

Appropriation Account 2024

Vote 39

Office of Government Procurement

Introduction

The Office of Government Procurement is a division of the Department of Public Expenditure, National Development Plan Delivery and Reform. As Accounting Officer for Vote 39, I am required each year to prepare the appropriation account for the Vote and 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 2024 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums:

- granted by Dáil Eireann under the Appropriation Act 2024, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2024 out of unspent 2023 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.931 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 20 of 2024 have been applied in the preparation of the account. This includes the application of a number of Central Government Accounting Standards (CGAS) brought into effect from 1 January 2024.

Depreciation of capital assets

Depreciation of property, plant and equipment and amortisation of intangible assets are calculated and charged in accordance with CGAS 17 and CGAS 31 respectively.

The useful lives and associated rates of major classes of capital assets are as follows.

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of amortisation</i>
Office and IT equipment	5 years	20%
Acquired/developed software	5 years	20%

Statement on internal financial control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as 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 Office and the National Shared Services Office for the provision of human resources and payroll 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 Office.

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 key business processes have been documented.
- There are systems in place to safeguard the assets.
- The Statement on Internal Financial Control for the National Shared Service Office is also relevant given that the National Shared Service Office provides certain services on a shared basis to Vote 39.

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.

- 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 Office.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

The Office has an internal audit function with appropriately trained personnel, located within the Department, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, 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 Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €3.862 million in 2024.

The Office has provided details of one non-competitive but compliant contract in respect of this vote in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

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

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

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2024 that require disclosure in the appropriation account.

David Moloney

Accounting Officer

Office of Government Procurement

11 March 2025

Comptroller and Auditor General

Report for presentation to Dáil Éireann

Vote 39 Office of Government Procurement

Opinion on the appropriation account

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2024 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 39 Office of Government Procurement for the year ended 31 December 2024, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Office of Government Procurement and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

19 June 2025

Appendix to the report of the Comptroller and Auditor General

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, Infrastructure, Public Service Reform and Digitalisation's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.
- 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 Dáil Éireann 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, Infrastructure, Public Service Reform and Digitalisation'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

Appendix to the report of the Comptroller and Auditor General (continued)**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 39 Office of Government Procurement

Appropriation Account 2024

		2024		2023
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of central procurement service			
	<i>Original</i>	22,318		
	<i>Deferred surrender</i>	115		
		22,433	19,508	18,786
Gross expenditure		22,433	19,508	18,786
<i>Deduct</i>				
B	Appropriations-in-aid	525	531	538
Net expenditure				
	<i>Original</i>	21,793		
	<i>Deferred surrender</i>	115		
		21,908	18,977	18,248

Surplus

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

	2024	2023
	€	€
Surplus	2,931,066	3,505,271
Deferred surrender	—	(115,000)
Surplus to be surrendered	2,931,066	3,390,271

David Moloney
Accounting Officer
Office of Government Procurement

11 March 2025

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2024

		2024	2023
	€000	€000	€000
Programme cost		2,686	2,448
Pay		15,646	14,981
Non pay		1,176	1,357
Gross expenditure		19,508	18,786
<i>Deduct</i>			
Appropriations-in-aid		531	538
Net expenditure		18,977	18,248
Changes in capital assets			
<i>Intangible assets (note 2.2)</i>			
Purchases	(500)		
Amortisation	220		
		(280)	(564)
Changes in net current assets			
Decrease in prepayments	21		
Increase in accrued expenses	539		
		560	58
Direct expenditure		19,257	17,742
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,314	2,977
Notional rent		50	50
Net programme cost		22,621	20,769

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 39 borne elsewhere.

		2024	2023
		€000	€000
Vote 12	Superannuation and Retired Allowances	699	611
Vote 13	Office of Public Works	1,549	1,513
Vote 18	National Shared Services Office	735	551
Vote 43	Office of the Government Chief Information Officer	331	302
		<u>3,314</u>	<u>2,977</u>

Note 2 Statement of Financial Position as at 31 December 2024

	Note	2024 €000	2023 €000
Fixed assets			
Property, plant and equipment	2.1	—	—
Intangible assets	2.2	1,167	887
		1,167	887
Current assets			
Bank and cash		182	1,188
Prepayments	2.3	489	510
Other debit balances	2.4	387	25
		1,058	1,723
<i>Less</i>			
Current liabilities			
Accrued expenses	2.5	715	176
Other credit balances	2.6	565	591
Net Exchequer funding	2.7	4	622
		1,284	1,389
Net current (liabilities)/assets		(226)	334
Net assets		941	1,221
Represented by:			
State funding account	2.8	941	1,221

2.1 Property, plant and equipment

	Office and IT equipment €000	Total €000
Cost or valuation		
At 1 January 2024	414	414
Additions	—	—
At 31 December 2024	414	414
Accumulated depreciation		
At 1 January 2024	414	414
Depreciation for the year	—	—
At 31 December 2024	414	414
Net assets		
At 31 December 2024	—	—
At 31 December 2023	—	—

2.2 Intangible assets

	Acquired and developed software €000	Assets under development €000	Total €000
Cost or valuation			
At 1 January 2024	1,142	121	1,263
Additions	—	500	500
Transfers	121	(121)	—
At 31 December 2024	1,263	500	1,763
Accumulated amortisation			
At 1 January 2024	376	—	376
Amortisation for the year	220	—	220
At 31 December 2024	596	—	596
Net assets			
At 31 December 2024	667	500	1,167
At 31 December 2023	766	121	887

2.3 Prepayments

at 31 December	2024	2023
	€000	€000
Software licences	136	166
Subscriptions	172	221
Training and development	146	74
IT support	21	22
Other	14	27
	489	510

2.4 Other debit balances

at 31 December	2024	2023
	€000	€000
Payroll debtors	358	—
Recoupable travel pass scheme expenditure	21	16
OPW advances	1	7
Other debit suspense items	7	2
	387	25

2.5 Accrued expenses

at 31 December	2024	2023
	€000	€000
Payroll accrual	481	—
Holiday pay accrual	206	—
Administration expenses	28	176
	715	176

2.6 Other credit balances

at 31 December	2024	2023
	€000	€000
Amounts due to the State		
Income tax	189	184
Pay related social insurance	162	154
Professional services withholding tax	25	19
Value added tax	40	90
Pension contributions	54	53
Local property tax	1	1
Universal social charge	38	38
	<u>509</u>	<u>539</u>
Payroll deductions held in suspense	56	51
Other credit suspense items	—	1
	<u>565</u>	<u>591</u>

2.7 Net Exchequer funding

at 31 December	2024	2023
	€000	€000
Surplus to be surrendered	2,931	3,390
Deferred surrender	—	115
Exchequer grant undrawn	(2,927)	(2,883)
Net Exchequer funding	<u>4</u>	<u>622</u>
Represented by:		
Debtors		
Bank and cash	182	1,188
Debit balances: suspense	387	25
	<u>569</u>	<u>1,213</u>
Creditors		
Due to the State	(509)	(539)
Credit balances: suspense	(56)	(52)
	<u>(565)</u>	<u>(591)</u>
	<u>4</u>	<u>622</u>

2.8 State funding account

	Note	2024	2023
		€000	€000
Balance at 1 January		1,221	594
Disbursements from the Vote			
Estimate provision	Account	21,908	
Surplus to be surrendered	Account	(2,931)	
Net vote		18,977	18,248
Expenditure (cash) borne elsewhere	1.1	3,314	2,977
Non-cash expenditure – notional rent	1	50	50
Non-cash expenditure – intangible assets accrual		—	121
Net programme cost	1	(22,621)	(20,769)
Balance at 31 December		941	1,221

2.9 Commitments

	2024	2023
	€000	€000
Global commitments at 31 December		
Procurement of goods and services	89	133

2.10 Impact of accounting policy changes in 2024

Nine new central government accounting standards (CGAS) were implemented with effect from 1 January 2024. The implementation had the following impact on the State funding balance.

	2024
	€000
Payroll Accrual ^a	(481)
Holiday Accrual ^a	(206)
	(687)

Note ^a CGAS 39A Employee Benefits Part A

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 39 Office of Government Procurement is classified as administration expenditure applied towards a single programme: Delivery of central procurement service.

		2024	2023
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i	Salaries, wages, pensions and allowances	17,679	15,646
ii	Travel and subsistence	157	127
iii	Training and development	349	375
iv	Operational services, supplies and sundry equipment	228	159
v	Digital capital investment and IT expenses	247	296
vi	Policy reviews, consultancy services and research	18	66
vii	Premises expenses	265	154
	18,943	16,823	16,338

Note ^a The administration expenditure subheads were updated by Government Accounting in 2024. Five subheads were retired, and four new subheads were created. The figures for 2023 have been restated to reflect the new subheads.

Significant variations

This note outlines the reasons for significant variations (+/- 25% and €100,000) in administration expenditure

vii Premises expenses

Estimate provision €265,000; outturn €154,000.

The saving of €111,000 in 2024 is due to lower than expected costs for the provision of ergonomic equipment, and for maintenance, fitout and upkeep of premises.

Programme A Delivery of Central Procurement Service

		2024		2023
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay		17,679	15,646
A.2	Administration – non pay		1,264	1,176
A.3	Procurement consultancy and other costs			
	<i>Estimate provision</i>	3,375		
	<i>Deferred surrender</i>	115		
			3,490	2,686
		22,433	19,508	18,786

Significant variations

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

A.3 Procurement consultancy and other costs

Estimate provision €3.490 million; outturn €2.686 million

The saving of €804,000 in 2024 is mainly driven by a procurement training contract that expired in early 2024 and wasn't retendered for as planned in 2024. It is expected that it will be retendered for in 2025. Additionally, there was a saving on consultancy as in-house expertise was used instead of procuring external consultancy and a systems contract was negotiated to a lower value than budgeted.

Note 4 Receipts

4.1 Appropriations-in-aid

		2024		2023
		Estimate provision	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	375	412	413
2	Miscellaneous	150	119	125
		525	531	538

4.2 Extra receipts payable to the Exchequer

	2024	2023
	€000	€000
Balance at 1 January	—	—
Purchasing card rebates	22	—
Transferred to the Exchequer	(22)	—
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2024	2023
Number of staff at year end	230	237

5.2 Pay

	2024	2023
	€000	€000
Pay	14,153	13,620
Higher, special or additional duties allowances	52	9
Other allowances	—	(2)
Employer's PRSI	1,441	1,354
Total pay	15,646	14,981

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2024 €	2023 €
Higher, special or additional duties allowances	4	2	20,524	769
Overtime	—	—	—	986

5.4 Department employee pay bands

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	2024	2023
20,000	59,999	157	159
60,000	69,999	22	15
70,000	79,999	17	21
80,000	89,999	13	17
90,000	99,999	13	6
100,000	109,999	5	2
110,000	119,999	2	7
120,000	129,999	5	2
130,000	139,999	1	—
140,000	149,999	—	1
150,000	159,999	—	2
160,000	169,999	2	1
170,000	179,999	1	—

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 39 Office of Government Procurement is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary and benefits are disclosed in the appropriation account for Vote 11.

5.6 Payroll overpayments

at 31 December	Number of recipients	2024 €	2023 €
Overpayments	19	20,306	17,200
Recovery plans in place	5	5,378	5,808

Note 6 Miscellaneous

6.1 Compensation and legal costs

In 2024, there were two legal cases for which the OGP was the respondent in relation to procurement competitions.

The judgement in the first case remains reserved by the Court of Appeal.

With regards to the second case, the Supreme Court ruled in favour of the OGP and refused the application for leave to appeal in February 2024. As such neither the OGP, nor any other Government agency, will be liable for any costs associated with this case. No legal fees were paid in 2024 in relation to these open proceedings.