</b>	<b>36,025</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	16	—	8,881	7,659
Other allowances	19	—	6,221	7,120
Overtime	397	10	11,698	30,837
Extra remuneration in more than one category	13	1	12,448	9,456

#### 5.4 Office staffing by pay band

The number of NSSO employees whose total employee benefits (including basic pay, allowances, overtime, excluding employer PRSI and employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upward to €189,999 are as follows.

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	688	649
60,000	69,999	44	27
70,000	79,999	21	20
80,000	89,999	20	16
90,000	99,999	6	10
100,000	109,999	4	4
110,000	119,999	4	3
120,000	129,999	3	—
130,000	139,999	—	—
140,000	149,000	—	—
150,000	159,999	—	1
160,000	169,999	1	1
170,000	179,999	2	1
180,000	189,999	1	1

#### 5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	25	49,475	47,222
Recovery plans in place	10	13,688	16,011

Four overpayment recovery plans to the value of €13,897 were transferred to other departments during 2023 (2022: three individuals to a value of €706).

### 5.6 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Hilary Murphy Fagan (to 28 Sept 2023)		
Basic pay	144	183
Payment in lieu of leave untaken	27	—
Bernie Kelly (from 29 Sept 2023)	46	—
	<b>217</b>	<b>183</b>

Following an open recruitment campaign, the new CEO was appointed to the role on 29 September 2023.

The value of retirement benefits earned in the period is not included above. The current Accounting Officer is a member of the superannuation scheme for non-established State employees and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

## Note 6 Miscellaneous

### 6.1 Deferred surrender

	2023	2022
	€000	€000
<b>Description of subhead</b>		
A.3 Financial Management Shared Services project	1,200	1,200

### 6.2 Financial Management Shared Services programme

The cumulative spend to date on the Financial Management Shared Services (FMSS) programme amounted to €77.297 million (inclusive of VAT) as at 31 December 2023 (2022: €73.037 million). The approved budget for the FMSS project is €115 million.

€38.164 million of the spend to end 2023 is categorised as capital expenditure. The balance of €39.133 million is categorised as current expenditure and relates to staff, client service partner and other operational costs.

### 6.3 Compensation and legal costs

#### Payments/costs paid by the Office in the year

	2023		2022
	Claims by employees		Total
	Personal injuries <sup>a</sup>	Employment policies	Total
Number of cases	2	1	3
	€000	€000	€000
Office's own legal costs	—	34	34
Payments by/on behalf of Office			
Compensation	6	—	6
Legal costs	9	—	9
Other costs	1	—	1
<b>2023 Total</b>	<b>16</b>	<b>34</b>	<b>50</b>
2022 Total	—	—	—

Note <sup>a</sup> There are two personal injuries cases with no costs incurred in one case to date. As at 31 December 2023, there is one outstanding personal injury claim.

#### Cumulative costs of cases completed in 2023

	Claims by employees		Total
	Personal injuries	Employment policies	
Number of cases	1	1	2
	€000	€000	€000
Office's own legal costs	—	34	34
Payments by/on behalf of Office			
Compensation	6	—	6
Legal costs	9	—	9
Other costs	3	—	3
<b>Total</b>	<b>18</b>	<b>34</b>	<b>52</b>