

Appropriation Account 2023

Vote 40

**Children, Equality, Disability,
Integration and Youth**

Introduction

As Accounting Officer for Vote 40, 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 Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of grants.

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

A surplus of €38.751 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.

Exceptional demand due to migration

The continued demand for emergency accommodation and support for Ukrainian Beneficiaries of Temporary Protection (BOTPs) had a very significant impact on the Department in 2023. By the end of 2023, over 100,000 BOTPs had arrived in Ireland, of whom over 75% sought assistance with accommodation from the State. The initial allocation for the Ukraine Response in Vote 40 was based on the 2022 outturn. The provision of accommodation for BOTPs is costly, demand-led, time urgent and a highly responsive service with immediate requirements determined by numbers of arrivals from Ukraine. Two supplementary estimates obtained by the Department towards the end of 2023 provided sufficient funds to meet the eventual outturn of approximately €1.5 billion in subhead E.5 on the Ukraine response.

The Department was also impacted by the increased numbers of international protection applicants that arrived in 2023. This is a demand-led service with requirements for accommodation and services increasing as the number of new international protection applications increase. 2023 saw 13,277 new international protection applicants. For comparison purposes the numbers accommodated increased from 7,244 in December 2021 to 18,534 in December 2022 and reaching 26,000 by the end of December 2023. Two supplementary estimates were secured towards the end of 2023 to meet the outturn of €656 million in subhead E.4.

Transfer of functions

On 1 March 2023, responsibility for policy, functions and funding relating to Specialist Community Based Disability Services (SCBDS) transferred to the Department from the Department of Health. The Board of the Health Service Executive is now accountable to the Department with respect to SCBDS. Policy and budget responsibility for mainstream health services (including those delivered to people with disabilities) continues to lie with the Department of Health.

On 3 May 2023, Dáil Éireann approved 2023 further revised estimates, transferring €2.647 billion in SCBDS net funding to Vote 40 from Vote 39 Health. This allocation included €2.63 billion in gross funding for the Health Service Executive. In a 2023 supplementary estimate, Health Service Executive disability services were allocated an additional €112.518 million in core funding, increasing the total SCBDS budget for 2023 to €2.759 billion.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023 have been applied in the preparation of the account, except for the following.

Depreciation

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

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated.

Reclassification of assets

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>
Acquired/developed software	5 years	20%

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see note 6.1).

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

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements for this Department for the provision of ICT shared services, and the National Shared Services Office (NSSO) for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice in respect of the Oberstown Children Detention Campus.

I rely on a letter of assurance from the Accounting Officer of the NSSO that the appropriate controls are exercised in the provision of shared services to this Department. The Director of Oberstown Children Detention Campus also holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and youth related programmes. In 2023, net funding of €1.03 billion was advanced to Pobal in this regard (note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The current service level agreement is in place until 31 December 2024, and a letter of comfort has issued to Pobal that the Department will enter into the process to extend the service level agreement beyond the current expiry date. This will enable Pobal to continue to engage the requisite staff and external contract services required to perform its work.

An independent review of the Early Learning and Care (ELC) and School-Age Childcare (SAC) operating model was undertaken by Indecon Economic Consultants in 2021. The review, published on 29 March 2022, concluded that a new dedicated State agency under the remit of the Minister for Children, Equality, Disability, Integration and Youth (the Minister) is the optimal operating model for the ELC and SAC sector for the years ahead. This agency would undertake the functions currently carried out by Pobal Early Years (including Better Start), the 30 city/county childcare committees, as well as operational functions undertaken by the Department.

Following publication of the review, the Department commenced a design and implementation planning phase of this reform project. In December 2023, the Department contracted Indecon Economic Consultants to carry out a phase of research, analysis and stakeholder engagement to inform the design of a dedicated early learning and childcare agency. This will include an assessment in respect of the functions to be carried out by the agency. A Programme Advisory Board has been established to oversee this important work, and comprises interdepartmental representatives alongside several external experts with experience at senior level in change management and large-scale reform, leadership, governance, public policy, and a knowledge of the ELC and SAC sector.

Progress has been made in advancing this ambitious and transformative reform programme, including the recent completion of a series of consultation sessions with a wide range of stakeholders, on the vision for the agency. The outcome of this phase of work will underpin all decisions taken in respect of the design of the agency. A full agency design and implementation plan will be presented to Government for approval on completion of this 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 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.
- The senior management of the Department sign off on financial control assurance statements in relation to their individual areas of responsibility. These statements are available to me as Accounting Officer in finalising the appropriation account.

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 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 are in place.

Internal and EU audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel and operates in accordance with a written charter which is approved by the Accounting Officer. The function's work is informed by analysis of the risks to which the Department is exposed. Its annual audit plans, which are approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. In addition to its ongoing duties, the Internal and EU Audit Unit has been designated by the Minister as the audit authority for the EU Asylum, Migration and Integration Fund (AMIF).

On a periodic basis, I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are considered by the Department's Management Board.

The Head of Internal Audit is a professional accountant and had a staffing complement of two higher executive officers and two executive officers. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to the Department of Public Expenditure, National Development Plan Delivery and Reform and Chartered Institute of Internal Auditors (CIIA) standards. The internal audit function is reviewed periodically by me and by the Audit Committee. The function was subject to an external quality review in February 2020 by the CIIA and the conclusion was that it “achieved a high degree of general conformance to the standards”.

The internal audit plan for 2023 was approved by me in March 2023. During 2023, internal audit issued eight reports. On no occasion was a ‘no assurance’ audit opinion made. On three occasions a ‘limited assurance’ audit opinion was made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately pursued.

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.

The Department has provided details to the Department of Public Expenditure, National Development Plan Delivery and Reform of 50 non-competitive contracts in excess of €25,000 (exclusive of VAT) in the annual return required under circular 40/2002.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of 50 contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €84,922,706 (exclusive of VAT) as set out below.

- Forty-seven contracts with a value of €84,770,882 related to the provision of international protection accommodation services.
- One contract with a value of €78,972 related to the software and support for the Department’s financial management system.
- One contract with a value of €42,972 related to technical consultancy services associated with the development of international protection sites.
- One contract with a value of €29,880 related to additional research commissioned with the Economic and Social Research Institute.

The Funds Administration Unit in the Department is the Managing Authority for delivering Ireland’s national programme under the Asylum, Migration and Integration Fund (AMIF). AMIF funding from the EU Commission is released in the accounts through appropriations-in-aid once it is deemed to be certain. At 31 December 2023, the balance of funds received but not released was €32.38 million. €13.96 million of this may be returned to the EU Commission. This is made up of €13.5 million for an Emergency Accommodation Grant and €0.46 million for the CAPS-EU Project.

In June 2020, the Department of Justice and Equality was awarded a grant amount of €13.5 million to provide emergency accommodation to persons entering the state who were seeking international protection, but could not be accommodated within the existing accommodation portfolio. This grant was awarded directly, and was not part of Ireland's AMIF national programme. The full grant amount was claimed and paid to the Department following the transfer of certain functions in late 2020. However, a subsequent European Court of Auditors report identified issues with the procurement of emergency accommodation, and recommended a full recovery of the grant amount paid. This recommendation is currently being considered by the EU Commission, and the full amount of €13.5 million is being retained in the suspense account pending a decision.

The Department was directly awarded €0.46 million in respect of the CAPS-EU project in December 2020. This was not part of Ireland's AMIF national programme. The project has completed, and the Department has submitted a final expenditure claim; the EU Commission is currently reviewing the final claim submission. At this point, it is expected that a refund of approx. €0.40 million will need to be made to the EU Commission once the process is completed. The full amount is therefore being held in the suspense account.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level. The Minister is briefed on corporate risk on a regular basis.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and unit level risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk and is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we have a low tolerance for risks which infringe on our operating procedures or regulatory requirements.

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 controls is informed by the work of the Internal and EU Audit Unit and the 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

Impact of Russian invasion of Ukraine on the Department

The continued demand for emergency accommodation and support for Ukrainian Beneficiaries of Temporary Protection (BOTPs) had a significant impact on the Department in 2023.

By the end of 2023, over 100,000 BOTPs had arrived in Ireland, and over 81,000 of those have been referred to the Department seeking accommodation from the State. Of these, more than 58,000 were in serviced accommodation (hotels, bed and breakfasts etc.) at the end of the year.

Approximately 16,000 BOTPs had been allocated to pledged accommodation through the Irish Red Cross consortium and the 'Offer a Home' scheme, operated by local authorities, from the start of the scheme in 2022 to the end of 2023.

The number of temporary protection orders granted continued to grow in 2023, with a further approximate 29,000 BOTPs seeking state supported accommodation in 2023.

In December 2023, the Government decided on a range of measures to better align the accommodation supports offered to future BOTPs, with those of other EU member states.

The continued high level of activity required the further expansion of staffing resources by the Department. By the end of 2023, there were over 170 staff assigned to the Ukraine team.

The Department is committed to ensuring that invoices are paid promptly while also ensuring that appropriate financial procedures are followed. The timely payment of invoices in respect of accommodation and support services for BOTPs proved challenging initially, due to the scale of accommodation procured in the early stages of the crisis response.

In early 2023, the Department undertook a project to improve the payments system. Initial automation measures introduced resulted in significant process improvements and addressed the invoice backlog challenge which had arisen. A more ambitious electronic payments project followed, to entirely overhaul the Department's system for processing invoices. The Department commenced rolling this out to suppliers in December 2023.

Additional enhancements to internal financial controls include the establishment of a dedicated compliance team in June 2023. The compliance team examines adherence to contractual requirements, including but not limited to financial compliance, compliance with health and safety and accommodation standards across the BOTP accommodation portfolio.

Since April 2024, additional support has been provided to the compliance team, including engaging an accountancy firm to undertake work, which includes forensic accounting services, to support the Department.

As the Department focuses on consolidating its accommodation portfolio, this will ensure enhanced value for money while protecting Exchequer funding, including recovery of any overclaims identified.

The Department's risk register was updated to reflect the impact the conflict in Ukraine had on the Department.

Early Years — compliance with programme rules

During the 2023 calendar year, consisting of two programme years (2022/23 and 2023/24), a total of 1,734 contracts/allocation with service providers were inspected.

For the service providers contracted to deliver the National Childcare Scheme (NCS), 449 contracts were inspected. The overclaims rate as a percentage of the allocation inspected was 0.97%, equating to €229,986. All identified overclaims will be subject to recoupment against future funding. The average number of non-compliance outcomes was 2.6 out of 24 checks per service. Following a non-compliance outcome under the NCS, service providers are required to take rectification actions and to submit self-declarations of future compliance. 97% of service providers inspected in 2023 have taken the requisite rectification actions. For the remaining 3%, tailored supports are provided for those with major non-compliant outcomes and all of the services are considered for future risk profiling.

In relation to the Early Childhood Care and Education (ECCE) programme, of the 737 inspections conducted for the calendar year up to December 2023, 18.9% were found to be 'major non-compliant' where major non-compliance reflects the compliance issues of greatest significance to Exchequer funding, including attendance record requirements and where more than 20% of child registrations require updating. The overclaim rate for ECCE was 0.22% or €100,084.

In relation to the Community Childcare Subvention Plus (CCSP) Savers scheme, which has been closed to new entrants since 2019, of the 76 inspections conducted, 50% were found to be 'major non-compliant'. The overclaim rate from the total funding allocation was 4.47% or €47,528.

A total of 472 allocations were inspected for the Access and Inclusion Model (AIM) Level 1 (Out of a total of 2,489, or 19% of AIM Level 1 allocations), with a 99% compliance rate. Overclaims of €1,786 were identified for AIM Level 1, or 0.21% of the €866,001 checked.

In relation to ELC and SAC contracts/allocation inspected overall, the overclaim rate was 0.54% or €379,384.

The majority of verification work in respect of the Covid-19 schemes has been completed. The Temporary Wage Subsidy Childcare Scheme (TWSCS) non-compliant amounts totalling approximately €464,000 (3.31%) has been fully recouped. Internal audit recommended expansion of the coverage sample for the TWSCS and the Department has agreed with Pobal that they will conduct further audits during 2024. A total of 596 applicants received funding of €4.69 million under the Fire Safety Grant.

As of the end of 2023, the recoupment position following desk-based verifications of 100% of service providers who received this grant (a full expansion of the original verification sample), was €722,251 recouped (or 15% of the total grant funding amount). Reasons for recoupment included expenditure incurred and paid outside the eligibility period, monies spent on ineligible items as per the grant funding agreement and the identification of unspent monies. The Playing Outside grant benefited 3,691 applicants to the amount of €4.7 million. Checks are ongoing for this grant as the sample is being expanded to cover all applicants. Verifications for the ventilation grant, which is the Department's final Covid-19 scheme, are due to commence in Q3 2024.

There were a number of positive developments during the 2023 calendar year. NCS compliance ratings were aligned with those of the ECCE and CCSP Savers funding programmes for reporting and compliance ratings issued, based on non-compliance categorisations of minor, moderate and major non-compliance.

The newly updated Compliance Framework was operational and saw a suite of new supports for non-compliant services introduced via a 'supports level' which operates to support service providers to become compliant before their potential placement on the pathway to sanction, as per the revised Framework. Supports offered are administered by Pobal Integrated Case Management and are offered by the local-area childcare committees. Development also progressed on introducing a compliance sanction for persistently non-compliant services who refuse to engage with supports. The sanction will be incorporated into the operation of the Compliance Framework. Development actions have included legal considerations, programme rule changes and integration of the pathway to sanction with the Early Years Platform.

The AIM Level 7 compliance function and additional supports for services to achieve and maintain compliance with exchequer-funded programmes were also developed during 2023, with implementation scheduled for Q2 2024.

Compliance Inspection Risk Profiling (CRISP) is a risk rating system developed to rate the risk level of service providers, based on key variables such as previous compliance outcomes, total contract value and time since last inspection. The first inspections of services using the CRISP model commenced in March 2023. The 2023/2024 Programme Year will see a larger proportion of services being sampled or inspected according to the CRISP. This model will provide greater assurances around targeting compliance resources towards inspections for services most likely to have non-compliant outcomes.

At the end of 2023, Pobal's debt management process recorded a debtor balance of approximately €4.6 million against all Departmental programmes. This included programmes other than the ELC and SAC programme that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal have reviewed the legacy debts and have identified amounts that are likely to be irrecoverable, with an analysis of the total irrecoverable debts to be completed. This debtor management process will conclude by establishing a set procedure for the future identification and treatment of debts as they emerge.

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

24 September 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth 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 40 Children, Equality, Disability, Integration and Youth 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 Children, Equality, Disability, Integration and Youth and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with procurement rules in respect of contracts that operated in 2023 in respect of the provision of international protection accommodation services.

Payment controls and late payment interest

The Accounting Officer has outlined in the statement on internal financial control that the timely payment of invoices from suppliers in respect of accommodation and support services for beneficiaries of temporary accommodation proved very challenging. Note 6.6 discloses that late payment interest and compensation charged to the vote in 2023 amounted to €3.3 million.

Rapid build housing

Chapter 5 of my report on the accounts of the public services for 2023 examines the delivery of rapid build housing which is funded from subhead E.5. of the vote.

Seamus McCarthy
Comptroller and Auditor General

26 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 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and family support programme			
	<i>Original</i>	995,243		
	<i>Supplementary</i>	<u>81,414</u>		
		1,076,657	1,074,331	948,879
B	Sectoral programmes for children and young people			
	<i>Original</i>	1,124,219		
	<i>Supplementary</i>	<u>(23,787)</u>		
		1,100,432	1,097,071	824,919
C	Policy and legislation programme			
	<i>Original</i>	64,303		
	<i>Supplementary</i>	<u>(18,909)</u>		
		45,394	41,096	33,597
D	An equal and inclusive society			
	<i>Original</i>	2,686,026		
	<i>Supplementary</i>	<u>109,172</u>		
		2,795,198	2,773,345	29,611
E	A fair and efficient support system for international protection seekers			
	<i>Original</i>	1,053,773		
	<i>Supplementary</i>	<u>1,113,049</u>		
		2,166,822	2,159,155	892,961

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
Gross expenditure				
	<i>Original</i>	5,923,564		
	<i>Supplementary</i>	<u>1,260,939</u>		
		7,184,503	7,144,998	2,729,967
<i>Deduct</i>				
F	Appropriations-in-aid	<u>31,959</u>	<u>31,205</u>	<u>35,055</u>
Net expenditure				
	<i>Original</i>	5,891,605		
	<i>Supplementary</i>	<u>1,260,939</u>		
		<u>7,152,544</u>	<u>7,113,793</u>	<u>2,694,912</u>

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	<u>38,750,829</u>	<u>86,718,120</u>

Kevin McCarthy

Accounting Officer

Department of Children, Equality, Disability, Integration and Youth

24 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	7,095,428	2,691,451
Pay	43,808	33,484
Non pay	5,762	5,032
Gross expenditure	7,144,998	2,729,967
<i>Deduct</i>		
Appropriations-in-aid	31,205	35,055
Net expenditure	7,113,793	2,694,912
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Purchases	(171,807)	
Depreciation	1,845	
<i>Intangible assets (note 2.2)</i>		
Purchases	(3,516)	
Amortisation	4,147	
	(169,331)	(35,220)
Changes in net current assets		
Decrease in inventories (note 2.4)	6	
Increase in prepayments (note 2.5)	(24,104)	
Decrease in accrued expenses (note 2.7)	(119,666)	
	(143,764)	151,214
Direct expenditure	6,800,698	2,810,906
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	8,752	7,187
Net programme cost	6,809,450	2,818,093

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	3,276	2,866
Vote 13	Office of Public Works	3,770	3,366
Vote 18	National Shared Services Office	98	74
Vote 20	Garda Síochána	231	70
Vote 43	Office of the Government Chief Information Officer	1,260	695
Central Fund - ministerial pensions		77	75
		8,752	7,187

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	261,053	91,496
Intangible assets	2.2	8,232	8,863
Total fixed assets		269,285	100,359
Current assets			
Bank and cash	2.3	35,913	32,716
Inventories	2.4	—	6
Prepayments	2.5	53,834	29,729
Other debit balances	2.6	10,808	12,049
Total current assets		100,555	74,500
Less current liabilities			
Accrued expenses	2.7	39,239	158,904
Other credit balances	2.8	11,565	3,286
Asylum, Migration and Integration Fund	2.9	32,379	30,582
Net Exchequer funding	2.10	2,777	10,897
Total current liabilities		85,960	203,669
Net current assets / (liabilities)		14,595	(129,169)
Net assets / (liabilities)		283,880	(28,810)
Represented by:			
State funding account	2.11	283,880	(28,810)

2.1 Property, plant and equipment

	Land and buildings	Office and IT equipment	Furniture and fittings	Assets under development ^b	Total
	€000	€000	€000	€000	€000
Cost or valuation					
At 1 January 2023	70,425	550	1,104	29,010	101,089
Additions	11,146	—	—	160,661	171,807
Adjustments ^a	—	(490)	(862)	—	(1,352)
At 31 December 2023	81,571	60	242	189,671	271,544
Accumulated depreciation					
At 1 January 2023	8,547	491	555	—	9,593
Depreciation for the year	1,811	12	22	—	1,845
Depreciation on adjustments ^a	—	(451)	(496)	—	(947)
At 31 December 2023	10,358	52	81	—	10,491
Net assets					
At 31 December 2023	71,213	8	161	189,671	261,053
At 31 December 2022	61,878	59	549	29,010	91,496

Note ^a This adjustment relates to the removal of individual items with values of up to €10,000 from the asset register. These assets are still in use.

^b Assets under development comprises expenditure relating to the Rapid Build Housing Programme and the Modular Homes Programme.

^c With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets ^a

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation ^b			
At 1 January 2023	18,308	260	18,568
Additions	2,358	1,158	3,516
Transfers	70	(70)	—
At 31 December 2023	20,736	1,348	22,084
Accumulated amortisation			
At 1 January 2023	9,705	—	9,705
Amortisation for the year	4,147	—	4,147
At 31 December 2023	13,852	—	13,852
Net assets			
At 31 December 2023	6,884	1,348	8,232
At 31 December 2022	8,603	260	8,863

Note ^a From 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

^b Intangible assets under development primarily comprises expenditure relating to the Early Years Platform Customer Relationship Management system developed by Pobal.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	(16,191)	(4,835)
Other bank balances	52,104	37,551
	35,913	32,716

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Stationery	—	4
IT consumables	—	2
	—	6

Note ^a Commencing in 2023, high-volume, low-value items are fully expensed in the year and are no longer classified as stock items.

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Pobal	18,267	13,584
International protection seekers costs	33,791	12,817
Ukrainian accommodation and certain related expenditure	770	1,890
Childcare programmes	151	1,000
Administration/operational	339	288
Research	500	150
Disability related expenditure	16	—
	53,834	29,729

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Advances to OPW	—	8,009
Ukrainian recognition scheme	10,285	3,660
Recoupable salaries	139	79
Other debit suspense items	384	301
	10,808	12,049

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Ukrainian accommodation and certain related expenditure	21,299	143,626
International protection seekers costs	15,880	14,481
Refugee and migrant integration	589	207
Other programme accruals	789	140
Administration/operational	652	450
Disability related expenditure	30	—
	39,239	158,904

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	878	755
Pay related social insurance	694	569
Professional services withholding tax	230	191
Value added tax	139	63
Local property tax	6	6
Universal social charge	177	149
Relevant contracts tax	850	—
	<u>2,974</u>	<u>1,733</u>
 Funds owed to OPW	 7,023	 —
Extra exchequer receipts	352	505
Other credit suspense items	1,216	1,048
	<u>11,565</u>	<u>3,286</u>

2.9 Asylum, Migration and Integration Fund

at 31 December	2023	2022
	€000	€000
 EU receipts	 <u>32,379</u>	 <u>30,582</u>

2.10 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	38,751	86,718
Deferred surrender	—	—
Exchequer grant undrawn	(35,974)	(75,821)
Net Exchequer funding	2,777	10,897
Represented by:		
Debtors		
Bank and cash	35,913	32,716
Debit balances: suspense	10,808	12,049
	46,721	44,765
Creditors		
Due to the State	(2,974)	(1,733)
Credit balances: suspense	(8,591)	(1,553)
Asylum, Migration and Integration Fund	(32,379)	(30,582)
	(43,944)	(33,868)
	2,777	10,897

2.11 State funding account

	Note	2023		2022
		€000	€000	€000
Balance at 1 January			(28,810)	85,746
Disbursements from the Vote				
Estimate provision	Account	7,152,544		
Surplus to be surrendered	Account	(38,751)		
Net vote			7,113,793	2,694,912
Expenditure (cash) borne elsewhere	1.1		8,752	7,187
Non cash items – Property, plant and equipment adjustment	2.1		(8,863)	—
Non cash items – Intangible assets adjustment	2.2		8,863	—
Adjustment	2.1		(405)	1,438
Net programme cost	1		(6,809,450)	(2,818,093)
Balance at 31 December			283,880	(28,810)

2.12 Commitments

a) Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services ^a	247,209	96,092
Capital ^b	49,626	208,390
Non-capital grant programmes ^c	306,464	235,055
Total of legally enforceable commitments	603,299	539,537

- Note ^a The increase in procurement of good and services primarily relates to
- International protection services contract commitments increased as a result of the growth in new arrivals seeking international protection in 2023. Commitments relating to the provision of accommodation resulting from the continued arrival of BOTPs. At the end of 2023 there were in excess of 100,000 BOTPs, of which 75% were seeking State supported accommodation.
- ^b Capital project commitments have decreased as the majority of the expenditure, related to the modular housing rapid build programme, was incurred by the end of 2023.
- ^c The increase in non-capital grant programmes relates to
- an increase in the Ukraine recognition payment commitment due to the continued arrival of BOTPs and the high percentage of these seeking State-supported accommodation.
 - an increase in the Early Years Core Funding Scheme commitment due to an increase in scheme costs and the growth in number of service providers.

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
Rapid Build Programme	29,010	158,764	49,626	237,400	237,400

2.13 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimates of matured liabilities not discharged at year end	4,374	54,675

2.14 Contingent liabilities

Legal costs for eight judicial reviews settled by the Department in December 2021, which were noted in the 2021 and 2022 appropriation accounts, were still payable as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled as a request for payment has yet to be received by the Department.

The legal costs included in the 2022 appropriation account in respect of two illegal birth registration cases which settled during 2022 remain payable by the Department as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled. Other costs related to these cases have been paid in 2023 and have been included in note 6.2.

Legal costs in respect of two personal injury cases settled by the Department during 2023 are payable as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled.

Plaintiff legal costs in respect of a legal challenge relating to wardship are payable by the Department as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled.

Indemnities have been provided to the owners of Citywest in relation to the Department's use of the hotel and convention centre as a Transit Hub for beneficiaries of temporary protection and international protection applicants. These indemnities relate to the cancellation of events in the conference centre, insurance and potential damages/litigation arising from claims from residents. The costs associated with the cancellation of events has been estimated at approximately €1.3 million, but negotiations are still ongoing between Citywest and various relevant parties regarding cancellations. There have been no claims to date in relation to insurance, damages or litigation and any actual amount or the timing of potential liabilities is uncertain.

The dispute included in the 2022 appropriation account, in relation to the direction issued to the Department to pay legal costs of approximately €71,000 to the State Claims Agency by the Commission of Investigation, is still ongoing and therefore the Department is currently unable to quantify the total liability to be settled or the timing of the payment.

The Department is involved in 55 legal cases, 44 which were noted in the 2022 appropriation account that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There are a number of potential legal challenges relating to wardship and the new Assisted Decision Making Act and 58 potential personal injury cases, that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

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	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	55,871	43,808	33,484
ii	Travel and subsistence	559	522	335
iii	Training and development and incidental expenses	3,016	1,736	1,761
iv	Postal and telecommunications services	176	121	154
v	Office equipment and external IT services	1,654	1,566	945
vi	Office premises expenses	2,263	1,537	1,603
vii	Consultancy services and value for money policy reviews	1,231	280	234
		64,770	49,570	38,516

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €3.016 million; outturn €1.736 million

This allocation was provided for training and incidentals in 2023 for which no requirement arose.

vi Office premises expenses

Estimate provision €2.263 million; outturn €1.537 million

The underspend was primarily driven by lower than anticipated energy costs as well as reduced demand for office equipment resulting from blended working arrangements in place.

vii Consultancy services and value for money policy reviews

Estimate provision €1.231 million; outturn €280,000

Expected spend on consultancy did not materialise during the year.

Programme A Children and family support

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
				Outturn
				€000
A.1	Administration – pay			
	<i>Original</i>	9,454		
	<i>Supplementary</i>	(1,914)		
			7,540	6,026
A.2	Administration – non pay			
	<i>Original</i>	1,528		
	<i>Supplementary</i>	(200)		
			1,328	905
A.3	Child and Family Agency			
	<i>Original</i>	917,082		
	<i>Supplementary</i>	84,069		
			1,001,151	915,640
A.4	Youth justice – including Oberstown Children Detention Campus			
	<i>Original</i>	28,544		
	<i>Supplementary</i>	(490)		
			28,054	26,308
A.5	Guardian ad Litem Executive Office			
	<i>Original</i>	100		
	<i>Supplementary</i>	(50)		
			50	—
A.6	Child and Family Agency Covid related supports			
	<i>Original</i>	1		
	<i>Supplementary</i>	(1)		
			—	—
A.7	Services to support victims of domestic, sexual and gender based violence		38,534	—
			36,834	—
		1,076,657	1,074,331	948,879

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall the expenditure in relation to Programme A was €79.088 million higher than originally provided.

A.3 Child and Family Agency

Estimate provision €917.082 million; outturn €1.001 billion

The overspend of €84 million was mainly due to growing demand in 2023 for single occupancy or other special emergency arrangements, and a shortage of alternative provision of residential care options. In addition, the Child and Family Agency (Tusla) experienced significantly increasing numbers of separated children seeking international protection. Other factors driving this overspend in 2023 included legal cost pressures due to increased guardian ad litem usage, shortfall of disability funding from the Health Service Executive, increased costs arising from the Workplace Relations Commission agreement and double payment of foster care allowance in December 2023 announced in Budget 2024.

Programme B Sectoral programmes for children and young people

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	12,079		
	<i>Supplementary</i>	<u>(2,452)</u>		
			9,627	10,076
				7,702
B.2	Administration – non pay			
	<i>Original</i>	1,953		
	<i>Supplementary</i>	<u>(200)</u>		
			1,753	1,326
				1,158
B.3	ECCE and AIM pre-school programmes			
	<i>Original</i>	308,200		
	<i>Supplementary</i>	<u>7,319</u>		
			315,519	315,518
				330,867
B.4	National Childcare Scheme and other childcare programmes			
	<i>Original</i>	357,626		
	<i>Supplementary</i>	<u>(15,013)</u>		
			342,613	342,600
				219,942
B.5	Childcare programmes: delivery supports and other initiatives			
	<i>Original</i>	359,664		
	<i>Supplementary</i>	<u>(13,183)</u>		
			346,481	344,634
				158,442
B.6	Youth organisations and services (part funded by the National Lottery)		75,648	74,808
				72,492
B.7	Creative Ireland		150	149
				120
B.8	Economic and social disadvantage measures (Dormant Accounts funded)		8,157	7,476
				10,545
B.9	Programme for Peace and Reconciliation			
	<i>Original</i>	741		
	<i>Supplementary</i>	<u>(257)</u>		
			484	484
				975

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
B.10	Early Learning & Care/School Age Childcare Covid supports			
	<i>Original</i>	1		
	<i>Supplementary</i>	(1)		
			—	—
		1,100,432	1,097,071	824,919
				22,676

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €27.148 million lower than originally provided.

B.8 Economic and social disadvantage measures (Dormant Accounts funded)

Estimate provision €8.157 million; outturn €7.476 million

The underspend of €681,000 was primarily due to the cancellation of initiatives funded under the Dormant Accounts scheme.

B.9 Programme for Peace and Reconciliation

Estimate provision €741,000; outturn €484,000

The underspend of €257,000 was due to the delay in initialisation of the new PEACEPLUS cross-border programme, which means that the Special EU Programme Body has not been in a position to begin funding the project expenditure as anticipated.

Programme C Policy and legislation

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	<i>Original</i>	15,755		
	<i>Supplementary</i>	(3,196)		
			12,559	13,143
C.2	Administration – non pay			10,045
	<i>Original</i>	2,545		
	<i>Supplementary</i>	(200)		
			2,345	1,728
C.3	Miscellaneous legal fees and settlements		539	1,510
C.4	National Longitudinal Study and other research programmes		101	67
	<i>Original</i>	2,589		
	<i>Supplementary</i>	(1,110)		
			1,479	1,135
C.5	Children and young people's policy framework and other programmes			3,175
	<i>Original</i>	12,293		
	<i>Supplementary</i>	(567)		
			11,726	11,203
C.6	Adoption Authority of Ireland			6,131
	<i>Original</i>	7,213		
	<i>Supplementary</i>	400		
			7,613	7,348
C.7	Office of the Ombudsman for Children		3,900	8,096
C.8	Response to legacy of Mother and Baby Institutions		3,900	3,495
	<i>Original</i>	9,169		
	<i>Supplementary</i>	(6,948)		
			2,221	1,322
C.9	Mother and Baby Institutions Payment Scheme			568
	<i>Original</i>	10,000		
	<i>Supplementary</i>	(7,288)		
			2,712	995
C.10	Magdalen Fund		300	—
			221	510
		45,394	41,096	33,597

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €23.207 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €101,000

This subhead relates to miscellaneous legal fees and settlement which by their nature are unpredictable. The full allocation was not required in 2023.

C.4 National Longitudinal Study and other research programmes

Estimate provision €2.589 million; outturn €1.135 million

The underspend of €1.454 million was mainly due to an underspend on research activities for the Growing up in Ireland Study Team and commissioned research projects progressing at a slower pace than anticipated. These carry-over costs are expected to be reflected in the 2024 expenditure.

C.5 Children and young people's policy framework and other programmes

Estimate provision €12.293 million; outturn €11.203 million

The underspend of €1 million was due to the publication of the National Policy Framework for Children and Young People in Q4 rather than Q1. This delayed communications and other implementation work.

C.8 Response to legacy of Mother and Baby Institutions

Estimate provision €9.169 million; outturn €1.322 million

The underspend of €7.8 million was mainly due to excavation work at the Tuam site not commencing as early as envisaged, and the independent recruitment process undertaken to appoint a Special Advocate for Survivors took longer than anticipated.

C.9 Mother and Baby Institutions Payment Scheme

Estimate provision €10 million; outturn €995,000

The underspend of €9 million was mainly due to the payment scheme not opening for applications in 2023 as anticipated. Therefore, costs profiled for payments to the third party provider did not materialise. In addition, as the scheme did not open in 2023, the costs associated with a public information awareness campaign and other costs related to security and audit services and training pre go-live were delayed. The scheme opened on 20 March 2024.

Programme D An equal and inclusive society

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay			
	<i>Original</i>	5,453		
	<i>Supplementary</i>	(1,141)		
			4,312	1,753
D.2	Administration – non pay			1,340
	<i>Original</i>	752		
	<i>Supplementary</i>	(50)		
			702	230
D.3	National Disability Authority		5,788	5,753
D.4	Refugee and migrant integration		8,928	5,492
D.5	Grants to national women's organisations		642	642
D.6	Traveller and Roma initiatives		5,942	5,542
D.7	Positive action for gender equality			5,077
	<i>Original</i>	5,865		
	<i>Supplementary</i>	(2,155)		
			3,710	2,436
D.8	Equality and LGBTI initiatives		1,055	1,055
D.9	Decision Support Service		8,464	8,464
D.10	Disability equality		1,650	94
D.11	Specialist Disability Services			6,519
	<i>Original</i>	2,590,305		
	<i>Supplementary</i>	112,518		
			2,702,823	2,696,787
D.12	Specialist Disability Services Covid-19		39,000	39,000
D.13	Farrelly Commission of Investigation		1,400	776
D.14	Disability programmes and regulatory bodies		10,412	4,975
D.15	Payments in respect of Thalidomide		370	346
		2,795,198	2,773,345	29,611

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €87.32 million higher than originally provided.

D.4 Refugee and migrant integration

Estimate provision €8.928 million; outturn €5.492 million

The underspend of €3.436 million was mainly due to the overall impact of the Ukraine crisis response. Fewer resettlements and underspend on grant agreements due to accommodation pressures, resulted in lower than anticipated drawdowns from Local Authorities as well as lower spends in associated planned costs. This in turn impacted the capacity to carry out budgeted selection missions due to accommodation pressures in Reception Centres. No 2023 selection missions were carried out with the associated planned budget significantly impacted.

D.6 Traveller and Roma initiatives

Estimate provision €5.942 million; outturn €5.542 million

The underspend of €400,000 was primarily due to delays in drawing up the replacement strategy to the National Traveller and Roma Inclusion Strategy 2017-2021, which meant that projected expenditure on developing and publishing the new strategy, and on progressing a number of actions to be identified therein, was less than expected.

D.7 Positive Actions for Gender Equality

Estimate provision €5.865 million; outturn €2.436 million

The underspend of €3.429 million was mainly due to a delay in holding a call for proposals under the European Social Fund Plus fund for gender equality.

D.10 Disability Equality

Estimate provision €1.65 million; outturn €94,000

The underspend of €1.556 million arose from policy positions in relation to various forecasted costs not being finalised within the envisaged timeframe. These chiefly related to the extended development time afforded to the National Disability Strategy and the Autism Innovation Strategy. The planned launch of the National Disability Strategy was pushed to 2024 in response to stakeholder engagement that strongly indicated a Convention on the Rights of Persons with Disabilities compliant co-design process, would require more time in development. This had a knock-on impact on spend related to National Disability Strategy (NDS) activities or NDS dependent activities. Consultations for the Autism Innovation Strategy were also moved to 2024 as bi-lateral meetings with Departments and Agencies to develop actions were extended, in part due to the need for consideration of the 109 recommendations of the Joint Oireachtas Committee on Autism's Report, which was published mid-way through the Strategy development process. This delayed the publishing of the draft Autism Innovation Strategy, which in turn hindered the launch of consultations affecting the associated spend. Linked to the NDS delay, the European Social Fund (ESF) bid did not proceed, and further consideration was required concerning the ongoing function of the Disability Participation and Consultation Network, resulting in an underspend. Funding relating to the Employers for Change programme, operated by the Open Doors Initiative, was deferred as part of a reorganisation of funding and governance arrangements in respect of the programme.

D.13 Farrelly Commission of Investigation

Estimate provision €1.4 million; outturn €776,000

The underspend of €624,000 was mainly due to the fact that after 7 years the majority of the work has been completed and professional fee notes are now only received on an ad-hoc basis.

D.14 Disability Programmes & Regulatory Bodies

Estimate provision €10.412 million; outturn €4.975 million

The underspend of €5.437 million was mainly due to a delay in the commencement of a World Health Organization initiative, as well as lower than expected costs associated with Thalidomide services and supports and the Personalised Budget initiative.

Programme E A fair and efficient support system for international protection seekers

		Estimate provision		2023	2022
		€000	€000	Outturn	Outturn
				€000	€000
E.1	Administration – pay				
	<i>Original</i>	13,130			
	<i>Supplementary</i>	(2,664)			
			10,466	10,952	8,371
E.2	Administration – non pay				
	<i>Original</i>	2,121			
	<i>Supplementary</i>	(350)			
			1,771	1,441	1,258
E.3	Asylum, Migration and Integration Fund				
	<i>Original</i>	2,786			
	<i>Supplementary</i>	236			
			3,022	1,676	1,538
E.4	International protection seekers accommodation				
	<i>Original</i>	394,936			
	<i>Supplementary</i>	236,453			
			631,389	655,361	367,223
E.5	Ukraine Accommodation and Related Costs				
	<i>Original</i>	640,800			
	<i>Supplementary</i>	879,374			
			1,520,174	1,489,725	514,571
			2,166,822	2,159,155	892,961

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €1.105 billion higher than originally provided.

E.3 Asylum, Migration and Integration Fund

Estimate provision €2.786 million; outturn €1.676 million

The underspend of €1.11 million was mainly due to the delay in approving funding under an AMIF Call for Proposals. As a result, grant payments to approved projects will occur in 2024.

E.4 International protection seekers accommodation

Estimate provision €394.94 million; outturn €655.36 million

The overspend of €260.4 million was due to International Protection Accommodation Services being a demand-led service with requirements for accommodation and services increasing with demand from increasing numbers of International Protection applications. In recent times there have been record increases in the number of new arrivals seeking international protection accommodation in Ireland, with total numbers accommodated increasing from 7,244 in December 2021 to 18,534 in December 2022, and reaching approximately 26,000 by the end of December 2023.

E.5 Ukraine accommodation and related costs

Estimate provision €640.8 million; outturn €1.49 billion

The overspend of €849 million was mainly due to the fact that the allocation for subhead E.5 was based on the outturn of 2022. During 2023, costs increased significantly due a range of factors associated with the continuation of the Ukraine war and the EU's extension of the application of the Temporary Protection Directive. The main drivers of the increased costs for the department were the continued arrival of BOTPs exceeding 100,000 by the end of 2023, the high proportion of BOTPs (approx. 75%) seeking supported accommodation, the costs in sourcing accommodation solutions and necessary supports primarily from commercial sources and in partnership with local authorities and the funding of the Accommodation Recognition Payment administered by the Department of Social Protection on behalf of the Department involving €800 per month for over 13,000 hosts of over 28,000 BOTPs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	9,947	12,000	8,672
2	Superannuation scheme – non teaching staff of Children Detention Schools	734	684	685
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Receipts from superannuation contributions on public service remuneration	11,000	9,291	9,448
6	Dormant Accounts receipts	8,157	7,500	10,531
7	Programme for Peace and Reconciliation	882	849	1,801
8	EU receipts	893	471	3,335
9	Miscellaneous	343	410	583
Total		31,959	31,205	35,055

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000). Overall appropriations-in-aid were €754,000 lower than forecast.

1 Superannuation scheme – Child and Family Agency

Estimate provision €9.947 million; realised €12 million

The increase in receipts of €2 million was mainly due to increased numbers of Tusla Whole Time Equivalent staff in 2023, and the effect of pay increments and pay increases from public sector agreements.

5 Receipts from superannuation contributions on public service remuneration

Estimate provision €11 million; realised €9.291 million

The shortfall in receipts of €1.7 million was mainly due to lower Pension Related Deduction receipts than originally expected in the Child and Family Agency. The allocation figure was an estimate split of the total Appropriations in Aid allocation, based on 2022 receipts as percentage of pay budget. This was partly offset by the increased number of department staff in 2023.

6 Dormant Accounts receipts*Estimate provision €8.157 million; realised €7.5 million*

The shortfall in receipts of €657,000 was primarily due to the cancellation of initiatives funded under the Dormant Accounts scheme.

8 EU receipts*Estimate provision €893,000; realised €471,000*

The shortfall in receipts of €422,000 was mainly due to a change in the basis of calculation for releasing funds from AMIF receipts to the Exchequer.

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	505	2,968
Adjustment to opening balance	(6)	(8)
Refunds of grant funding: Pobal	6,754	7,167
Refunds of grant funding: ETBs	374	1,275
Oberstown Children Detention Campus	75	25
Child and Family Agency	—	21
Other	389	363
Transferred to the Exchequer	(7,739)	(11,306)
Balance at 31 December	352	505

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	769	606
Agencies of the Department	5,380	5,033
	6,149	5,639

5.2 Pay

Remuneration of Department staff	2023	2022
	€000	€000
Pay	38,979	29,844
Higher, special or additional duties allowances	218	115
Other allowances	252	154
Overtime	549	598
Employer's PRSI	3,717	2,773
Total pay ^a	43,715	33,484

Remuneration of agency staff	2023	2022
	€000	€000
Pay ^b	321,592	297,374
Higher, special or additional duties allowances	2,819	2,872
Other allowances	1,430	1,607
Overtime	2,344	1,524
Employer's PRSI	32,921	31,185
Total pay	361,106	334,562

Note ^a The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

^b The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned. The agencies are National Disability Authority (NDA), Adoption Authority of Ireland (AAI), Child and Family Agency (Tusla), Office of the Ombudsman for Children (OCO) and Oberstown Children Detention Campus.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Departmental staff				
Higher, special or additional duties allowances	32	8	25,628	22,755
Other allowances	38	1	69,592	35,651
Overtime	160	16	35,745	41,270
Extra remuneration in more than one category	30	9	25,236	17,170
Staff of agencies of the Department				
Higher, special or additional duties allowances	536	60	23,710	20,880
Other allowances	420	16	30,013	30,218
Overtime	877	51	70,866	43,898
Extra remuneration in more than one category	561	46	36,052	58,130

5.4 Payroll overpayments

at 31 December	Number of recipients	2023	2022
		€	€
Overpayments	51	84,725	61,867
Recovery plans in place	11	13,494	9,413

Note ^a Three officers who had no overpayment recovery plans in place totalling €4,536 were transferred to two Government departments in 2023.

^b In 2023, 59 overpayments were recouped in full. The NSSO is managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

Eight retired civil servants in receipt of a civil service pension were re-engaged at a total cost of €85,846. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €57,164 (inclusive of salary, employee's superannuation and employer's PRSI) in respect of one officer who was serving outside the Department for part of 2023 in the Department of Justice and whose salary was paid by the Department. This amount is included in the figure for Recoupable Salaries within note 2.6 other debit balances.

5.6 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	
From	To	2023	2022
20,000	59,999	425	370
60,000	69,999	53	29
70,000	79,999	57	55
80,000	89,999	51	29
90,000	99,999	37	28
100,000	109,999	14	21
110,000	119,999	15	8
120,000	129,999	3	1
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	2	1
160,000	169,999	3	3
170,000	179,999	3	—
180,000	189,999	—	1
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	—	—
230,000	239,999	1	—

5.7 Severance/Redundancy

During 2023, one staff member whose employment was terminated, was paid a redundancy payment of €10,524 and severance payments totalling €24,084.

Grade	Severance payment €	Added years of notional service	Early payment of pension with no actuarial reduction (years)
Civilian Driver	34,608	Nil	Nil
Total	34,608		

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		
Kevin McCarthy - appointed 19 January 2022	238	187
Fergal Lynch - appointment ceased 18 January 2022	—	18
	238	205

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre 1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

In September 2023, following an independent report on the grading of certain Secretary General posts, the Minister for Public Expenditure, National Development Plan Delivery and Reform conveyed sanction for the re-grading of the post of Secretary General in the Department from Secretary General Level III to Secretary General Level II, with effect from the appointment date of the current Secretary General in January 2022.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net funds provided to Pobal for the year of €1.030 billion were charged to the relevant subheads as set out below.

During 2023, Pobal returned funds totalling €6.938 million to the Department. €6.596 million of the funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2) with €0.158 million received in late December 2023 to be returned to the Exchequer in 2024. €0.184 million was recorded as Appropriations in Aid Dormant Accounts receipts.

		2023	2022
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	313,844	330,867
B.4	National childcare scheme and other childcare programmes	342,600	219,942
B.5	Childcare programmes: delivery supports and other initiatives	335,971	148,489
B.6	Youth organisations and services (part funded by the National Lottery)	14,610	14,043
B.8	Economic and social disadvantage measures (Dormant Accounts funded)	281	1,366
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports	—	22,676
C.5	Children and young people's policy framework and other programmes	2,429	1,262
E.5	Ukraine accommodation and related costs	20,590	6,345
Total paid to Pobal		1,030,325	744,990

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2023, Pobal had grant commitments totalling €18.3 million relating to programmes administered on behalf of the Department.

6.2 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	29	46	75	41
	€000	€000	€000	€000
Department's own legal costs	—	203	203	26
Payments by/on behalf of Department				
Compensation	391	521	912	230
Legal costs	62	153	215	327
Other costs	72	87	159	23
2023 Total	525	964	1,489	606
2022 Total	415	191	606	

- Note ^a At 31 December 2023, the Department has included in accrued expenses, €27,226 (2022: €52,989) being the total outstanding legal costs due to the State Claims Agency.
- ^b As at 31 December 2023, legal costs of €60,000 are payable by the State Claims Agency in respect of a judicial review relating to access to health data which settled during 2022. The State Claims Agency will seek reimbursement for these costs from the Department.
- ^c As at 31 December 2023, legal costs of €146,651 are payable to the State Claims Agency in respect of a legal action related to the application of Regulations regarding Assessment of Needs. These costs, along with a further €9,647 incurred in January 2024, relate to the Plaintiff's legal fees. The State Claims Agency sought reimbursement for these costs from the Department and these will be paid in 2024.

Cumulative costs of cases completed in 2023

	Claims by		Total
	employees	members of the public	
Number of cases	11	3	14
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	249	—	249
Legal costs	136	129	265
Other costs	18	1	19
Total	403	130	533

6.3 Committees, commissions and special inquiries

In March 2017, a commission of investigation was established into certain matters relative to a disability service in the South East and related matters. Commission expenditure is accounted for in subhead D.13 Farrelly Commission of Investigation.

	Year of appointment	Cumulative expenditure to the end of 2023 €000	2023 €000	2022 €000
D.13 – Farrelly Commission of Investigation (Certain matters relative to a disability service in the South East and related matters)	2017	7,565 ^a	776	775

Note ^a The cumulative expenditure to the end of 2023 includes €6.789 million of expenditure incurred in the Department of Health, prior to the transfer of function of the SCBDS to the Department in 2023.

6.4 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

	2023 Estimate €000	2023 Outturn €000	2022 Outturn €000
Subhead			
B.6 Youth organisations and services	75,548	74,725	72,411

6.5 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the ESF and the AMIF respectively. Estimates of expenditure and actual outturns were as follows.

	2023		2023	2022
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
Subhead				
B.9 – Programme for Peace and Reconciliation				
	<i>Original</i>	741		
	<i>Supplementary</i>	(257)		
			484	484
				975
D.4 – Refugee and migrant integration			8,928	5,492
				4,355
E.3 – Asylum, Migration and Integration Fund ^a				
	<i>Original</i>	2,786		
	<i>Supplementary</i>	236		
			3,022	1,676
				1,538

Note ^a AMIF expenditure for the year was €1.68 million. EU receipts in respect of AMIF funding are released in the accounts through appropriations-in-aid when they are deemed to be certain. The balance of funds received but not released into the accounts are contained in note 2.9.

6.6 Late payment interest

	2023	2022
	€000	€000
Total of interest and compensation payments	3,288	247