

Appropriation Account 2023

Vote 32

Enterprise, Trade and Employment

Introduction

As Accounting Officer for Vote 32, 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 Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for the payment of certain subsidies and grants and for the payment of certain grants under cash-limited schemes.

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 €596.851 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 2023, have been applied in the preparation of the account with the exception of the following.

Depreciation

Assets are depreciated monthly on a straight-line basis over their estimated useful life, starting with a full month's depreciation charged in the month of purchase and none charged in the month of disposal.

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	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

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

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,

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

The Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The work of internal audit is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. 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 Department 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 €14.9 million in 2023.

The Department has provided details of six non-competitive contract in excess of €25,000 (exclusive of VAT) in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of two contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €183,789 (exclusive of VAT) as set out below.

- One procurement with a cumulative value of €131,208 that covered the purchase of three discrete cleaning services across the Department's offices, each of which expired during 2022 without a new contract being in place. In one instance, the replacement procurement process was completed in February 2023 and in the remaining two cases, both contracts were signed in May 2024.
- A second procurement with a cumulative overall value of €52,581 that covered the purchase of three discrete contracts for the provision of legal services and advice in relation to the implementation of emergency measures taken in response to the invasion of Ukraine in the form of the Ukraine Credit Guarantee Scheme, a rapid response to provide lending facilities to SMEs via the Covid Credit Guarantee Scheme and an amendment of the funding agreement under a tight deadline for the Growth and Sustainability Loan Scheme. It was not possible to carry out a competitive procurement in these instances.

Risk and control framework

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

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

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls 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 Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Suspected fraud in loans schemes managed on the Department's behalf

Whilst no weaknesses in internal financial control were identified in relation to 2023, the Strategic Banking Corporation of Ireland (SBCI) alerted the Department to concerns regarding a small number of loans issued by lenders who were participants in loans schemes managed on the Department's behalf by the SBCI and covered by guarantees funded in part from the Department's Vote. Specifically, the SBCI had been notified by a participating on-lender that a small number of SBCI loans may have been approved by the on-lender on the basis of fraudulent financial information presented by the borrowers. The on-lender has confirmed that these cases were reported to the relevant authorities and that investigations are ongoing. The Department is being updated by the SBCI in relation to the progress of the investigations. This issue has also been disclosed under note 6.4 Fraud and suspected fraud of this account.

Companies Registration Office – strike-off process

The Companies Acts require companies to file annual returns with the Companies Registration Office (CRO) and empower that Office to strike off the register companies who fail to file returns. The strike-off process involves the CRO providing a number of warnings to companies who have not filed returns reminding them of their obligation to do so and of the need to take remedial action within a specified period. In instances where companies remain non-compliant after this period, the CRO then publishes a 1st Notice in its Gazette listing companies for impending strike-off if remedial action was not taken within the requisite period. After this further period, remaining non-compliant companies are struck off and listed in the CRO Gazette (2nd Notice).

In response to the difficulties experienced by companies by the advent of Covid, the CRO suspended its enforcement activity in March 2020. The process recommenced in the latter part of 2023. In January 2024, the CRO became aware of an IT issue which resulted in a cohort of companies not being listed for impending strike-off in the CRO Gazettes which had been published in its 22 and 29 November 2023 editions. The CRO withdrew the said Gazettes and replaced them with versions that contained the additional companies. The companies in question (those included in both the original and replacement Gazettes) were subsequently struck-off the Register on 26 January and 2 February 2024.

On becoming aware of this issue, the CRO sought advice from the Attorney General's Office (AGO) and external counsel in relation to the manner of the strike off process followed in this instance. The CRO was advised that it should take action to correct the status of the affected companies to 'normal' on the companies register including by writing directly to the affected companies and their directors and addressing the issues relating to the CRO Gazettes. The CRO duly corrected the status of the affected companies, published a special edition of its Gazette and wrote to all affected companies and directors. In addition, the CRO suspended further involuntary strike-off activity temporarily. Work is ongoing in the CRO to review its ICT procedures and controls and staff training so as to ensure that the involuntary strike off process, when recommenced, is robust.

Declan Hughes
Accounting Officer
Department of Enterprise, Trade and Employment

23 September 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 32 Enterprise, Trade and Employment

Opinion on the appropriation account

I have audited the appropriation account for Vote 32 Enterprise, Trade and Employment 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 32 Enterprise, Trade and Employment 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 Department of Enterprise, Trade and Employment 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.

Vote accounting and budget management

Chapter 3 of my report on the accounts of the public services for 2023 includes a section which reports on the high level of surrender of funding on Vote 32 at the end of 2023, arising to a significant degree from the lower than expected uptake on the Temporary Business Energy Support Scheme (TBESS) and on the Business Users Support Scheme for Kerosene (BUSSK).

Seamus McCarthy

Comptroller and Auditor General

23 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 32 Enterprise, Trade and Employment

Appropriation Account 2023

			2023	2022
			Estimate provision	Outturn
			€000	€000
			€000	€000
Programme expenditure				
A	Jobs and enterprise development			
	<i>Original</i>	1,246,222		
	<i>Deferred surrender</i>	54,500		
	<i>Supplementary</i>	(6,293)		
			1,294,429	729,531
				584,946
B	Innovation			
	<i>Original</i>	258,700		
	<i>Supplementary</i>	7,185		
			265,885	224,286
				200,612
C	Regulation			
	<i>Original</i>	116,491		
	<i>Supplementary</i>	(891)		
			115,600	111,956
				99,116
Gross expenditure				
	<i>Original</i>	1,621,413		
	<i>Deferred surrender</i>	54,500		
	<i>Supplementary</i>	1		
			1,675,914	1,065,773
				884,674
	<i>Deduct</i>			
D	Appropriations-in-aid		71,921	78,631
				78,577
Net expenditure				
	<i>Original</i>	1,549,492		
	<i>Deferred surrender</i>	54,500		
	<i>Supplementary</i>	1		
			1,603,993	987,142
				806,097

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. €20 million of unspent allocations in respect of the capital elements of subheads A.5 and A.7 were carried forward to 2024.

	2023	2022
	€	€
Surplus	616,850,553	769,491,787
Deferred surrender	(20,000,000)	(54,500,000)
Surplus to be surrendered	<u>596,850,553</u>	<u>714,991,787</u>

Declan Hughes

Accounting Officer

Department of Enterprise, Trade and Employment

23 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	1,017,536	841,033
Pay	37,667	34,981
Non pay	10,570	8,660
Gross expenditure	1,065,773	884,674
<i>Deduct</i>		
Appropriations-in-aid	78,631	78,577
Net expenditure	987,142	806,097
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Purchases	(92)	
Depreciation	375	
Disposals cash	—	
Loss on disposals	24	
Loss on transfer to CEA	348	
<i>Intangible assets (note 2.2)</i>		
Purchases	(1,803)	
Amortisation	902	
Loss on transfer to CEA	105	
	(141)	(79)
Changes in net current assets		
Decrease in prepayments	118	
Decrease in accrued income	720	
Increase in accrued expenses	1,088	
Increase in deferred income	1,329	
	3,255	(7,506) ^a
Direct expenditure	990,256	798,512
Expenditure borne elsewhere		
Net allied services expenditure (cash) (note 1.1)	29,066	28,511
Notional rents (non-cash)	2,847	2,847
Net programme cost	1,022,169	829,870

Note ^a Figure restated. See note 2.4.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 32 borne elsewhere.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	62	87
Vote 12	Superannuation and Retired Allowances	24,257	22,916
Vote 13	Office of Public Works	3,868	4,672
Vote 18	National Shared Services Office	134	123
Vote 20	Garda Síochána	251	251
Vote 43	Office of the Government Chief Information Officer	153	123
Central Fund – ministerial pensions		341	339
		29,066	28,511

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	603	1,258
Intangible assets	2.2	5,647	4,851
Total fixed assets		6,250	6,109
Current assets			
Bank and cash		19,993	84,093
Prepayments	2.3	1,714	1,832
Accrued income	2.4	338	1,058 ^a
Other debit balances	2.5	926	980
Total current assets		22,971	87,963
Less current liabilities			
Accrued expenses	2.6	3,970	2,882
Deferred income	2.7	4,169	2,840
Other credit balances	2.8	5,639	5,627
Net Exchequer funding	2.9	15,280	79,446
Total current liabilities		29,058	90,795
Net current assets/(liabilities)		(6,087)	(2,832)
Net assets		163	3,277
Represented by:			
State funding account	2.10	163	3,277

Note ^a Figure restated. See note 2.4.

2.1 Property, plant and equipment ^a

	Office and IT equipment	Furniture and fittings	Motor vehicles	Total
	€000	€000	€000	€000
Cost or valuation ^b				
At 1 January 2023	7,011	3,079	207	10,297
Additions	92	—	—	92
Disposals	(112)	(152)	—	(264)
Transfers to Corporate Enforcement Authority ^c	(448)	(71)	(207)	(726)
At 31 December 2023	6,543	2,856	—	9,399
Accumulated depreciation				
At 1 January 2023	6,221	2,815	3	9,039
Depreciation for the year	313	62	—	375
Depreciation on disposals	(112)	(128)	—	(240)
Transfers to Corporate Enforcement Authority ^c	(304)	(71)	(3)	(378)
At 31 December 2023	6,118	2,678	—	8,796
Net assets				
At 31 December 2023	425	178	—	603
At 31 December 2022	790	264	204	1,258

- Note ^a Cost or valuation include certain assets acquired for less than €10,000 prior to 1 January 2021.
- ^b With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (see note 2.2).
- ^c The Corporate Enforcement Authority, which was established as an independent agency on 7 July 2022, subsumed the functions of the Office of the Director of Corporate Enforcement. Ownership of the assets transferred to the authority for nil charge on 1 January 2023.

2.2 Intangible assets ^a

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	32,193	85	32,278
Additions	—	1,803	1,803
Transfers	267	(267)	—
Transfers to Corporate Enforcement Authority ^b	(210)	—	(210)
At 31 December 2023	32,250	1,621	33,871
Accumulated amortisation			
At 1 January 2023	27,427	—	27,427
Amortisation for the year	902	—	902
Transfers to Corporate Enforcement Authority ^b	(105)	—	(105)
At 31 December 2023	28,224	—	28,224
Net assets			
At 31 December 2023	4,026	1,621	5,647
At 31 December 2022	4,766	85	4,851

Note ^a Software acquisition and development assets were included in property, plant and equipment in prior years.

^b The Corporate Enforcement Authority, which was established as an independent agency on 7 July 2022, subsumed the functions of the Office of the Director of Corporate Enforcement. Ownership of the assets transferred to the authority for nil charge on 1 January 2023.

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT services and support	1,369	1,709
Administration	345	123
	1,714	1,832

2.4 Accrued income

at 31 December	2023	2022
	€000	€000
Income due from Competition and Consumer Protection Commission	165	214
Employment permit income due	123	52
Income due to DETE offices for services	30	42
Credit guarantee schemes	20	750 ^a
	338	1,058

Note ^a Figure restated for 2022. Premia due to DETE for 2022 from SBCI under schemes operated under the Credit Guarantee Act were omitted in error.

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Advances to OPW	15	35
Miscellaneous debit balances	678	785
Recoupable expenditure		
Travel	78	
Shared services	155	
	233	160
	926	980

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Humanitarian relief scheme	2,932	—
Employment permit refunds due	349	1,638
Administration expenses	337	421
Inter-departmental recoupments	132	147
IT services and support	181	136
Legal expenses	2	268
Credit guarantee schemes	37	272
	3,970	2,882

2.7 Deferred income

at 31 December	2023	2022
	€000	€000
Employment permit receipts for unprocessed applications	2,457	1,277
CRO customer balances	1,712	1,563
	4,169	2,840

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	1,220	1,180
Pay related social insurance	797	715
Local property tax	7	7
Professional services withholding tax	165	161
Value added tax on intra EU acquisitions	104	68
Universal social charge	239	223
	2,532	2,354
Share of patent renewal fees payable to the European Patents Office	1,882	1,907
Staff pay-overs	450	656
Pension liability	4	53
Recoupable salaries	159	159
Other miscellaneous balances	612	498
	5,639	5,627

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	596,851	714,992
Deferred surrender	20,000	54,500
Exchequer grant undrawn	(601,571)	(690,046)
Net Exchequer funding	15,280	79,446
Represented by:		
Debtors		
Bank and cash	19,993	84,093
Other debit balances	926	980
	20,919	85,073
Creditors		
Due to the State	(2,532)	(2,354)
Other credit balances	(3,107)	(3,273)
	(5,639)	(5,627)
	15,280	79,446

2.10 State funding account

	Note	2023	2022
		€000	€000
Balance at 1 January		3,277	(4,308)
Disbursements from the Vote			
Estimate provision	Account	1,603,993	
Deferred surrender	Account	(20,000)	
Surplus to be surrendered	Account	(596,851)	
Net vote		987,142	806,097
Expenditure (cash) borne elsewhere	1.1	29,066	28,511
Non cash expenditure – notional rent	1	2,847	2,847
Net programme cost	1	(1,022,169)	(829,870)
Balance at 31 December		163	3,277

2.11 Commitments

a) Global commitments ^a	2023	2022
at 31 December	€000	€000
Procurement of goods and services	123,890	121,084
Non-capital grant programmes	5,774	3,837
Capital grant programmes	1,295,163	1,153,153
Total	1,424,827	1,278,074
 b) Non-capital grant programmes	 2023	 2022
	€000	€000
Opening balance	3,837	3,965
New grant commitments	22,700	15,621
Grants paid in the year	(20,288)	(14,546)
Grants cancelled	(475)	(1,203)
Closing balance	5,774	3,837
 c) Capital grant programmes	 2023	 2022
	€000	€000
Opening balance	1,153,153	1,258,845
New grant commitments	784,610	533,993
Grants paid in the year	(474,567)	(488,434)
Grants cancelled	(168,033)	(151,251)
Closing balance	1,295,163	1,153,153

Notes ^a Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

d) Major capital projects

Capital grants involving total expenditure of €10 million or more is shown below.

	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^a
	€000	€000	€000	€000	€000
Agency commitments					
IDA Ireland (A.5)	43,800	51,600	155,900	251,300	202,600
Enterprise Ireland (A.7)	422,742	32,793	153,967	609,502	593,170
Enterprise Ireland (B.4)	13,749	7,142	2,609	23,500	23,500
Department commitments					
INTERREG (A.10)	17,119	2,675	19,400	39,194	20,816
Strategic Banking Corporation of Ireland loan schemes (A.14)	55,000	11,891	—	66,891	67,483
	552,410	106,101	331,876	990,387	907,569

Note ^a Excludes projects completed by end of 2022.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2022.

IDA Ireland (A.5)

Increase in expected total spend: €49 million

The increase relates to nine projects with an average increase of over €5 million for each project.

Enterprise Ireland (A.7)

Increase in expected total spend: €16 million

The increase principally relates to €15 million for one new project and a net increase in commitments of €1 million over seven projects.

INTERREG (A.10)

Increase in expected total spend: €18.4 million

The increase relates to €19.4 million commitment for the new PEACEPLUS Programme as adjusted for grants cancelled of €1 million from the previous INTERREG VA programme.

Strategic Banking Corporation of Ireland loan schemes (A.14)*Decrease in expected total spend: €600,000*

The decrease was due to the completion of the Growth and Sustainability Loan Scheme requiring an adjustment for €600,000 for grant cancelled.

2.12 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	146	141

2.13 Contingent liabilities***Credit guarantee schemes***

The Credit Guarantee Scheme (CGS), which became operational in 2012 and was revised in 2017, provides a state guarantee through the Department to participating lenders of 80% on eligible loans or performance bonds to viable micro, small and medium-sized enterprises (SMEs). The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the CGS was €458,000 (2022: €703,000).

The COVID-19 Credit Guarantee Scheme (CCGS) was launched in September 2020 to assist businesses that were negatively impacted by COVID-19 and closed to lending on 30 June 2022. The Scheme provided a State guarantee of 80% to participating lenders on lending facilities up to a maximum of €2 billion. The Scheme was developed in accordance with the European Commission's State Aid Temporary Framework and was available to SMEs, small Mid-Caps and primary producers that met the eligibility criteria. The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the CCGS was €280.39 million (2022: €409.74 million).

The Ukraine Credit Guarantee Scheme (UCGS) was launched in January 2023. The Scheme was developed to assist businesses impacted by cost increases arising from the conflict in Ukraine. The Scheme makes €1.2 billion in loans available to SMEs and small mid-caps for working capital and investment purposes. Loans of up to €1 million are available from participating lenders, which includes banks, non-bank providers and credit unions. The Scheme is administered by the Strategic Banking Corporation of Ireland (SBCI) and is available until 31 December 2024. The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the UCGS was €82.96 million (2022: Nil).

In the case of each of these schemes, the guarantee is paid by the State (the guarantor) to the participating lender on the unrecovered outstanding principal balance on a loan in the event of a borrower defaulting on the repayments.

The total maximum exposure for the Department in relation to all loans outstanding at 31 December 2023 was €363.81 million (2022: €410.44 million).

Businesses availing of these Schemes are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead A.9. Payments to the Strategic Banking Corporation of Ireland (SBCI) to operate the scheme are also paid out of this subhead.

	2023	2021-2023
	€000	€000
Receipts in relation to premiums paid by SMEs	3,284	9,502
Recovery on defaulted loans	101	109
Scheme expenditure		
Scheme administration	(2,877)	(8,813)
Claims paid	(5,785)	(10,878)
Total cost of schemes	(8,662)	(19,691)
Net cost of schemes	(5,277)	(10,080)

European Consumer Centre Ireland (ECCI)

The Department, in conjunction with the Competition and Consumer Protection Commission (CCPC), may also have a liability in relation to certain costs related to the voluntary wind up of the ECCI. The ECCI is a private company limited by guarantee incorporated in February 2003. The ECCI essentially assumed the functions of its predecessor, the European Consumer Centre, and was co-funded by the then Office of the Director of Consumer Affairs (now the CCPC) from monies allocated in the DETE Vote and the European Commission. ECCI was also designated as a recognised body for the purposes of certain EU regulations and received modest amounts of funding from the DETE Vote in relation to this recognition. The Department also had a member of staff acting as a Director of the ECCI.

The ECCI is being dissolved and its functions are being assumed by the CCPC. On the recommendation of the ECCI's directors and with the agreement of the department and the CCPC, it was decided that the ECCI should be dissolved by way of a members (solvent) voluntary liquidation so as to ensure that the rights and obligations to ECCI staff could be fully respected. The Department and the CCPC committed to supporting the ECCI through the voluntary wind-up process. The contingent liability relates to the costs of the wind-up process which cannot be readily estimated at this time.

Other contingent liabilities

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

2.14 Loan schemes

Future Growth Loan Scheme

The Future Growth Loan Scheme (FGLS) is a long-term capital investment loan that was developed by this department and the Department of Agriculture, Food and the Marine, in partnership with the Department of Finance, the Strategic Banking Corporation of Ireland (SBCI) and the European Investment Fund (EIF).

The FGLS benefited from a guarantee from the European Union under the European Fund for Strategic Investments (EFSI).

The scheme was launched by the SBCI in June 2019.

It was delivered through participating finance providers and made up to €300 million of investment loans available to eligible Irish by SMEs, including farmers and fishers, and small mid-caps. The loans were competitively priced (an initial maximum loan interest rate of 4.5% for loans less than €250,000), were for terms of 7-10 years and supported strategic long-term investment in a post-Brexit environment. A minimum loan amount of €100,000 up to a maximum of €3 million per applicant applied.

The significant and sudden financial impact of the Covid-19 pandemic on businesses, prompted the launch in 2020 of a second tranche of €500 million.

The cost of the initial €300 million available was €63 million, €38 million of which was funded by this department.

The increased capacity cost was €104 million, €62 million of which was provided by this department.

Direct cost of FGLS to DETE

	2018 – 2022	2023	2024- 2030	Total
	€000	€000	€000	€000
EIF first loss	69,300	—	—	69,300
EIF management fees	2,431	—	—	2,431
SBCI first loss	19,528	—	—	19,528
SBCI management fees	8,732	—	—	8,732
Total cost	99,991	—	—	99,991
Claims on defaulted loans paid ^a	29	259	401	689

Note ^a The claims paid have been applied against the first loss payments made.

Analysis of FGLS loans issued to date

Year of loan issue	2019 – 2022		2023	
	Number of loans	Value of loans €000	Number of loans	Value of loans €000
Drawn loans	1,910	523,706	7	7,719
Repaid loans	157	60,588	—	—
Defaulted loans	43	3,792	—	—
Claims paid	28	1,008	—	—
Live loans (repaid amount)	1,682	128,570	7	680
Balance outstanding	1,682	329,748	7	7,039

Growth and Sustainability Loan Scheme

The Growth and Sustainability Loan Scheme (GSLS) is a long-term investment loan, launched in September 2023, delivered by the SBCI which provides an 80% guarantee to participating lenders. The European Investment Bank Group (EIBG) provides a counter guarantee to SBCI such that the risk share for the scheme is as follows: 20% finance providers, 16% SBCI and 64% EIBG.

A minimum of 30% of the lending volume is targeted towards environmental sustainability purposes with the aim of helping SMEs to invest in sustainability and energy efficiency. The remaining (up to) 70% of lending is for lending for strategic investments with a view to increasing productivity and competitiveness and thus underpinning future business sustainability and growth.

The costs for the GSLS are shared by this department and DAFM on a 60:40 basis.

The costs associated with the €500 million scheme will be approximately €112 million, with this department providing €67 million between 2022 and 2023. This funding covers a first loss guarantee (i.e. the State guarantees to cover the first portion of losses on any defaults) and administrative costs for both the EIF and SBCI.

Direct cost of GSLS to DETE

	2022 €000	2023 €000	2024-2036 €000	Total €000
EIF first loss	41,000	6,300	—	47,300
EIF management fees	—	—	—	—
SBCI first loss	13,506	1,576	—	15,082
SBCI management fees	494	4,008	—	4,502
Total cost	55,000	11,884	—	66,884

Analysis of GSLS loans issued to date

Year of loan issue	2023	
	Number of loans	Value of loans €000
Drawn loans	17	1,750
Repaid loans	—	—
Defaulted loans	—	—
Claims paid	—	—
Live Loans (repaid amount)	17	3
Balance outstanding	17	1,747

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision		Outturn
		€000	€000	Outturn
				€000
i	Salaries, wages and allowances			
	<i>Original</i>	40,618		
	<i>Supplementary</i>	(3,400)		
			37,218	34,981
ii	Travel and subsistence		612	606
iii	Learning and development and incidental expenses		1,738	1,636
iv	Postal and telecommunications services		349	306
v	Office equipment and external IT services		4,830	4,191
vi	Office premises expenses		866	646
vii	Consultancy services and value for money and policy reviews		1,454	913
viii	Advertising and information resources		461	362
		47,528	48,237	43,641

Significant variations

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

ii Travel and subsistence

Estimate provision €612,000; outturn €1.020 million

The excess of €408,000 on travel and subsistence was due to the additional cost of servicing and representing the Department's interests at an increased number of EU and international meetings and trade missions throughout the year.

Programme A Jobs and Enterprise Development

		Estimate provision		2023	2022
		€000	€000	Outturn	Outturn
				€000	€000
A.1	Administration – pay				
	<i>Original</i>	15,061			
	<i>Supplementary</i>	<u>(1,258)</u>			
			13,803	14,025	12,889
A.2	Administration – non pay		3,402	3,734	2,554
A.3	Agency legacy pensions		40,170	40,054	40,283
A.4	InterTrade Ireland		11,586	11,638	11,585
A.5	IDA Ireland				
	<i>Original</i>	238,001			
	<i>Deferred surrender</i>	30,500			
	<i>Supplementary</i>	<u>4,000</u>			
			272,501	238,990	226,410
A.6	NSAI – grant for administration and general expenses		10,334	10,334	8,015
A.7	Enterprise Ireland				
	<i>Original</i>	220,367			
	<i>Deferred surrender</i>	24,000			
	<i>Supplementary</i>	<u>(35,840)</u>			
			208,527	178,725	172,321
A.8	Local enterprise development				
	<i>Original</i>	47,797			
	<i>Supplementary</i>	<u>2,330</u>			
			50,127	49,050	39,081
A.9	Temporary partial credit guarantee scheme				
	<i>Original</i>	5,000			
	<i>Supplementary</i>	<u>6,000</u>			
			11,000	8,662	4,698
A.10	Matching funding for INTERREG				
	<i>Original</i>	1,389			
	<i>Supplementary</i>	<u>1,400</u>			
			2,789	2,675	2,640
A.11	Subscriptions to international organisations, etc.		3,650	3,807	3,073
A.12	Commissions, committees and special inquiries		201	70	1

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
A.13	Legal costs and other services			
	<i>Original</i>	130		
	<i>Supplementary</i>	<u>1,500</u>		
			1,630	1,494
				76
A.14	Strategic Banking Corporation of Ireland loan schemes			
	<i>Original</i>	1		
	<i>Supplementary</i>	<u>12,000</u>		
			12,001	11,891
				55,709
A.15	Humanitarian relief scheme			
	<i>Original</i>	1		
	<i>Supplementary</i>	<u>5,500</u>		
			5,501	3,681
				105
A.16	Micro Finance Ireland		1	—
A.17	National Design Centre		1	—
A.18	Temporary Business Energy Support Scheme (TBESS)			
	<i>Original</i>	649,130		
	<i>Supplementary</i>	<u>(1,925)</u>		
			647,205	150,701
			<u>1,294,429</u>	<u>729,531</u>
				<u>5,506</u>

Significant variations

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

A.5 IDA Ireland

Estimate provision €268.501 million; outturn €238.99 million

The underspend of €29.5 million was primarily due to savings of €33.5 million in capital expenditure. The capital underspend arose from €6 million in funding for grants not being drawn down as had been expected and €27.5 million in funding for construction projects also not being drawn down as a result of supply chain and related challenges which led to delays in a number of key building and infrastructure projects. The underspend was partially offset by an overspend of €4 million in current expenditure which was allocated in the supplementary estimate approved by the Dáil in December 2023 to meet costs arising from the implementation of the IDA's marketing strategy.

A.7 Enterprise Ireland

Estimate provision €244.367 million; outturn €178.725 million

The underspend of €65.642 million was primarily due to savings in capital expenditure. The capital savings were due to slower than expected activity on a number of EI programmes, including EI's Seed and Venture Programme which was due to an overall decline in seed and venture market activity. In addition, capital financial supports to industry were less than anticipated as a result of slower than expected drawdown of employment, training and fixed assets supports. The drawdown of EI's discrete Climate and Digitalisation Transitions supports were also less than expected. Delays in launching discrete regional programmes, such as the Smart Regional Enterprise Initiative, also added to the capital underspend.

A.9 Temporary Partial Credit Guarantee Scheme

Estimate provision €5 million; outturn €8.662 million

The overspend of €3.662 million was due to the number of claims against the various credit guarantee schemes being more than anticipated. The funding allocated to the Temporary Partial Guarantee Scheme is to cover the cost of providing the guarantee in respect of loan schemes under the Credit Guarantee Act 2012. Schemes operating under this Act are the Credit Guarantee Scheme, the COVID-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme.

The cost of providing guarantees under the Act mainly relate to the payment of claims to finance providers in respect of defaulted loans covered by the guarantee and the administration costs of the Strategic Banking Corporation of Ireland (SBCI) who administer the Guarantee Schemes on behalf of the Department as well as other costs relating to legal advice and legal services. Of the €8.66 million expended on the Temporary Partial Credit Guarantee Scheme in 2023, €5.78 million was to financial providers in respect of defaulted loans and €2.88 million was in respect of administration costs in 2023 to the SBCI.

The reality inherent in guarantee schemes is that the number of claims on the guarantee can vary from year-to-year depending on loan default rates. As it happened, the number of claims against the guarantee schemes in 2023 was greater than anticipated.

A.10 Matching funding for INTERREG

Estimate provision €1.389 million; outturn €2.675 million

The excess of €1.286 million was due to the additional cost of meeting outstanding commitments under the INTERREG VA Programme. The VA Programme was one of 60 cross-border programmes operating under the main INTERREG umbrella. The programme ran over a number of years and encompassed the six Border counties of Ireland, Northern Ireland and part of Western Scotland. The Department of Enterprise, Trade and Employment co-funded the 'Research and Innovation' strand of the Programme in conjunction with its counterpart Department in Northern Ireland. The Department's commitment was to provide a total of funding of €20.816 million over the lifetime of the Programme. The €2.675 million provided to the Programme in 2023 was required to meet all outstanding commitments under the VA programme. The programme has now ceased and will be replaced by its successor, the PEACEPLUS Programme.

A.12 Commissions, committees and special enquiries

Estimate provision €201,000; outturn €70,000

The underspend of €131,000 relates to savings arising from the cancellation of a planned Joint Economic Commission with South Korea. Originally a plenary session of the Ireland/South Korea Joint Economic Commission was planned to take place in February 2020 but had to be cancelled due to health and safety concerns arising from the global spread of Covid 19. In July 2023, a decision was made to hold Trade Mission Week, which is part of the Trade and Investment Strategy, in Korea and it was deemed logical to combine this with a Joint Economic Commission in South Korea. This considerably reduced the costs incurred as associated costs were divided amongst a number of Departments.

A.13 Legal costs and other services

Estimate provision €130,000; outturn €1.494 million

It is prudent vote management to provide some level of contingency funding in respect of possible legal and other matters in the event that any unforeseen costs arise during the year. As it happened, the level of contingency expenditure was higher than estimated due to the Department's obligation to meet legal costs arising from a case taken in relation to the constitutionality of certain provisions of the EU-Canada Comprehensive Economic and Trade Agreement, known as CETA. Following an appeal from the High Court, the Supreme Court in a majority decision decided that the Constitution of Ireland precluded the Government and Dáil Éireann from ratifying CETA as Irish law stood but that it could be ratified by the Oireachtas if certain changes were made to domestic legislation. With the Supreme Court having ruled in favour of the opposing party, it fell to the Department to pay their costs as per legal norms. Following negotiations managed by the State Claims Agency on the Department's behalf, costs of €1.476 million were agreed and paid to the opposing party. The remaining €18,000 was required to meet modest contingencies in a number of other areas.

A.14 Strategic Banking Corporation of Ireland loan schemes*Estimate provision €1,000; outturn: €11.891 million*

The excess of €11.89 million relates to funding required to meet the Department's obligations under the Growth and Sustainability Loan Scheme (GSLs). Following a review of the previous Future Growth Loan Scheme (FGLS), the GSLs was launched in September 2023 as a successor in the provision of long term finance to small and medium enterprises.

Sixty percent of the cost of the GSLs is funded by the Department of Enterprise, Trade and Employment with the remaining forty percent funded by the Department of Agriculture, Food and the Marine. €55 million in funding was provided through the Department's Vote in 2022 by way of an initial payment of this commitment. The final €11.891 million being paid in 2023.

The payment of this funding covered the administrative and management costs of the Strategic Banking Corporation of Ireland (SBCI) and European Investment Bank Group (EIBG) as well as covering first loss costs related to loan defaults as modelled for the Growth and Sustainability Scheme (GSLs).

A.15 Humanitarian relief scheme*Estimate provision €1,000; outturn €3.681 million*

The humanitarian relief scheme is an ad hoc scheme to provide assistance in defined circumstances to small companies and community and voluntary organisations adversely affected by flooding events across the country. The scheme provides a contribution towards the costs of returning business premises and community, voluntary and sporting bodies to their pre-flood condition including the replacement of flooring, fixtures and fittings and damaged stock. The scheme is administered by the Irish Red Cross on behalf of the Department. The nominal allocation of €1,000 reflects the uncertainty of foretelling emergency events. As it transpired, there were a number of flooding events in the course of 2023 which required the establishment of a number of ad hoc humanitarian relief schemes.

A.18 Temporary Business Energy Support Scheme (TBESS)

Estimate provision €649.13 million; outturn €150.701 million

The underspend of €498.429 million was due to a number of factors, primarily that uptake of the Temporary Business Energy Support Scheme (TBESS) was lower than had been anticipated. The TBESS, which was introduced following the enactment of the Finance Act in December 2022, was designed to support businesses impacted by increases in their electricity or natural gas (energy) costs. The Revenue Commissioners were charged with the responsibility of administering applications under the Scheme, albeit the funding to support the Scheme was provided from the Department of Enterprise, Trade and Employment's Vote.

The provision of €1.3 billion to cover the cost of the scheme, of which €650 million was allocated in the 2022 Estimate and €649.13 million in the 2023 Estimate, was based on likely scenarios/estimates prepared as part of Budget 2023 and were predicated on what was the expected worst-case scenario of wholesale energy price rises and consumption. The reality was that the worst-case scenario in terms of energy pricing did not actually happen due to a number of factors such as a milder than expected winter which reduced demand as well as mitigation measures which were put in place across Europe including increased storage capacity for natural gas. As a result, prices actually fell rather than continuing to increase as had been expected.

The Department of Finance, as required by the terms of the Finance Act, carried out a number of assessments of the Scheme. Following on from these assessments, the TBESS Scheme was enhanced and extended to give businesses an opportunity to avail of the scheme. Notwithstanding these enhancements, only €150.701 million was expended under the Scheme in 2023.

The original TBESS Scheme as administered by the Revenue Commissioners was targeted at supporting businesses who used electricity and natural gas as their primary energy sources. The Government agreed that a discrete scheme should be developed to support businesses who used kerosene as their primary source of energy. The Business Users Support Scheme for Kerosene (BUSSK), which was rolled out in October 2023, provided targeted supports to businesses to reimburse half of the increased cost of kerosene purchased in the eligible period from March to December 2022, compared to the average retail price during the reference period of March to December 2021. The estimated cost of payments to be made under the scheme was between €3.3 million and €16.5 million. These funds were allocated from unspent TBESS monies. A total of 461 successful applications were made under the scheme which was significantly less than the number expected to uptake the scheme estimated by the Department with the consequence that total expenditure under the BUSSK in 2023 was €1.345 million. As in the case of TBESS there were a number of reasons why expenditure under the BUSSK was less than expected.

These reasons included

- the fact that the window for businesses making applications for BUSSK support was relatively short i.e two months,

- the scheme was a retrospective payment for increased costs experienced in 2022 that was available to businesses in late 2023, at a point when the increased costs had been absorbed. Kerosene prices had returned to a more normal level from January 2023
- the retrospective nature of the scheme meant that some potential applicants had not retained invoices or other supporting documentation to allow for applications to be completed.

Programme B Innovation

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	9,736		
	<i>Supplementary</i>	(816)		
		8,920	9,116	8,429
B.2	Administration – non pay	2,784	2,841	2,374
B.3	Intellectual Property Office of Ireland	3,589	3,443	3,274
B.4	Science and Technology Programme	158,109	142,199	130,133
B.5	Subscriptions to international organisations, etc.			
	<i>Original</i>	23,351		
	<i>Supplementary</i>	8,000		
		31,351	31,379	27,651
B.6	Commissions, committees and special inquiries	1	1	1
B.7	Legal costs and other services			
	<i>Original</i>	130		
	<i>Supplementary</i>	1		
		131	179	—
B.8	Disruptive Technologies Innovation Fund	61,000	35,128	28,750
		265,885	224,286	200,612

Significant variations

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

B.4 Science and Technology Development Programme

Estimate provision €158.109 million; outturn €142.199 million

The underspend of €15.91 million arose as a result of savings on a number of capital programmes. The savings arose mainly because of lower than expected demand on a number of Enterprise Ireland's innovation, research, collaboration and high performance start up programmes as well as delays experienced in the operationalisation of particular European Regional Development Fund programmes.

B.5 Subscriptions to international organisations, etc.

Estimate provision €23.351 million; outturn €31.379 million

The excess of €8.028 million arose as a result of additional funding being provided to the European Space Agency (ESA) through the supplementary estimate approved by the Dáil in December 2023. The additional funding provided to ESA ensured that Irish companies could secure more new contracts to a commensurate value with the Agency and also helped to meet the targets for ESA contracts in the National Space Strategy as well as assisting the funding of immediately identifiable activities that Irish based companies could not compete for in the absence of such funding.

B.8 Disruptive Technologies Innovation Fund

Estimate provision €61 million; outturn €35.128 million

The Disruptive Technologies Innovation Fund (DTIF) is one of the four headline funds under the National Development Plan (NDP). Under the NDP, a total of €500 million in funding has been committed to support collaborative disruptive innovation and commercially orientated projects over the lifetime of the Plan. The purpose of the DTIF Programme is to fund collaborative projects in the development and deployment of disruptive innovative technologies on a commercial basis, targeted at tackling national and global challenges.

To-date there have been six calls under the DTIF Programme. The underspend of €25.872 million is due to a number of factors, primarily related to claims from projects consortia approved for DTIF funding being submitted somewhat slower than expected. In addition, other factors affecting the drawdown of funding included the cancellation of a number of approved projects, the granting of no cost extensions due to the impact of Covid-19 restrictions and the requirement under state aid rules to complete undertaking in difficulty assessments.

Programme C Regulation

		Estimate provision		2023	2022
		€000	€000	Outturn	Outturn
				€000	€000
C.1	Administration – pay				
	<i>Original</i>	15,821			
	<i>Supplementary</i>	<u>(1,326)</u>			
			14,495	14,526	13,663
C.2	Administration – non pay		4,124	3,995	3,732
C.3	Workplace Relations Programme		21,447	20,695	19,737
C.4	Grants for trade union education and advisory services – cash limited		900	900	853
C.5	Health and Safety Authority – grant for administration and general expenses				
	<i>Original</i>	27,359			
	<i>Supplementary</i>	<u>1,550</u>			
			28,909	28,909	24,671
C.6	Trade union amalgamations		60	—	—
C.7	Corporate Enforcement Authority				
	<i>Original</i>	9,706			
	<i>Supplementary</i>	<u>(1,540)</u>			
			8,166	7,235	5,175
C.8	Competition and Consumer Protection Commission				
	<i>Original</i>	20,315			
	<i>Supplementary</i>	<u>700</u>			
			21,015	20,425	18,158
C.9	Personal Injuries Assessment Board		487	311	2,526
C.10	Consumer support		120	—	64
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses				
	<i>Original</i>	8,424			
	<i>Supplementary</i>	<u>(700)</u>			
			7,724	7,639	7,200
C.12	Irish Auditing and Accounting Supervisory Authority		1,701	1,318	1,232

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
C.13	Subscriptions to international organisations, etc.		1,569	1,650
C.14	Commissions, committees and special inquiries		320	221
C.15	Legal costs and other services			
	<i>Original</i>	928		
	<i>Supplementary</i>	425		
			1,353	1,192
C.16	Low Pay Commission		510	240
C.17	Digital Services Coordinator		2,700	2,700
				—
			115,600	111,956
				99,116

Significant variations

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

C.5 Health and Safety Authority – grant for administration and general expenses

Estimate provision €27.359 million; outturn €28.909 million

The excess of €1.55 million was due mainly to increased funding required to meet the extraordinary cost incurred by the Health and Safety Authority (HSA) in the statutory investigation into a particular workplace safety incident. The investigation, which began in late 2022 and concluded in June 2023, required the Authority to procure bespoke containers for the purpose of securing evidential material. The HSA worked with An Garda Síochána, and several other public bodies on the investigation. The investigation was very detailed and complex and required a forensic demolition of the scene of the incident to support the retrieval, securing and storing of evidence.

C.7 Corporate Enforcement Authority

Estimate provision €9.706 million; outturn €7.235 million

The underspend of €2.471 million was made up of pay savings of €1 million and non-pay savings of €1.471 million.

The pay savings arose mainly because of difficulties in recruiting staff, particularly specialist staff, in a tight labour market as well as some churning of staff in the course of the year. In terms of non-pay, the saving relates to the fact that legal costs in the year were somewhat lower than had been expected. Legal costs for the CEA are difficult to forecast as it has little or no control over the timing of when cases may be determined, the outcome of the cases in terms of costs orders, and the difficulty in anticipating the scale of costs that could be awarded.

C.9 Personal Injuries Assessment Board

Estimate provision €487,000; outturn €311,000

The funding provided to the Personal Injuries Assessment Board is to enable the Board to meet its pension obligations. The underspend of €176,000 was primarily due to the deferral of a retirement.

C.10 Consumer support

Estimate provision €120,000; outturn €Nil

The allocation to consumer support was to fund suitable consumer protection and welfare projects. It had originally been intended to provide funding to the European Consumer Centre Ireland to undertake such projects. Following a review, the Department decided to consolidate the funding for consumer projects through the allocation provided to the Competition and Consumer Protection Commission. Hence there was no draw down on the discrete consumer support allocation.

C.11 Companies Registration Office and Registry of Friendly Societies

Estimate provision €8.424 million; outturn €7.639 million

The underspend of €785,000 was made up of pay savings of €172,000 and non-pay savings of €613,000. In terms of pay, the savings arose for a number of reasons including difficulties in filling staff vacancies in a tight labour market, a number of retirements and staff availing of flexible working arrangements.

The non-pay savings arose principally as a result of delays in completing a number of IT related projects. Savings also arose as a result of enforcement activity only being resumed in 2023 following its suspension during the course of the pandemic as well as efficiencies being achieved through the introduction of electronic processing and returning of submissions.

C.12 Irish Auditing and Accounting Supervisory Authority*Estimate provision €1.701 million; outturn €1.318 million*

The underspend of €383,000 arose mainly from savings in travel and subsistence and administration costs arising from the transition to remote working. Additional savings were achieved in consultancy and legal costs and other services.

C.15 Legal costs and other services*Estimate provision €928,000; outturn €1.192 million*

It is prudent vote management to provide some level of contingency funding in respect of possible legal and other such matters in the event that any unforeseen costs arise during the year. As it happened, the level of expenditure was higher than estimated due to the Department's obligation to meet costs arising from a number of legal cases.

One of the main reasons for the overspend of €264,000 related to a challenge taken in relation to the constitutionality of certain provisions of the legislation which established the Workplace Relations Commission (WRC). The case was initially heard before the High Court and was subsequently appealed to the Supreme Court. Whilst the Supreme Court found that the provisions of the legislation were not in conflict with the constitution, it was of the view that the challenge had been in the public interest and awarded legal costs to the appellant. The State Claims Agency managed the negotiations in relation to the legal costs on behalf of the WRC and total of costs of €997,000 were agreed in respect of the High and Supreme Court actions.

Other cases which gave rise to the overspend included judicial review proceedings in relation to the granting of a legal permit, challenges to the wage setting mechanisms of the Labour Court.

C.16 Low Pay Commission*Estimate provision €510,000; outturn €240,000*

The underspend of €270,000 was primarily as a result of savings in pay of €169,000 and non-pay of €101,000.

In terms of pay, the saving arose as the pay cost of some of the Low Pay Commission (LPC) secretariat staff were not fully apportioned to the LPC subhead but rather were borne in the administration pay subhead. In terms of non pay, the underspend arose as a result of delays in research projects and expenditure on advertising being less than had been expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
Employment rights and industrial relations				
1	Receipts from the Social Insurance Fund	75	204	136
2	Employment permit fees	26,000	27,051	27,671
3	Employment agency licences	400	534	486
4	WRC fixed penalty notices	22	2	2
5	WRC court award costs	20	40	59
Insurance and company law				
6	Companies Registration Office	16,250	18,691	17,389
7	Beneficial ownership of companies and industrial and provident societies	200	378	406
Trade, competition and market rights				
8	Receipts under the Trade Marks Act 1963 and Patents Act 1964	10,000	10,220	10,338
9	Occasional trading licences	1	—	—
10	Competition and Consumer Protection Commission – consumer credit	501	546	542
11	Competition and Consumer Protection Commission – court costs	1	—	1
12	Competition and Consumer Protection Commission – fixed payment notices	6	12	1
13	Merger notifications	550	528	608
Other				
14	CEA legal	50	490	12
15	Miscellaneous	200	1,054	577
16	Enterprise policy ^a	6,405	4,534	8,570
17	Competition and Consumer Protection Commission ^b	1,565	1,389	971
18	PIAB superannuation	1,168	1,245	1,203
19	HSA superannuation	650	646	650

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
20	Temporary Loan Guarantee Scheme	1,400	3,385	2,164
21	Expert Group on Future Skills Needs	557	498	481
22	Receipts from additional superannuation contributions on public service remuneration	5,900	7,184	6,310
Total		71,921	78,631	78,577

Note ^a Enterprise policy shows amounts received from current and former enterprise agencies in relation to staff pension contributions and INTERREG-ERDF reimbursement. The agencies are InterTrade Ireland, IDA, EI, and former agency SFADCo.

^b Receipts under this line are in part-recoupment of the expenditure under subhead C.8.

Significant variations

Overall appropriations-in-aid were €6.71 million higher than the estimate. Explanations for variances (+/- 5% and €100,000) are set out below.

1 Receipts from the Social Insurance Fund

Estimate €75,000; realised €204,000

The costs incurred by the Department's employment rights bodies in processing employment rights claims, including claims under the Redundancy and Insolvency Payments Acts, are recoupable from the Social Insurance Fund (SIF). The additional monies recouped from the SIF were due to a significant increase in the volume of such claims processed in 2023.

3 Employment agency licences

Estimate €400,000; realised €534,000

Employment agency licences must be renewed each year. The number of new licences can be difficult to forecast. The excess in licence fees was because the number of licences issued in 2023 was greater than had been expected.

6 Companies Registration Office

Estimate €16.25 million; realised €18.691 million

The fees generated by the Companies Registration Office are dependent on the activity and the timeliness of returns made by companies having regard to their statutory obligations and can, therefore, be difficult to forecast accurately. The excess in fees realised in 2023 of €2.441 million was primarily due to a significant increase in late payment fees.

7 Beneficial ownership of companies and industrial and provident societies

Estimate €200,000; realised €378,000

The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021 obliges financial institutions and other prescribed bodies to inspect the Register of Beneficial Owners as part of their due diligence obligations. The excess in fees of €178,000 was in part due to greater than expected customer accounts top-ups for the Register of Beneficial Owners enquiries and court awarded costs.

14 CEA legal

Estimate €50,000; realised €490,000

The excess receipts of €440,000 relates to monies recouped arising from the appointment of inspectors in relation to a particular statutory investigation as well as costs recouped in judicial review proceedings taken in relation to the investigation.

15 Miscellaneous

Estimate €200,000; realised €1.054 million

The excess of €854,000 in miscellaneous receipts primarily relates to monies received from the Dormant Accounts Fund in respect of expenditure incurred on the Balance for Better Business initiative, together with additional funds received by the Intellectual Property Office of Ireland arising from its participation in a number of European Intellectual Property Office co-operation activities and programmes.

16 Enterprise policy

Estimate €6.405 million; realised €4.534 million

The shortfall in receipts of €1.871 million is due primarily to delays in the processing of expenditure claims relating to the INTERREG VA Programme. Claims in respect of the refund of INTERREG expenditure from the European Regional Development Fund are managed by the appointed Special EU Programmes Body (SEUPB). The SEUPB certifies all such claims. The certification process can be subject to delays which makes the accurate forecasting of receipts difficult.

17 Competition and Consumer Protection Commission

Estimate €1.565 million; realised €1.389 million

The receipts in this area derive from fees imposed by the Competition and Consumer Protection Commission on regulated entities to defray the cost of certain regulatory functions that it carries out. The fees received by the Commission from the entities concerned are in part recoupment of expenditure incurred under subhead C.8. The shortfall of €176,000 was primarily due to savings in pay arising from difficulties experienced in recruiting staff in a tight labour market.

20 Temporary Loan Guarantee Scheme*Estimate €1.4 million; realised €3.385 million*

Schemes operating under the Credit Guarantee Act 2012, which include the Covid-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme, provide a state backed guarantee on loans under the schemes.

The framework of the schemes requires that a premium is paid on loans provided with State backed guarantees. Premia received are based on the number of loans, the size of the company and the term of the loans. Premia received in 2023 were €1.985 million higher than expected due to the demand-led nature of these schemes

22 Receipts from additional superannuation contributions on public service remuneration*Estimate €5.9 million; realised €7.184 million*

The excess of €1.284 million in additional superannuation contributions receipts arose directly as a result of the increase in staff numbers recruited in the course of 2023.

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	—	—
Local Enterprise Offices – current ^a	18	12
Local Enterprise Offices – capital ^b	—	44
Local Enterprise Offices – refundable aid ^c	14,032	—
Enterprise Ireland- excess own resource income ^d	20,057	1,567
Enterprise Ireland- return of unused Restart grant ^e	19	10
Miscellaneous	—	21
Transferred to the Exchequer	(34,126)	(1,654)
Balance at 31 December	—	—

- Note
- ^a Local Enterprise Offices – current: this is related to unused funds in subhead A.8 for operational expenditure.
 - ^b Local Enterprise Offices – capital: this is related to unused funds in subhead A.8 for particular capital programmes.
 - ^c Local Enterprise Offices – refundable aid: this is related to the return of refundable aid balances from 28 Local Enterprise Offices to Enterprise Ireland.
 - ^d Enterprise Ireland – excess own resource income: this is related to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by DPENDR for their own use in the year.
 - ^e Enterprise Ireland – return of unused Restart grants: the terms of the Restart Scheme required that all unused funds be returned to the Exchequer. The scheme was administered by the local authorities in conjunction with Enterprise Ireland. The €19,000 represents a return of unused grants by local authorities to Enterprise Ireland who in turn returned monies to the Department and the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department and Offices:		
Department ^a	599	569
Intellectual Property Office of Ireland	41	43
Workplace Relations Commission	196	206
Companies Registration Office	109	117
Labour Court	30	35
	975	970
Agencies ^b	1,962	1,823
	2,937	2,793

Note ^a Includes the staff of the Secretariat of the Low Pay Commission.

^b Includes employees of the Personal Injuries Assessment Board, a non-commercial state agency that, aside from a pension provision, is not in direct receipt of Exchequer funding.

5.2 Pay – Department, offices and agencies

	2023	2022
	€000	€000
Pay	203,006	189,836
Higher, special or additional duties allowances	1,265	1,093
Other allowances	3,225	2,598
Overtime	615	591
Employer's PRSI	16,092	14,656
Total pay	224,203	208,774

The remuneration arrangements refer to the pay element of subheads A.1, A.4, A.5, A.6, A.7, B.1, B.3, B.4, C.1, C.3, C.5, C.7, C.8, C.11, C.12 and C.16.

5.3 Department

	2023	2022
	€000	€000
Pay ^{a, b}	54,606	51,613
Higher, special or additional duties allowances	875	734
Other allowances	1,194	990
Overtime	357	433
Employer's PRSI	4,501	4,148
Total pay ^c	61,533	57,918

Note ^a Includes pension payments to 29 former members of the Labour Court/Labour Relations Commission and the Competition and Consumer Protection Commission (CCPC).

^b Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.

^c Total pay includes administration pay (A.1, B.1 and C.1) and the pay elements of the Offices of the Department (B.3, C.3, C.11 and C.16). The amount included for pay in note 1 refers to administrative subheads only.

5.4 Allowances and overtime payments – Department staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	113	15	48,485	54,429
Other allowances	41	12	226,246	153,649
Overtime	121	8	21,553	17,920
Extra remuneration in more than one category	22	13	28,984	25,079

5.5 Agencies

The agencies included here are the Corporate Enforcement Authority, Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority of Ireland, InterTrade Ireland and the Irish Auditing and Accounting Supervisory Authority.

The pay expenditure of the agencies is not a direct financial transaction of the Department and as such the Department does not hold detailed pay and allowance information in respect of agency staff. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements/annual reports or directly from the agencies concerned.

	2023	2022
	€000	€000
Pay	148,400	138,223
Higher, special or additional duties allowances	390	359
Other allowances	2,031	1,608
Overtime	258	158
Employer's PRSI	11,591	10,508
Total pay	162,670	150,856

5.6 Allowances and overtime payments — agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	82	9	55,904	54,429
Other allowances	304	30	96,918	91,948
Overtime	74	6	32,805	28,910
Extra remuneration in more than one category	21	5	33,844	14,095

5.7 Other remuneration arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €9,250. The payments made were consistent with the principles of the Public Service (Single Scheme and other provisions) Act 2012.

This account includes expenditure of €505,340 in respect of seven officers who were serving outside the Department for 2023 and whose salary was paid by the Department.

5.8 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
Basic pay		
Dr Orlaigh Quinn – retired 31 May 2023	117	213
Declan Hughes – appointed 1 June 2023	138	—
	255	213

The value of retirement benefits earned in the period is not included above. The retired Accounting Officer was a member of the non-contributory pension scheme for established civil servants. The current Accounting Officer is a member of the contributory pension scheme for established civil servants.

5.9 Department staffing by pay band

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

Pay bands (€)		Number of employees ^a	
From	To	2023	2022
20,000	59,999	623	668
60,000	69,999	114	80
70,000	79,999	69	69
80,000	89,999	62	61
90,000	99,999	41	28
100,000	109,999	12	21
110,000	119,999	20	18
120,000	129,999	10	1
130,000	139,999	1	1
140,000	149,999	1	—
150,000	159,999	2	3
160,000	169,999	6	4
170,000	179,999	3	4
180,000	189,999	—	2
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	1	1

Note ^a Includes staff of the Offices of the Department.

5.10 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	60	167,171	132,704
Recovery plans in place	19	75,751	77,635

Five overpayment recovery plans relating to five individuals to the value of €6,595 were transferred to five other departments in the year.

5.11 Severance/redundancy

During 2023, two staff members received severance and redundancy payments due to change of a Minister to the Department. These payments totalled €58,702.

Note 6 Miscellaneous

6.1 EU funding

The Department, and the following bodies under the aegis of the Department received EU aid directly as shown below.

Subhead	2023 €000	2022 €000
A.4 InterTrade Ireland	2,233	2,482
A.10 Matching funding for INTERREG ^a	1,195	5,581
B.3 Intellectual Property Office of Ireland ^a	330	326
B.4 Enterprise Ireland	954	843
C.5 Health and Safety Authority	11	11
	4,723	9,243

Note ^a This funding was received directly into the department.

6.2 Commissions, committees and special inquiries

	Year of establishment	2023 €000	2022 €000
Permanent/open-ended			
Joint Labour Committees	1946	4	3
Joint Economic Commissions	2020	—	—
Company Law Review Group	2000	35	25
Departmental Audit Committee	2004	3	3
Balance for Better Business	2021	181	190
		223	221

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2023	2022
Number of cases	—	6	6	12
	€000	€000	€000	€000
Department's own legal costs	—	1,020	1,020 ^a	27
Payments by/on behalf of Department				
Compensation	—	—	—	42
Legal costs	—	341	341 ^b	184
Other costs	—	—	—	—
2023 total	—	1,361	1,361 ^c	253
2022 total	69	184	253	

- Note ^a Two cases in total which includes a single case exceeding €50,000.
- ^b Four cases in total which includes three single cases exceeding €50,000 each.
- ^c There are no payments in relation to claims for personal injuries or for loss/ damage included in the total.

6.4 Fraud and suspected fraud

The Strategic Banking Corporation of Ireland (SBCI) alerted the Department to concerns regarding a small number of loans issued by lenders who were participants in loans schemes managed on the Department's behalf by the SBCI and covered by guarantees funded in part from the Department's Vote. Specifically, the SBCI had been notified by a participating on-lender that a small number of SBCI loans may have been approved by the on-lender on the basis of suspected fraudulent financial information presented by the borrowers.

The SBCI initially gave notice of its concerns in its 2021 Annual Report and gave further details of the suspected fraud in its 2022 and 2023 Reports. The 2023 report confirmed that following investigation SBCI established that two risk sharing schemes had been affected, being (i) the COVID-19 Credit Guarantee Scheme (CCGS) and (ii) the Brexit Loan Scheme and COVID-19 Working Capital Loan Scheme (BLS/CWCS). A total of eleven suspected fraudulent loans had been identified with a total value of €1.2 million.

The Department has no role in the administration of these schemes which are managed on its behalf by the SBCI. The SBCI engages with the participating on-lenders in relation to the manner in which loans are administered under both schemes.

Three of the suspected fraudulent loans totalling €0.25 million were obtained under the BLS/CWCS. Costs borne for the BLS/CWCS including first loss has been funded on a 60:40 basis by this department and the Department of Agriculture, Food and the Marine (DAFM).

The Guarantee from EIF on these loans was 40% and the guarantee provided by SBCI is 40%. The on-lender is liable for €50,000 i.e. 20% of these claims. The first loss funding paid by this department and DAFM to the SBCI and EIF would have covered the cost of the guarantees under the BLS/CWCS including the guarantees in respect of the three suspected fraudulent loans. The Department is seeking further legal advice in relation to this matter.

The remaining eight of the suspected fraudulent loans totalling €1 million were obtained under the CCGS. Under this Scheme, the on-lender is liable for €0.2 million of the losses and the balance of €0.8 million potentially falls to be borne by the Department.

In terms of the CCGS scheme, the SBCI submitted claims in error, for the payment of the guarantee of €192,000 (i.e. 80%) in respect of two of the eight suspected fraudulent loans totalling €240,000. The Department remitted this payment to the SBCI in November 2022. The Department was subsequently alerted in January 2023 to the possibility that these loans may have obtained based on false information. Pending clarity on the matter, the Department netted off the €192,000 related to the suspected loans from next batch of claims from the SBCI which were due for payment in June 2023.

The SBCI confirmed that an independent review was undertaken by the on-lender's internal audit team and the SBCI legal team reviewed the loan documentation. The on-lender provided an attestation to SBCI confirming that the on-lender had applied its standard policies and procedures to the suspected fraudulent loans. SBCI confirmed that following its review, it was satisfied that the on-lender had applied its standard processes to the suspected fraudulent loans. Separately, the Department sought legal advice in relation to this matter and this advice also confirmed that the on-lender had not breached the terms of its agreement in respect of the guarantee. The Department subsequently met directly with the on-lender in relation to the netting off of the guarantee payments relating to the two loans and as to how the lender wished to resolve the matter. The on-lender has requested that payment be made in respect of all of the outstanding claims under CCGS as well as a repayment of the 'netted off' sum of €192,000 in lieu of the two claims submitted in November 2022.

In terms of the eleven suspected fraudulent loans, the SBCI confirmed that the cases were reported to the relevant authorities and that investigations into the cases are ongoing. The SBCI is keeping the Department updated as to the progress of the investigations. The SBCI has moved to minimise the risk of a recurrence of this issue by reviewing the applicable lender's loan approval and drawdown procedures and agreed changes to strengthen them where necessary.

6.5 Employment and training levy

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department continues to receive amounts relating to historical payments of the levy. The Employment and Training Levy is collected by the Office of the Revenue Commissioners and paid over to the Department monthly. The moneys are in turn paid over to the Exchequer.

Statement of payments made in accordance with Section 25(1) of the Labour Services Act 1987.

	2023	2022
	€000	€000
Received from Revenue Commissioners	13	33
Paid into the Exchequer	13	33

6.6 Deferred surrender

Deferred surrender comprises savings in 2023 of €20 million in capital expenditures in the following subheads that were carried over to 2024.

	€000
Subhead	
A.5 IDA Ireland	15,305
A.7 Enterprise Ireland	4,695
	<u>20,000</u>