Comptroller and Auditor General

Appropriation Account 2015

September 2016

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Appropriation Accounts 2015

Section 3 (11) of the Comptroller and Auditor General (Amendment) Act 1993 requires me, upon the completion of my audit of the Appropriation Accounts, to present to Dáil Éireann a copy of each such account together with my certificate thereon.

I hereby present, pursuant to the foregoing provision, the said accounts and certificates for the year ended 31 December 2015.

Seamus McCarthy
Comptroller and Auditor General

28 September 2016

Table of Contents

		Page
Part 1 – Preface		
Background to the appropriation accounts		8
Accountability and audit arrangements		9
Part 2 - Appropriation accounts 2015		
Statement of accounting policies and principles		12
Vote 1	President's Establishment	19
Vote 2	Department of the Taoiseach	31
Vote 3	Office of the Attorney General	45
Vote 4	Central Statistics Office	59
Vote 5	Office of the Director of Public Prosecutions	75
Vote 6	Office of the Chief State Solicitor	89
Vote 7	Office of the Minister for Finance	105
Vote 8	Office of the Comptroller and Auditor General	125
Vote 9	Office of the Revenue Commissioners	141
Vote 10	Office of the Appeal Commissioners	159
Vote 11	Office of the Minister for Public Expenditure and Reform	169
Vote 12	Superannuation and Retired Allowances	187
Vote 13	Office of Public Works	201
Vote 14	State Laboratory	225
Vote 15	Secret Service	237
Vote 16	Valuation Office	245
Vote 17	Public Appointments Service	261
Vote 18	Shared Services	277
Vote 19	Office of the Ombudsman	299
Vote 20	Garda Síochána	315
Vote 21	Prisons	339
Vote 22	Courts Service	359
Vote 23	Property Registration Authority	379
Vote 24	Justice and Equality	395
Vote 25	Irish Human Rights and Equality	427
Vote 26	Education and Skills	441
Vote 27	International Co-operation	483
Vote 28	Foreign Affairs and Trade	501
Vote 29	Communications, Energy and Natural Resources	521
Vote 30	Agriculture, Food and the Marine	547

Vote 31	Transport, Tourism and Sport	579
Vote 32	Jobs, Enterprise and Innovation	607
Vote 33	Arts, Heritage and the Gaeltacht	641
Vote 34	Environment, Community and Local Government	667
Vote 35	Army Pensions	695
Vote 36	Defence	709
Vote 37	Social Protection	735
Vote 38	Health	775
Vote 39	Office of Government Procurement	801
Vote 40	Children and Youth Affairs	817

Part 1 — Preface

Background to the Appropriation Accounts

Dáil Éireann provides money for the ordinary services of Government department and offices, both capital and non-capital, by

- approving estimates for those services in the course of each year
- giving statutory effect to the estimates in an annual Appropriation Act.

Expenditure is provided for under 'Votes', with one or more covering the functions of each department or office. The first part of the estimate for each Vote (referred to as the ambit) provides an outline of the services to be financed. The ambit is incorporated in the annual Appropriation Act and so represents the purposes for which funds have been authorised by Dáil Éireann.

At the end of each financial year, each department or office is required to prepare an account, known as the appropriation account, for each voted service administered by it. The statutory requirement is for the appropriation account to provide details of the outturn for the year against the amount provided by Dáil Éireann, based on the cash amounts of payments and receipts. The prior-year outturn is also shown for comparison purposes.

In addition to providing the statutory financial information on a cash-accounting basis, each appropriation account sets out some accrual-based information, in notes to the account.

- Note 1 presents an operating cost statement that gives information on the cost of the service for the year.
- Note 2 presents a balance sheet, with related explanatory notes, giving information on the financial position of the service at year-end. This includes information on expenditure commitments and on the actual position of the voted service *vis-à-vis* the Exchequer at year-end i.e. the net liability to the Exchequer.
- Other notes to the account provide information on: variances in expenditure (Note 3); receipts (Note 4); and staff numbers and pay (Note 5). Information on any other relevant matters is presented in Note 6 (miscellaneous) and Note 7 (fund reports).

Accountability and Audit Arrangements

The respective duties of Accounting Officers and the Comptroller and Auditor General are as outlined below.

Duties of Accounting Officers in relation to Appropriation Accounts

An Accounting Officer is the head of a Government department or office to whom the Minister for Public Expenditure and Reform has assigned, in accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the duty of preparing the annual appropriation account for each Vote under his/her charge. By law, the account(s) must be submitted to the Comptroller and Auditor General by 31 March following the end of the year of account. The appropriation accounts must comply with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures,* and with other directions of the Minister for Public Expenditure and Reform.

Accounting Officers are also responsible for the safeguarding of public funds and property under their control, for the efficiency and economy of administration in their departments/offices and for the regularity and propriety of all transactions recorded in the appropriation accounts.

Duties of the Comptroller and Auditor General in relation to Appropriation Accounts

Article 33 of the Constitution of Ireland provides for a Comptroller and Auditor General to control on behalf of the State all disbursements and to audit all accounts of moneys administered by or under the authority of the Oireachtas. Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 provides the legislative base for the Comptroller and Auditor General to audit the appropriation accounts for the previous financial year prepared by the departments and offices.

In the discharge of his duty, the Comptroller and Auditor General must perform such tests as he considers appropriate for the purpose of the audit.

Upon completion of the audit, he is obliged to attach to each account a certificate stating whether, in his opinion, the account properly presents the receipts and expenditure related to the Vote concerned and to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

He also draws attention to any material case in which the statement on internal financial control prepared by the Accounting Officer is misleading or inconsistent with other information of which the Comptroller and Auditor General is aware from the audit of the appropriation accounts.

Basis of the Comptroller and Auditor General's opinion on the appropriation accounts

The Comptroller and Auditor General plans and performs his audit in a way which takes account of the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the appropriation account and an assessment of whether the accounting provisions of *Public Financial Procedures* have been complied with.

The audit is conducted in order to provide sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement whether caused by fraud or other irregularity or error and that in all material respects, the expenditure and receipts have been applied for the purposes intended by Dáil Éireann and conform to the authorities which govern them. In forming the opinion, the overall adequacy of the presentation of the information in the appropriation accounts is evaluated.

Reporting on matters arising from audit

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, the Comptroller and Auditor General has the additional duty of preparing, in each year, a report on such matters as he considers it appropriate to report arising from his audits of the appropriation accounts.

Certain matters arising from the audit of the appropriation accounts for 2015 are set out in a separate report entitled *Report on the Accounts of the Public Services 2015*. Where such matters have arisen, the certificates of opinion on the appropriation accounts refer to the relevant chapter(s) in that report.

Part 2 — Appropriation Accounts 2015

Statement of Accounting Policies and Principles

Basis of accounts

Appropriation accounts, showing the financial transactions of Government departments[1], are prepared in accordance with the Exchequer and Audit Departments Act 1866 (as amended by the Comptroller and Auditor General (Amendment) Act 1993) and with accounting rules and procedures laid down by the Minister for Public Expenditure and Reform.

The accounts are a cash-based record of the receipts and payments in the year compared with the amounts provided under the Appropriation Act. The accounts also show prior year figures for comparison purposes. Some information of an accruals nature is included in the notes to the accounts.

Reporting period

The reporting period is the year ended 31 December 2015.

Receipts

As a general rule, all revenues of the State are paid into the Central Fund.

Departmental receipts fall into two categories: they may be appropriated in aid of expenditure borne on a Vote or they must be surrendered directly to the Central Fund as Exchequer extra receipts. The approval of the Department of Public Expenditure and Reform should always be obtained before determining whether to treat a particular type of receipt as an appropriation-in-aid or an Exchequer extra receipt.

Appropriations-in-aid are receipts that may, under section 2 of the Public Accounts and Charges Act 1891, be used to meet expenditure to the extent authorised by the annual Appropriation Act. In general, these are receipts arising in the normal course of a department's business under the Vote.

The Department of Public Expenditure and Reform requires certain receipts of departments to be credited directly to the Exchequer as 'extra' receipts. In general, these are receipts that have no direct connection with the Vote expenditure or are 'windfall' receipts. Such extra receipts may not be used to meet expenditure from the Vote. Where they arise, they are reported in a note to the appropriation account (Note 4).

Departments are required to provide a breakdown of the Exchequer extra receipts and an explanation where the amounts are material in nature. In addition, departments are required to disclose both the amounts lodged to the Exchequer (Sundry Moneys Deposit Account) and the amounts payable (amounts not yet transferred over), where the amounts are not the same.

Departments are also required to present the breakdown of the Exchequer extra receipts on an opening balance/closing balance basis.

1 In this statement, the term 'department' includes central Government departments, offices and agencies responsible for Vote management and accounting.

Payments

Payments consist of those sums which have come in course of payment during the year. Sums are deemed to have come in course of payment where the liability has been incurred, payment is due and the instruction for the payment has been executed.

Where a liability has been incurred and payment is due (i.e. the liability has matured), payment should be completed before the year end to ensure the integrity of the appropriation account. In cases where payment has not been effected, matured liabilities are outstanding at year end, therefore, the amount of such liabilities should be given in a note to the account (Note 2).

Where a Department is acting as an agent for another Department (the principal) resulting in financial transactions between the principal and agent, the general rule is that the agent should put the transactions through a suspense account and invoice the principal for the amount due. The payment for the service will be a final charge in the principal's appropriation account.

In situations where the agent requires the principal to provide advance funding to enable payment to be made, only amounts certified by the agent as having been disbursed by it in the year of account should be charged to the principal's appropriation account.

Accruals

Each appropriation account incorporates information of an accruals nature in the notes to the account, including

- an operating cost statement (Note 1), showing the total amount of resources consumed by the department in the year
- a balance sheet showing the department's assets and liabilities at year end (Note 2), and
- explanatory notes including details regarding capital assets, capital assets under development, the net liability to the Exchequer, and commitments.

The balance sheet includes the position at year-end in relation to the following

- **Accrued expenses** — these represent all liabilities at the balance sheet date, with the exception of liabilities in regard to remuneration and pensions. In the case of goods and services, an accrued liability is recognised when the payee has met the contractual requirement to provide the goods or services ordered. Amounts due for goods delivered, but not yet paid for, even if un-inspected and not taken to stock, are treated as a liability. In the case of grants, a liability is recognised when the grantee has met all the requirements of the grant scheme but has yet to receive payment. Travel and subsistence liabilities are recognised when travel has been completed.
- **Prepayments** — these are payments made during the year of account to meet expenses which will arise in a subsequent financial year.
- **Accrued income** — this is income due to the department at the end of the year of account which has yet to be received.
- **Deferred income** — this represents income received by the department during the year of account for goods/ services which it has yet to provide.

Capital assets

The opening and closing values of capital assets on a department's asset register and details of depreciation are shown by way of note to the balance sheet (Note 2).

The following are not included in the statement of capital assets

- assets worth less than €318 acquired from 1 January 1995 to 31 December 2003, or assets worth less that €1,000 acquired since 1 January 2004
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in the statement).

Valuation of assets

Land and buildings

All lands and buildings owned by the State and controlled or managed by a department are included in the balance sheet (and capital assets note). Where relevant, the basis of valuation of land and buildings is explained in the Accounting Officer's introduction to the appropriation account.

Where ownership of land and buildings is (a) vested in the Office of Public Works or (b) vested in a Minister but in fact controlled/managed by the Office of Public Works, they are included in the account for that Office. Otherwise, they appear in the account for the relevant department.

Where ownership of lands or buildings is vested in a Minister but the assets are, in fact, controlled/managed by an outside body, they are not included as assets of the department, but the ownership of the asset is noted in the department's account.

Departments that cannot provide valuations for state-owned lands and buildings controlled or managed by them append to the appropriation account a schedule of these assets.

Equipment, furniture and fittings

Equipment, furniture and fittings are valued at cost.

Other assets

Where required, accounting policies in respect of valuation of other assets (e.g. specialised vehicles) are set out in the Accounting Officer's introduction to the appropriation account.

Depreciation

Land is not depreciated. Where relevant, buildings are depreciated as indicated in the Accounting Officer's introduction to the appropriation account.

Equipment, furniture and fittings are depreciated on a straight-line basis at the following annual rates over their estimated useful lives:

- furniture and fittings, and telecommunications equipment — 10%
- IT equipment and software, scientific and laboratory equipment and other office machinery — 20%
- major operational software systems — 10%.

Where required, other capital items are depreciated as indicated in the Accounting Officer's introduction to the appropriation account.

Capital assets under development

A statement on capital assets under development is provided as a note to the balance sheet. It shows cash payments on assets being developed within the department e.g. software development or construction projects, which were not yet recognised as assets at the start of the year of account.

Bank and cash

'Bank and cash' includes PMG balances, and all commercial bank account balances (payroll and other vote related accounts) held at the year end which are funded by the Exchequer through voted expenditure, or contain receipts due to be deposited back to the Exchequer as appropriations-in-aid. Amounts relating to petty cash are included in the PMG balance disclosure.

Stocks

Consumables are stated at the lower of cost or departmental valuations.

Net liability to the Exchequer

The net liability to the Exchequer note shows the funding position of the Vote at the balance sheet date taking account of the surplus to surrender and the issues from the Exchequer on a cumulative/rolling basis. The breakdown of that figure in terms of bank/cash balances, debtors' receipts due and current liabilities is also shown.

Commitments

A commitment is a contractual obligation to pay on delivery for goods or services which have yet to be supplied at year-end. In the case of grant schemes, a commitment is recognised when the grant is approved but the grantee has yet to fulfil the requirements of the scheme.

A note provides figures for contractual commitments likely to materialise in the subsequent years under (a) procurement and (b) grant subheads, excluding commitments under €10,000. A separate note is provided giving details of any multi-annual capital commitments over €6,350,000. Where the commitment has changed by more than €500,000 (due to increased or decreased commitments) compared with the previous year, the reason for the movement should be explained.

Public Private Partnerships (PPP)

PPPs take a number of forms including design build operate (DBO); design build operate and finance (DBOF); concession design build and finance (BDF), and operate only.

Typically under the contractual arrangements for PPP projects, the State remunerates the private sector partner – subject to satisfactory performance – for some or all of the costs incurred in the design, build, operation, maintenance and/or financing of the asset, as appropriate. This remuneration generally takes the form of regular unitary payments to the private sector partner over the term of the contract and is usually made from a designated PPP subhead in departmental Votes. In some instances, the State may also pay a capital grant to the private sector partner over the construction period; such a payment would be made from the relevant capital subhead in departmental Votes. In a concession project, the private sector is remunerated, in whole or in part, by user charges, such as tolls.

Contingent liabilities

A contingent liability arises in any situation where past or current actions or events create the risk of a call on Exchequer funds in the future. Contingent liabilities are not recognised in the account but are disclosed by way of a note, unless the possibility of an outflow of resources is remote.

Superannuation

Superannuation payments for retired civil servants, Gardaí, teachers, army personnel and Health Service Executive (and former Health Board) personnel are met on a pay-as-you-go basis from Votes 12, 20, 26, 35 and 38, respectively. Direct provision for superannuation does not appear in the appropriation accounts of other Votes.

Foreign currency transactions

Transactions arising in foreign currencies are translated into euro at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the year-end rates of exchange.

Other notes to the accounts

General principles

In general, the other notes to the appropriation accounts aim to draw the attention of Dáil Éireann and of the Committee of Public Accounts to matters bearing on parliamentary control, or to provide fuller information about material transactions of an unusual nature recorded in the account e.g. losses, special or *ex gratia* payments, and extra remuneration. Except in the cases outlined below, notes are provided where an individual transaction, or a category of transactions taken together, involves a sum of €50,000 or more.

Where amounts lower than the threshold values are involved, notes are also provided where a serious issue of principle arises or where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a note should be given.

Variations from grant

Note 3 shows the explanations of variations on outturn versus original estimate provision.

A note is provided where the variation relative to the original estimate provision (including deferred capital funding) is:

- is €100,000 or more and
- represents 5% or more of the subhead (25% in the case of administration subheads), or
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Notes in relation to variations in the categories of appropriations-in-aid are included on a similar basis.

Extra remuneration

In the case of extra remuneration, the details given in Note 5 include the total amount paid under each category, the total number of recipients, the number of individuals that received €10,000 or more, and the maximum individual payment, if over €10,000.

The aggregate amount paid to individuals under the various headings is set out in 'total extra payments'.

Legal Costs

The components of the legal costs in respect of cases, or legal proceedings, in which the Department is or was involved are disclosed in Note 6. In cases where cumulative legal costs incurred in the year of account exceed €50,000, (i.e. in situations where legal costs, in total, have exceeded €50,000, or where a single case exceeds €50,000, a note is to be provided with a breakdown of the total costs into;

- legal fees, and
- compensation paid.

Late payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations 2012, information is supplied in Note 6 where

- the total of interest and compensation payments due was €10,000 or more
- or an individual payment was €10,000 or more.

Fraud or suspected fraud

In the case of losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where

- the total of losses during the accounting period were €10,000 or more, or
- an individual loss was €10,000 or more, or
- for losses under €10,000, a serious issue of principle arises, or
- where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a disclosure should be made.

Commissions and special inquiries

Where appropriate, Note 6 should include a statement of expenditure on each commission or special inquiry financed from the Vote. A distinction is made between permanent commissions, and those established on a temporary basis for a fixed purpose. In the former case, expenditure in the year of account and prior year is shown. In the latter case, the date of establishment and cumulative expenditure from the date of establishment is shown.

Grant funds and miscellaneous accounts

Where relevant, accounts of grant funds (previously grant-in-aid funds) financed from the Vote and of other miscellaneous accounts are presented in Note 7.

Appropriation Account 2015

Vote 1

President’s Establishment

Introduction

As Accounting Officer for Vote 1, 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 2015 for the salaries and expenses of the Office of the Secretary General to the President, for certain other expenses of the President's Establishment and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €246,341 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets have the characteristics of being inalienable, irreplaceable, and fragile and consequently there is no useful purpose in capitalising the assets in these statements.

Statement on Internal Financial Control

The President's Establishment relies upon the Department of Finance for the provision of a payment function and accounting service.

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 of the President's Establishment.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General of the Department of the Taoiseach. 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of HR/payroll shared service.

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

Financial control environment

I confirm that a control environment containing 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
- an Audit Committee to advise me in discharging my responsibilities for the internal financial control system in the President's Establishment has been established and is expected to meet shortly.

Administrative controls and management reporting

I confirm that 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 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.
- the Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines.

Internal Audit and Audit Committee

The Office relies on the internal audit function provided by the Department of the Taoiseach which has appropriately trained personnel and operates under a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function and its programme of work are subject to periodic review by me and the Audit Committee which operates under the auspices of the Department of the Taoiseach. Given the scale and nature of the Office's operations and the assessment of risks, no internal audit work was undertaken in 2015. This will be reviewed in 2016. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Martin Fraser
Accounting Officer

23 March 2016

Comptroller and Auditor General

Report for presentation to Houses of the Oireachtas

Vote 1 President's Establishment

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 1 President's Establishment for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the President's Establishment. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General
2 September 2016

Vote 1 President's Establishment
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	President's Establishment	2,375	2,153	2,144
B	Centenarians' bounty	1,175	1,145	1,131
	Gross expenditure	**3,550**	**3,298**	**3,275**
	Deduct			
C	**Appropriations-in-aid**	**106**	**100**	**94**
	Net expenditure	**3,444**	**3,198**	**3,181**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	246,341	85,637

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,769	1,664	1,644
ii	Travel and subsistence	310	194	198
iii	Training and development and incidental expenses	135	122	135
iv	Postal and telecommunications services	86	81	78
v	Office machinery and other supplies and related services	130	150	147
		2,430	2,211	2,202

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		1,087	1,073
Pay		1,664	1,644
Non pay		547	558
Gross expenditure		**3,298**	**3,275**
Deduct			
Appropriations-in-aid		**100**	**94**
Net expenditure		**3,198**	**3,181**
Changes in capital assets			
Purchases cash	(31)		
Depreciation	22		
		(9)	(11)
Changes in net current assets			
Increase in closing accruals	36		
Decrease in stock	20		
		56	(22)
Direct expenditure		**3,245**	**3,148**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,748	4,546
Net programme cost		**7,993**	**7,694**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 1 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Office of the Minister for Finance	—	28
Vote 12 Superannuation and Retired Allowances	462	457
Vote 13 Office of Public Works	2,071	2,112
Vote 18 Shared Services	3	1
Vote 20 Garda Síochána	344	198
Vote 28 Foreign Affairs and Trade	482	362
Vote 36 Defence	408	409
Central Fund (Emoluments and allowances of President and pensions of former Presidents and/or widows of former Presidents).	978	979
	4,748	**4,546**

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**58**	**49**
Current assets			
Stocks	2.4	35	55
Prepayments		15	16
Accrued income		5	—
Other debit balances	2.5	2	26
Net liability from the Exchequer	2.7	81	(4)
Total current assets		**138**	**93**
Less current liabilities			
Bank and cash	2.3	21	(26)
Accrued expenses		90	50
Other credit balances	2.6	62	48
Total current liabilities		**173**	**72**
Net current assets		**(35)**	**21**
Net assets		**23**	**70**
Represented by:			
State funding account	2.1	**23**	**70**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			70	37
Disbursements from the Vote				
Estimate provision	Account	3,444		
Surplus to be surrendered	Account	(246)		
Net vote			**3,198**	**3,181**
Expenditure (cash) borne elsewhere	1.1		4,748	4,546
Net programme cost	1		(7,993)	(7,694)
Balance at 31 December			**23**	**70**

2.2 Capital Assets

	IT equipment	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	305	93	398
Additions	31	-	31
Cost or valuation at 31 December 2015	336	93	429
Accumulated depreciation			
Opening balance at 1 January 2015	261	88	349
Depreciation for the year	21	1	22
Cumulative depreciation at 31 December 2015	282	89	371
Net assets at 31 December 2015	**54**	**4**	**58**
Net assets at 31 December 2014	**44**	**5**	**49**

2.3 Bank and Cash at 31 December	**2015** €000	**2014** €000
PMG balances and cash	(21)	26
	(21)	26

2.4 Stocks at 31 December	**2015** €000	**2014** €000
Centenarian medals	5	24
IT consumables and stationery	30	31
	35	55

2.5 Other Debit Balances at 31 December	**2015** €000	**2014** €000
Other debit suspense items	2	26

2.6 Other Credit Balances at 31 December	**2015** €000	**2014** €000
Amounts due to the State		
Income Tax	25	20
Pay Related Social Insurance	12	8
Pension Levy	—	6
Universal Social Charge	9	6
Pension contributions	4	2
	50	42
Payroll deductions held in suspense	12	6
	62	48

2.7 Net liability from the Exchequer at 31 December	2015 €000	2014 €000
Surplus to be surrendered	246	86
Exchequer grant undrawn	(327)	(82)
Net Exchequer funding due	(81)	4
Represented by:		
Debtors		
Debit balances: suspense	2	26
	2	26
Creditors		
PMG and cash	(21)	26
Due to State	(50)	(42)
Credit balances: suspense	(12)	(6)
	(83)	(22)
	(81)	4

2.8 Commitments at 31 December	2015 €000	2014 €000
Total of legally enforceable commitments	4	—

3 Programme Expenditure by Subhead

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**President's Establishment**			
A.1	Administration – pay	1,729	1,621	1,601
A.2	Administration - non pay	646	532	543
		2,375	2,153	2,144
B	**Centenarians' bounty**			
B.1	Administration – pay	40	43	43
B.2	Administration - non pay	15	15	15
B.3	Centenarians' bounty	1,120	1,087	1,073
		1,175	1,145	1,131

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	**Realised**	**Realised**
		€000	**€000**	**€000**
1.	Receipts from pension-related deductions on public service remuneration	96	96	83
2.	Miscellaneous	10	4	11
		106	100	94

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	26	26

	2015	2014
	€000	**€000**
Pay	1,535	1,496
Higher, special or additional duties allowance	38	54
Overtime	17	21
Employer's PRSI	74	73
Total pay	**1,664**	**1,644**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015	Maximum individual payment 2014
			€	**€**
Higher, special or additional duties	6	2	19,843	19,108
Overtime	11	—	3,841	6,426
Number of individuals who received extra remuneration in more than one category	3	—	5,828	4,640

5.2 Payroll Overpayments

There was an overpayment at year end 2015 of €3,100 (1 case) (2014: €1,700, 1 case which was fully recouped). A recovery plan is in place to recover the €3,100.

Appropriation Account 2015

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 2015 for the salaries and expenses of the Department of the Taoiseach, including certain services administered by the Department and for payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.64 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 have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Department of the Taoiseach and the Financial Shared Services Centre Killarney for the provision of financial shared services. A Service Management Agreement between the Department of the Taoiseach and the National Shared Service Office for the provision of human resource services and payroll services is currently under discussion, with a draft agreement close to finalisation. I rely on a letter of assurance from the relevant Accounting Officers of those Votes that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

The position in regards to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial control environment

I confirm that a control environment containing 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

Administrative controls and management reporting

I confirm that 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

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of four contracts to the value of €434,391 which were listed in my annual return in respect of Circular 40/2002. Two of these contracts, with a value of €249,946, were included because they were rolled over from a previous year. In addition, one of these contracts with a value of €68,968 relates to communications technology. The remaining contract, with a value of €115,477 was awarded without a competitive tender. However, a detailed inter-departmental cost benefit analysis was performed to ensure the proposed contract award represented good value for money.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Martin Fraser
Accounting Officer
Department of the Taoiseach

21 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

I have audited the appropriation account for Vote 2 Department of the Taoiseach for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 2 Department of the Taoiseach for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of the Taoiseach. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

17 June 2016

Vote 2 Department of the Taoiseach
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Supporting the work of the Taoiseach and Government	27,892	23,288	20,835
	Gross expenditure	**27,892**	**23,288**	**20,835**
	Deduct			
B	**Appropriations-in-aid**	**870**	**909**	**935**
	Net expenditure	**27,022**	**22,379**	**19,900**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	4,643,451	1,522,914

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,336	12,012	11,238
ii	Travel and subsistence	535	468	404
iii	Training and development and incidental expenses	1,072	666	547
iv	Postal and telecommunications services	360	261	296
v	Office equipment and external IT services	1,160	770	731
vi	Office premises expenses	316	291	315
vii	Consultancy services and value for money and policy reviews	18	9	15
		15,797	14,477	13,546

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		8,811	7,289
Pay		12,012	11,238
Non pay		2,465	2,308
Gross expenditure		**23,288**	**20,835**
Deduct			
Appropriations-in-aid		**909**	**935**
Net expenditure		**22,379**	**19,900**
Changes in capital assets			
Purchases cash	(109)		
Depreciation	110		
		1	1
Changes in net current assets			
Increase in closing accruals	140		
Decrease in stock	(3)		
		137	(294)
Direct expenditure		**22,517**	**19,607**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,161	4,047
Notional rents		1,395	1,395
Net programme cost		**28,073**	**25,049**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 2 borne elsewhere less amounts incurred in relation to other Votes.

		2015	2014
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	2,648	2,663
Vote 13 Office of Public Works	e	514	537
Vote 18 Shared Services	e	14	—
Vote 20 Garda Siochana		256	179
Vote 24 Justice and Equality	e	63	117
Vote 36 Defence	e	72	58
Central Fund: Taoisigh and Ministerial pensions	e	594	493
		4,161	4,047

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**342**	**343**
Current assets			
Bank and cash	2.3	574	1,173
Stocks	2.4	95	92
Prepayments		333	247
Other debit balances	2.5	273	288
Total current assets		**1,275**	**1,800**
Less current liabilities			
Accrued expenses		314	88
Other credit balances	2.6	654	391
Net liability to the Exchequer	2.7	193	1,070
Total current liabilities		**1,161**	**1,549**
Net current assets		114	251
Net assets		**456**	**594**
Represented by:			
State funding account	2.1	**456**	**594**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			594	301
Disbursements from the Vote				
Estimate provision	Account	27,022		
Surplus to be surrendered	Account	(4,643)		
Net vote			22,379	19,900
Expenditure (cash) borne elsewhere	1		4,161	4,047
Non cash expenditure – notional rent	1		1,395	1,395
Net programme cost	1		(28,073)	(25,049)
Balance at 31 December			**456**	**594**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	2,226	586	2,812
Additions	105	4	109
Disposals	(97)	—	(97)
Cost or valuation at 31 December 2015	2,234	590	2,824
Accumulated depreciation			
Opening balance at 1 January 2015	1,980	489	2,469
Depreciation for the year	89	21	110
Depreciation on disposals	(97)	—	(97)
Cumulative depreciation at 31 December 2015	1,972	510	2,482
Net assets at 31 December 2015	**262**	**80**	**342**
Net assets at 31 December 2014	**246**	**97**	**343**

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	528	1,149
Commercial bank accounts	46	24
	574	1,173

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Gifts	11	10
Stationery	38	34
Publications	41	41
Consumables, etc.	5	7
	95	92

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
OPW suspense account	148	—
Payroll suspense account	25	209
Recoupment of travel pass scheme	64	74
Other	36	5
	273	288

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	331	219
Pay Related Social Insurance	115	76
Value Added Tax	24	5
Professional Services Withholding Tax	90	18
Pensions suspense	—	4
	560	322
Payroll deductions held in suspense	93	68
Other	1	1
	654	391

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	4,643	1,523
Exchequer grant undrawn	(4,450)	(453)
Net liability to the Exchequer	193	1,070
Represented by:		
Debtors		
Bank and cash	574	1,173
Debit balances: suspense	273	288
	847	1,461
Creditors		
Due to State	(560)	(322)
Credit balances: suspense	(94)	(69)
	(654)	(391)
	193	1,070

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	222	45

2.9 Matured Liabilities

There were no matured liabilities undischarged at year end 2015 or in the previous year.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Supporting the work of the Taoiseach and Government**			
A.1	Administration – pay	12,336	12,012	11,238
A.2	Administration – non pay	3,461	2,465	2,308
A.3	National Economic and Social Council	1,990	1,919	1,807
A.4	Tribunal of inquiry	4,755	2,913	3,697
A.5	EU engagement	250	302	236
A.6	Irish personnel in EU and international institutions	1,600	1,182	644
A.7	Commission of investigation	2,000	1,637	578
A.8	Data protection	500	163	—
A.9	Diaspora affairs	1,000	695	—
—	*Constitutional Convention*	—	—	327
		27,892	23,288	20,835

Significant variations

Overall, the gross expenditure in relation to the programme was €4.6 million lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	996	Variance primarily due to underspend in subhead (iii) due to deferral of cross departmental communications project and subhead (v) due to the deferral of a build to share correspondence tracking project (€200,000) and of hardware and licensing upgrades of €100,000 to 2016.
Tribunals of inquiry	1,842	Variance was due to the number of legal cost claims settled in 2015 being lower than expected.
Irish personnel in EU and international institutions	418	Variance due to a delay in the uptake of sanctioned secondment posts. The scheme significantly scaled up in 2015 (from 11 posts at the end of 2014 to 19 posts at the end of 2015).
Commissions of investigation	363	Some aspects of the Fennelly Commission's requirements were lower than originally anticipated (mainly in relation to legal fees, witness expenses/travel and subsistence and stenography). There were also changes in the Commission's staffing requirements.
Data protection	337	In October 2014, responsibility for the data protection function transferred to this Department to ensure a whole of government approach to data protection issues. The 2015 budget was based on a full year of activity in this subhead. The variance is due to the fact that the office was in a start-up situation in 2015 with associated structures and supports not becoming fully operational until later in the year.

Description	Less/ (more) than provided	Explanation
	€000	
Diaspora affairs	305	Variation was mostly due to the fact that the policy framework for diaspora initiatives was only in place from March 2015 (Global Irish: Ireland's Diaspora Policy) which reduced the lead time for planning initiatives to be delivered during the course of 2015.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	58	55	128
2.	Receipts from pension-related deductions on public service remuneration	812	854	807
	Total	**870**	**909**	**935**

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	217	214

	2015 €000	2014 €000
Pay	12,787	12,263
Higher, special or additional duties allowance	310	341
Overtime and extra attendance	340	365
Employer's PRSI	848	803
Total pay	**14,285**	**13,772**

The above analysis includes non-departmental staff charged to A.1 and other subheads.

The 2015 figures in the table above include core staff from the Department (191), Data Protection (2), Diaspora Affairs (2), National Economic and Social Council (NESC) (18), the Fennelly Commission (1), the Commission of Investigation (IBRC) (2), Moriarty Tribunal (1).

Included in the above details are payments to a recruitment agency in respect of the provision of a legal secretary to the Moriarty Tribunal.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	40	14	21,406	20,614
Overtime and extra attendance	70	10	23,596	21,737
Number of individuals who received extra remuneration in more than one category	16	13	24,668	22,629

Certain individuals in NESC received an allowance of 16.67% of salary in lieu of pension.

5.2 Other Remuneration Arrangements

Ex-gratia payment of €30,977 (2014: €29,698) was made in respect of agreed retired benefit to one former employee.

5.3 Payroll Overpayments

Overpayments at the year end were €18,793 (11 cases) (2014 €13,080, 22 cases). Of this, €12,826 (4 cases) have recovery plans in place.

6 Miscellaneous

6.1 Commissions and Inquiries

Commission, Committee or Special Inquiry

	Year of appointment	2015	2014	Total Expenditure to end 2015
		€000	€000	€000
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1997	2,856	3,697	53,656
Tribunal of Inquiry (Dunnes Payments)	1997	57	—	6,712
Commission of Investigation (Fennelly Commission)	2014	1,160	578	1,731
Commission of Investigation (Cregan Commission)	2015	477	—	477

Cumulative expenditure for the Tribunal of Inquiry (payments to Messrs Haughey and Lowry) to the end of December 2015 was €53.6 million. There will be further payments associated with this Tribunal of Inquiry. Final costs cannot be determined at this point.

Cumulative expenditure for the Tribunal of Inquiry (Dunnes Payments) to the end of December 2015 was €6.7 million. One payment was made in 2015 in respect of a third party costs claim which arose for payment in that year. It seems unlikely that any further third party claims will arise for payment given the passage of time since the Tribunal reported.

The Commission of Investigation (Fennelly) was established by Government Order on 30 April 2014 to investigate certain matters relative to An Garda Síochána and other persons.

The Commission of Investigation (Cregan) relates to Irish Banking Resolution Corporation and was established in 2015.

6.2 Official Gifts

The account includes the sum of €5,492 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2015 (2014: €3,028).

Appropriation Account 2015

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, 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 2015 for the salaries and expenses of the Office of the Attorney General including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.89 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 have been applied in the preparation of the account.

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 obligations as Director General/Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of HR/payroll shared service.

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

Financial control environment

I confirm that a control environment containing 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

Administrative controls and management reporting

I confirm that 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 monthly 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 Information and Communications Technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines are adhered to

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of 5 contracts to the value of €256,801 which were listed in my annual return in respect of Circular 40/2002. The reasons for not having a competitive process, as detailed in my return for 2015 under Circular 40/2002, included the specialised nature of the service provided, a sole supplier of the service and the fact that the service can only be purchased directly from the publisher and not through an intermediary.

Significant financial risks

During 2015 a control weakness resulted in a significant irregular payment in relation to a supplier amounting to €37,612, which is currently being investigated by an Garda Síochána. I can confirm that the attempted fraud was not successful and that there was no loss to the Office or the supplier involved.

The controls and the relevant procedures have since been updated to address this issue.

As outlined above maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Internal Audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. In 2015 the Office strengthened the internal audit function by engaging external auditor specialists. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Liam O'Daly
Accounting Officer
Office of the Attorney General

24 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 3 Office of the Attorney General for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Attorney General. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

21 September 2016

Vote 3 Office of the Attorney General
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of professional legal services to Government, Departments and Offices	15,845	13,995	13,820
	Gross expenditure	**15,845**	**13,995**	**13,820**
	Deduct			
B	**Appropriations-in-aid**	**815**	**854**	**834**
	Net expenditure	**15,030**	**13,141**	**12,986**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,889,100	1,314,644

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	11,532	10,115	10,001
ii	Travel and subsistence	130	147	93
iii	Training and development and incidental expenses	540	577	628
iv	Postal and telecommunications services	70	65	64
v	Office equipment and external IT services	499	658	513
vi	Office premises expenses	156	158	120
vii	Consultancy services and value for money and policy reviews	20	20	67
viii	Contract legal expertise	461	125	202
		13,408	**11,865**	**11,688**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		2,130	2,132
Pay		10,115	10,001
Non pay		1,750	1,687
Gross expenditure		**13,995**	**13,820**
Deduct			
Appropriations-in-aid		**854**	**834**
Net expenditure		**13,141**	**12,986**
Changes in capital assets			
Purchases cash	(170)		
Depreciation	196		
		26	84
Changes in assets under development			
Cash payments		(20)	(21)
Changes in net current assets			
Increase in closing accruals	61		
Increase in stock	(4)		
		57	(13)
Direct expenditure		**13,204**	**13,036**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,536	1,305
Notional rents		727	727
Net programme cost		**15,467**	**15,068**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Office of the Minister of Finance	—	31
Vote 12 Superannuation and Retired Allowances	940	727
Vote 13 Office of Public Works	207	204
Vote 18 Shared Services	14	7
Central Fund - Pensions in respect of former Attorney General and widow of former Attorney General	375	336
	1,536	**1,305**

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	465	450
Capital assets under development	2.3	—	21
		465	**471**
Current assets			
Stocks	2.5	40	36
Prepayments		185	213
Accrued income		1	4
Other debit balances	2.6	128	249
Net Exchequer funding due	2.8	117	(493)
Total current assets		**471**	**9**
Less current liabilities			
Bank and cash	2.4	234	(257)
Accrued expenses		94	64
Other credit balances	2.7	11	13
Total current liabilities		**339**	**(180)**
Net current assets		**132**	**189**
Net assets		**597**	**660**
Represented by:			
State funding account	2.1	**597**	**660**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			660	710
Disbursements from the Vote				
Estimate provision	Account	15,030		
Surplus to be surrendered	Account	(1,889)		
Net vote			13,141	12,986
Expenditure (cash) borne elsewhere	1		1,536	1,305
Non cash expenditure – notional rent	1		727	727
Net programme cost	1		(15,467)	(15,068)
Balance at 31 December			**597**	**660**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	4,465	1,693	6,158
Additions	209	2	211
Disposals	(39)	(15)	(54)
Cost or valuation at 31 December 2015	4,635	1,680	6,315
Accumulated depreciation			
Opening balance at 1 January 2015	4,197	1,511	5,708
Depreciation for the year	141	55	196
Depreciation on disposals	(39)	(15)	(54)
Cumulative depreciation at 31 December 2015	4,299	1,551	5,850
Net assets at 31 December 2015	**336**	**129**	**465**
Net assets at 31 December 2014	**268**	**182**	**450**

2.3 Capital Assets under Development	**In-house computer applications**	
at 31 December	**2015**	**2014**
	€000	**€000**
Opening balance at 1 January	21	—
Cash payments for the year	20	21
Transfers to asset register	(41)	—
Balance at 31 December	—	21

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	(235)	247
Commercial bank account balance	1	10
	(234)	257

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	17	22
IT consumables	23	14
	40	36

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Pay related social insurance	—	1
Office of Public Works	38	38
Recoupable shared costs	35	7
Salaries control account	13	173
Travel pass scheme	38	26
Miscellaneous	4	4
	128	249

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Professional Services Withholding Tax	11	2
Value Added Tax	—	11
	11	13

2.8 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,889	1,315
Exchequer grant undrawn	(2,006)	(822)
Net Exchequer funding due	(117)	493
Represented by:		
Debtors		
Pay Related Social Insurance	—	1
Debit balances: suspense	128	248
	128	249
Creditors		
Bank and Cash	(234)	257
Due to State	(11)	(13)
	(245)	244
	(117)	493

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	363	171

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Delivery of professional legal services to Government, Departments and Offices**			
A.1	Administration – pay	11,532	10,115	10,001
A.2	Administration - non pay	1,876	1,750	1,687
A.3	Contributions to international organisations	38	34	35
A.4	Law Reform Commission	2,149	2,002	1,952
A.5	General law expenses	250	94	145
		15,845	13,995	13,820

Significant variations

Overall, the expenditure in relation to Programme A was €1.85 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – pay	1,417	Savings were achieved due to the length of time it took to complete recruitment procedures through the Public Appointments Service for legal posts and the subsequent time taken in filling these posts.
Administration – non pay (v)	(159)	An excess in expenditure occurred due to an increase in software costs and costs associated with the maintenance of IT equipment and software.
Administration – non pay (viii)	336	Savings were achieved due to the minimal and reduced engagement of consultant Parliamentary Counsel in 2015. This was because the Office of the Parliamentary Counsel to the Government was less reliant on the services of consultant Parliamentary Counsel in meeting the Government legislative programme targets for 2015.
Law Reform Commission	147	Savings were achieved as legal researcher posts remained unfilled for 6 months of the year.
General law expenses	156	It is difficult to anticipate the level of cases that the Office may become involved in during the year. Estimates are usually based on the expenditure incurred in the previous year.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	8	140	99
2.	Receipts from pension-related deductions on public service remuneration	807	714	735
	Total	**815**	**854**	**834**

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided	Explanation
	€000	
Miscellaneous	(132)	Due to oversight the rent to be received from the subletting of the premises by the Law Reform Commission was not included under the appropriations-in-aid estimates. That situation will be rectified in the future.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	151	149

	2015 €000	2014 €000
Pay	9,309	9,235
Higher, special or additional duties allowance	69	73
Overtime	12	2
Employer's PRSI	725	691
Total Pay	**10,115**	**10,001**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	16	3	21,406	14,497
Overtime and extra attendance	5	—	1,495	784
Number of individuals who received extra remuneration in more than one category	—	—	—	—

5.2 Payroll Overpayments

Overpayments at the year end were €17,491 (8 cases) (2014 €0, 0 cases).
Of this, €4,530 (2 cases) have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	2015 Total €000	2014 Total €000
Settlement of a claim by former employee	—	10	82	92	—
	—	10	82	92	—

Appropriation Account 2015

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 2015 for the salaries and expenses of the Central Statistics Office (CSO).

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €5.25 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 have been applied in the preparation of the account except for:

Depreciation

Some office equipment assets are being depreciated at 10%.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 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
- the Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of seven contracts to the value of €416,230 which were listed in my annual return in respect of Circular 40/2002. Three of these contracts are placed with sole suppliers and four are contract renewals.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreements between this Office and the National Shared Service Office for the provision of HR and payroll shared service.

I rely on these and a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Office.

Significant financial risks

The CSO continues to operate within a tight financial budget. All expenditure is carefully monitored to ensure that the Office does not breach the annual budget allocation. Process improvements on current activities as well as management of the financial, cyclical and project operations are required to keep the financial risk to a minimum on an on-going basis.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Pádraig Dalton
Accounting Officer
Central Statistics Office

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 4 Central Statistics Office for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Central Statistics Office. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

16 August 2016

Vote 4 Central Statistics Office
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	54,725	49,872	39,472
	Gross expenditure	**54,725**	**49,872**	**39,472**
	Deduct			
B	**Appropriations-in-aid**	**1,889**	**2,287**	**1,866**
	Net expenditure	**52,836**	**47,585**	**37,606**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	5,250,671	1,971,466

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	36,320	33,515	30,684
ii	Travel and subsistence	1,125	1,084	932
iii	Training and development and incidental expenses	1,780	1,397	1,118
iv	Postal and telecommunications services	1,195	683	616
v	Office equipment and external IT services	9,014	9,597	3,977
vi	Office premises expenses	1,146	837	822
vii	Consultancy services and value for money and policy reviews	161	66	54
viii	Collection of statistics	3,984	2,693	1,269
		54,725	**49,872**	**39,472**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		33,515	30,684
Non pay		16,357	8,788
Gross expenditure		**49,872**	**39,472**
Deduct			
Appropriations-in-aid		**2,287**	**1,866**
Net expenditure		**47,585**	**37,606**
Changes in capital assets			
Purchases cash	(527)		
Depreciation	3,481		
Loss on disposals	2		
		2,956	2,974
Changes in assets under development			
Cash payments		(4,963)	(1,281)
Changes in net current assets			
Increase in closing accruals	446		
Decrease in stock	10		
		456	(100)
Direct expenditure		**46,034**	**39,199**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		6,549	6,162
Notional rents		1,542	1,395
Net programme cost		**54,125**	**46,756**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 4 borne elsewhere.

	2015	2014
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,722	1,746
Vote 12 Superannuation and Retired Allowances	3,765	3,576
Vote 13 Office of Public Works	1,024	840
Vote 18 Shared Services	38	—
	6,549	**6,162**

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	8,465	10,608
Capital assets under development	2.3	5,562	1,436
		14,027	**12,044**
Current assets			
Bank and cash	2.4	394	(655)
Stocks	2.5	72	82
Prepayments		948	970
Accrued income		133	348
Other debit balances	2.6	311	709
Net Exchequer funding due	2.8	687	898
Total current assets		**2,545**	**2,352**
Less current liabilities			
Accrued expenses		381	196
Other credit balances	2.7	1,392	952
Total current liabilities		**1,773**	**1,148**
Net current assets		772	1,204
Net assets		**14,799**	**13,248**
Represented by:			
State funding account	2.1	**14,799**	**13,248**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			13,248	14,841
Disbursements from the Vote				
Estimate provision	Account	52,836		
Surplus to be surrendered	Account	(5,251)		
Net vote			47,585	37,606
Expenditure (cash) borne elsewhere	1		6,549	6,162
Non cash expenditure – notional rent	1		1,542	1,395
Net programme cost	1		(54,125)	(46,756)
Balance at 31 December			**14,799**	**13,248**

2.2 Capital Assets

	Land and buildings	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	34	58,811	3,442	62,287
Additions	-—	1,314	26	1,340
Disposals	-—	(544)	(112)	(656)
Cost or valuation at 31 December 2015	34	59,581	3,356	62,971
Accumulated depreciation				
Opening balance at 1 January 2015	34	48,381	3,264	51,679
Depreciation for the year	-—	3,399	82	3,481
Depreciation on disposals	-—	(543)	(111)	(654)
Cumulative depreciation at 31 December 2015	34	51,237	3,235	54,506
Net assets at 31 December 2015	-—	**8,344**	**121**	**8,465**
Net assets at 31 December 2014	—	**10,430**	**178**	**10,608**

2.3 Capital Assets under Development	**In-house computer applications**	
at 31 December	**2015**	**2014**
	€000	**€000**
Amounts brought forward at 1 January	1,436	1,026
Cash payments for the year	4,963	1,281
Transferred to asset register	(837)	(871)
Balance at 31 December	**5,562**	**1,436**

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances	343	(688)
Commercial bank	50	32
Petty cash	1	1
	394	(655)

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	52	60
IT consumables	20	16
Publications	—	6
	72	82

Sanction was obtained from the Department of Public Expenditure and Reform to write-off the value of all stocks of printed publications to a total of €5,859. This was granted on the basis that the stock had little realistic chance of being sold.

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable salary costs	231	629
Recoupable travel costs	13	15
Recoupable travel pass scheme	27	25
Other debit suspense items	40	40
	311	709

During 2015, the Office wrote off no bad debts and made no provision for bad debts.

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	534	322
Pay Related Social Insurance	330	208
Professional Services Withholding Tax	11	27
Value Added Tax	3	20
Pension contributions	110	68
Universal Social Charge	177	120
	1,165	765
Payroll deductions held in suspense	218	175
Other credit suspense items	9	12
	1,392	952

2.8 Net Exchequer Funding Due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	5,251	1,971
Exchequer grant undrawn	(5,938)	(2,869)
Net Exchequer funding due	(687)	(898)
Represented by:		
Debtors		
Debit balances: suspense	311	709
	311	709
Creditors		
Bank and cash	394	(655)
Due to State	(1,165)	(765)
Credit balances: suspense	(227)	(187)
	(998)	(1,607)
	(687)	(898)

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Procurement subheads	6,441	12,215
	6,441	**12,215**

The decrease in commitments at 31 December 2015 is due to progression of payment milestones of the contract for the establishment of the processing environment for the Census of Population 2016. This contract was put in place at the end of 2014.

2.10 Matured Liabilities	**2015**	**2014**
at 31 December	**€000**	**€000**
Estimate of matured liabilities not discharged at year end	15	—

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Delivery of annual statistical programme**			
A.1	Administration - pay	36,320	33,515	30,684
A.2	Administration - non pay	18,405	16,357	8,788
		54,725	49,872	39,472

Significant variations

Overall, the expenditure in relation to Programme A was €4.85 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Salaries, wages and allowances	2,805	The saving arose because of delays in the filling of vacancies for additional posts that will enable the CSO to address unmet macro-economic and environment statistical demands in order to enhance its use of administrative data and improve organisation governance. In addition, delays were experienced in the filling of some Census of Population vacancies during 2015.
Training and development and incidental expenses	383	The saving arose because of continued tight control of all expenditure in the Subhead during the year. Much of the Office's training and development needs continued to be met from in-house resources.
Postal and communications services	512	Savings continue to be made on telecommunications costs. All costs associated with postage were kept to a minimum during 2015 and reflect the Office's increased use of administrative data to gather statistics.
Office premises expenses	309	The saving was due to lower than expected office premises costs in all three CSO locations during 2015.
Consultancy and value for money and policy reviews	95	The saving arose because of continued tight control of all consultancy related expenditure in 2015.
Collection of statistics	1,291	The saving arose because of continued tight control of all aspects of the CSO's field operation. Lower than expected field costs associated with the Household Budget Survey during 2015 contributed to the saving.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	European Union receipts	130	575	118
2.	Miscellaneous	70	16	138
3.	Receipts from pension-related deductions on public service remuneration	1,689	1,696	1,610
	Total	**1,889**	**2,287**	**1,866**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
European Union receipts	(445)	Pre-funding for the 2016 Farm Structure Survey that will be undertaken in June 2016 was received in 2015. A final payment in respect of the 2013 Survey was also received. The timing of these payments is in Eurostat's control and can be difficult to predict.
Miscellaneous	54	Income from the sales of statistics further declined during 2015 and reflects the CSO policy of making all material freely available on the web.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	697	616

	2015 €000	2014 €000
Pay	31,189	28,632
Redundancy	3	—
Higher, special or additional duties allowance	85	55
Other allowances	73	67
Overtime	82	69
Employer's PRSI	2,083	1,861
Total Pay	**33,515**	**30,684**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	62	—	5,478	2,474
Overtime and extra attendance	32	1	10,936	14,256
Shift and roster allowances	14	—	8,650	8,318
Number of individuals who received extra remuneration in more than one category	20	5	18,243	19,364

5.2 Payroll Overpayments

Overpayments at the year end were €86,874 (135 cases) (2014 €52,680, 99 cases). Of this, €65,140 (96 cases) have recovery plans in place.

6 Miscellaneous

6.1 Support for statistical endeavour

The Office awarded prize money of €3,510 in 2015 as part of the fifth John Hooper Medal for Statistics Competition. This competition was open to senior cycle second level students.

6.2 EU Funding

During 2015 a total of €575,000 in appropriations-in-aid was received from the European Union in respect of four contracts for the provision of statistical information on agriculture and prices to EUROSTAT. Most of the EU funding received is charged to subhead A1. The moneys from the EU are recouped on a percentage of agreed cost basis in respect of these contracts.

6.3 Legal costs

					2015	2014
	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote	3	—	34	20	54	6
Claims by members of the public	—	7	—	—	7	—
		7	34	20	61	6

6.4 Contingent Liability

The Supreme Court decided in October 2014 that the Balance of Payments (BOP) Order 2005 was ultra vires the power of the Minister of State at the Department of the Taoiseach. The Order was quashed. As costs follow the event, costs were awarded in both the High Court and the Supreme Court cases against the CSO. The Chief States Solicitors Office subsequently argued successfully for off-set of some of the High Court costs. The actual amount of these costs is uncertain, as bills for costs are awaited.

Appropriation Account 2015

Vote 5

Office of the Director of Public Prosecutions

Introduction

As Accounting Officer for Vote 5, 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 2015 for the salaries and expenses of the Office of the Director of Public Prosecutions.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €164,795 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 have been applied in the preparation of the account.

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 Head of Office. 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of HR/payroll shared service.

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 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

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of four contracts to the value of €568,151 which were listed in my annual return in respect of Circular 40/2002. Two of the contracts, to the value of €67,968, involved services for which there was only one supplier. Another, to the value of €26,323, involving the provision of data connectivity was extended beyond the original advertised tender length because of a delay in reducing the number of locations in which staff of the Office are based. The final contract with a value of €473,860 was renewed without a tender competition while awaiting the completion of an Office of Government Procurement competition to establish a Framework Agreement.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Barry Donoghue
Accounting Officer
Office of the Director of Public Prosecutions

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 5 Office of the Director of Public Prosecutions

I have audited the appropriation account for Vote 5 Office of the Director of Public Prosecutions for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 5 Office of the Director of Public Prosecutions for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Director of Public Prosecutions. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

9 September 2016

Vote 5 Office of the Director of Public Prosecutions Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of prosecution service	38,839	38,622	37,675
	Gross expenditure	**38,839**	**38,622**	**37,675**
	Deduct			
B	**Appropriations-in-aid**	**1,005**	**953**	**973**
	Net expenditure	**37,834**	**37,669**	**36,702**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	164,795	135,853

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	13,826	12,963	12,648
ii	Travel and subsistence	109	91	103
iii	Training and development and incidental expenses	991	1,139	1,188
iv	Postal and telecommunications services	250	219	201
v	Office equipment and external IT services	808	422	469
vi	Office premises expenses	792	983	597
vii	Consultancy services and value for money and policy reviews	37	30	20
		16,813	**15,847**	**15,226**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		22,775	22,449
Pay		12,963	12,648
Non pay		2,884	2,578
Gross expenditure		**38,622**	**37,675**
Deduct			
Appropriations-in-aid		**953**	**973**
Net expenditure		**37,669**	**36,702**
Changes in capital assets			
Purchases cash	(75)		
Depreciation	152		
Loss on disposals	6		
		83	51
Changes in net current assets			
Increase in closing accruals		354	166
Direct expenditure		**38,106**	**36,919**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,509	2,897
Notional rents		457	457
Net programme cost		**41,072**	**40,273**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 5 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	—	44
Vote 12 Superannuation and Retired Allowances	1,106	1,106
Vote 13 Office of Public Works	1,203	1,545
Vote 18 Shared Services	20	10
Vote 20 Garda Síochána	180	192
	2,509	2,897

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**358**	**441**
Current assets			
Bank and cash	2.3	968	608
Stocks	2.4	61	61
Prepayments		142	157
Other debit balances	2.5	84	370
Total current assets		**1,255**	**1,196**
Less current liabilities			
Net liability to the Exchequer	2.7	3	93
Accrued expenses		2,890	2,551
Other credit balances	2.6	1,049	885
Total current liabilities		**3,942**	**3,529**
Net current liabilities		**(2,687)**	**(2,333)**
Net assets		**(2,329)**	**(1,892)**
Represented by:			
State funding account	2.1	**(2,329)**	**(1,892)**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			(1,892)	(1,675)
Disbursements from the Vote				
Estimate provision	Account	37,834		
Surplus to be surrendered	Account	(165)		
Net vote			37,669	36,702
Expenditure (cash) borne elsewhere	1		2,509	2,897
Non cash expenditure – notional rent	1		457	457
Net programme cost	1		(41,072)	(40,273)
Balance at 31 December			**(2,329)**	**(1,892)**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	3,458	703	4,161
Additions	70	5	75
Disposals	(139)	(21)	(160)
Cost or valuation at 31 December 2015	3,389	687	4,076
Accumulated depreciation			
Opening balance at 1 January 2015	3,199	521	3,720
Depreciation for the year	102	50	152
Depreciation on disposals	(138)	(16)	(154)
Cumulative depreciation at 31 December 2015	3,163	555	3,718
Net assets at 31 December 2015	**226**	**132**	**358**
Net assets at 31 December 2014	**259**	**182**	**441**

2.3 Bank and cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	904	536
Commercial bank account balances	64	72
	968	608

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	36	40
IT consumables	25	21
	61	61

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Other debit balances	84	370

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	536	433
Pay Related Social Insurance	160	119
Professional Services Withholding Tax	211	232
Value Added Tax	20	14
	927	798
Payroll deductions held in suspense	115	82
Other credit suspense items	7	5
	1,049	885

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	165	136
Exchequer grant undrawn	(162)	(43)
Net liability to the Exchequer	3	93
Represented by:		
Debtors		
Bank and cash	968	608
Debit balances: suspense	84	370
	1,052	978
Creditors		
Due to State	(927)	(798)
Credit balances: suspense	(122)	(87)
	(1,049)	(885)
	3	93

2.8 Commitments

The Office had commitments in respect of legal fees at the year end, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases. The Office had no other legally enforceable commitments at 31 December 2015 (2014:nil).

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Provision of a Prosecution Service**			
A.1	Administration - pay	13,826	12,963	12,648
A.2	Administration - non pay	2,987	2,884	2,578
A.3	Fees to counsel	13,150	14,022	13,399
A.4	General law expenses	2,226	2,319	2,648
A.5	Local state solicitor service	6,650	6,434	6,402
		38,839	38,622	37,675

Significant variations

Overall, the expenditure in relation to Programme A was €217,000 lower than provided. This was mainly due to the following;

Description	Less/(more) than provided €000	Explanation
Administration - pay	863	Savings arose on this subhead because posts which had been budgeted for were not filled.
Fees to counsel	(872)	The excess on this subhead is principally due to the higher than expected cost of a small number of very expensive trials.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	80	140	151
2.	Receipts from pension-related deductions on public service remuneration	925	813	822
	Total	**1,005**	**953**	**973**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than provided €000	Explanation
Receipts from pension-related deductions on public service remuneration	112	Receipts were less than expected because posts which had been budgeted for were not filled.

4.2 Extra receipts payable to the Exchequer

A total of €246,182 was lodged to the Exchequer arising from forfeitures ordered by the courts.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	189	181

	2015 €000	2014 €000
Pay	11,901	11,593
Higher, special or additional duties allowance	148	170
Overtime	2	3
Employer's PRSI	912	882
Total Pay	**12,963**	**12,648**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	57	5	61,878	30,915
Overtime and extra attendance	8	—	632	910
Number of individuals who received extra remuneration in more than one category	1	—	449	3,673

5.2 Other Remuneration Arrangements

This account includes expenditure of €166,550 in respect of one officer who was serving outside the Office in 2015 and whose salary was paid from Subhead A.1.

6 Miscellaneous

6.1 Compensation costs

	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Personal injury claim	—	—	—	—	—	191
						191

Appropriation Account 2015

Vote 6

Office of the Chief State Solicitor

Introduction

As Accounting Officer for Vote 6, 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 2015 for the salaries and expenses of the Office of the Chief State Solicitor.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €212,780 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 have been applied in the preparation of the account except for the following:

Accrued expenses

Accrued expenses include counsel fees that have been subject to an evaluation and revision process but have not been paid at year-end.

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 Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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.

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

I rely on a letter of assurance, dated 29th March 2016, from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 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 are adhered to.

Procurement compliance

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of 15 contracts to the value of €898,466 which were listed in my annual return in respect of Circular 40/2002. 10 contracts to a value of €372,104 related to payments to sole suppliers. In the other 5 cases with a value of €526,362, local contract arrangements were in place contrary to national procurement deadlines. The Office is nearing completion of a tendering process for one of the more significant items of expenditure and hopes to tender for another item before end of 2016. It is also intended to make use of arrangements, which the Office of Government Procurement have indicated will be in place during 2016, to award new contracts in a further two cases.

Significant financial risks

As outlined above maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Internal Audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. In 2015 the Office strengthened the internal audit function by engaging external auditing specialists.I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Information and Communications Technology Security

The Office applies good practice controls to mitigate against key security risks associated with information and communications technology (ICT). Review and upgrade, where necessary, of ICT security systems is an ongoing process.

Administrative and Financial Controls

The MAC and the Audit Committee regularly review controls. All internal audit reports are considered by the MAC.

Eileen Creedon
Accounting Officer
Office of the Chief State Solicitor

31 March 2016

Comptroller and Auditor General

Report for the presentation to Houses of the Oireachtas

Vote 6 Office of the Chief State Solicitor

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by her Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Chief State Solicitor. The appropriation account is in agreement with the accounting records.

Non compliance with procurement rules

The Accounting Officer has disclosed in the Statement on Internal Financial Control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Seamus McCarthy

Comptroller and Auditor General

16 September 2016

Vote 6 Office of the Chief State Solicitor
Appropriation Account 2015

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Provision of legal services				
	Original	28,826			
	Supplementary	1,500			
			30,326	29,925	26,983
	Gross expenditure				
	Original	28,826			
	Supplementary	1,500			
			30,326	**29,925**	**26,983**
	Deduct				
B	**Appropriations-in-aid**		**1,860**	**1,672**	**1,514**
	Net expenditure				
	Original	26,966			
	Supplementary	1,500			
			28,466	**28,253**	**25,469**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	212,780	839,927

Analysis of administration expenditure

		2015			2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	15,318			
	Supplementary	(500)	14,818	14,414	14,126
ii	Travel and subsistence		70	72	59
iii	Training and development and incidental expenses		813	879	745
iv	Postal and telecommunications services		350	321	303
v	Office equipment and external IT services				
	Original	750			
	Supplementary	(150)	600	584	550
vi	Office premises expenses				
	Original	300			
	Supplementary	(100)	200	158	142
vii	Consultancy services and value for money policy reviews		25	25	20
			16,876	**16,453**	**15,945**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		13,472	11,038
Pay		14,414	14,126
Non pay		2,039	1,819
Gross expenditure		**29,925**	**26,983**
Deduct			
Appropriations-in-aid		**1,672**	**1,514**
Net expenditure		**28,253**	**25,469**
Changes in capital assets			
Purchases cash	(67)		
Depreciation	268		
		201	212
Changes in assets under development			
Cash payments		(42)	(69)
Changes in net current assets			
Decrease in closing accruals	552		
Decrease in stock	10		
		562	694
Direct expenditure		**28,974**	**26,306**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,138	2,074
Notional rents		795	795
Net programme cost		**31,907**	**29,175**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 6 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	—	50
Vote 12 Superannuation and Retired Allowances	1,203	1,106
Vote 13 Office of Public Works	914	906
Vote 18 Shared Services	21	12
	2,138	2,074

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	534	735
Capital assets under development	2.3	42	—
		576	**735**
Current assets			
Bank and cash	2.4	2,455	1,005
Stocks	2.5	33	43
Prepayments		188	152
Accrued income	2.6	9,746	9,699
Other debit balances	2.7	164	416
Total current assets		**12,586**	**11,315**
Less current liabilities			
Accrued expenses		1,870	1,235
Other credit balances	2.8	2,546	1,966
Net Liability to the Exchequer	2.9	73	(545)
Total current liabilities		**4,489**	**2,656**
Net current assets		**8,097**	**8,659**
Net assets		**8,673**	**9,394**
Represented by:			
State funding account	2.1	**8,673**	**9,394**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			9,394	10,231
Disbursements from the Vote				
Estimate provision	Account	28,466		
Surplus to be surrendered	Account	(213)		
Net vote			28,253	25,469
Expenditure (cash) borne elsewhere	1		2,138	2,074
Non cash expenditure – notional rent	1		795	795
Net programme cost	1		(31,907)	(29,175)
Balance at 31 December			**8,673**	**9,394**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	3,932	1,710	5,642
Additions	62	5	67
Disposals	(27)	(15)	(42)
Cost or valuation at 31 December 2015	3,967	1,700	5,667
Accumulated depreciation			
Opening balance at 1 January 2015	3,480	1,427	4,907
Depreciation for the year	180	88	268
Depreciation on disposals	(27)	(15)	(42)
Cumulative depreciation at 31 December 2015	3,633	1,500	5,133
Net assets at 31 December 2015	**334**	**200**	**534**
Net assets at 31 December 2014	**452**	**283**	**735**

2.3 Capital Assets under Development

at 31 December	Computer applications
	€000
Amounts brought forward at 1 January 2015	—
Cash payments in year	42
Transferred to asset register	—
Balance at 31 December 2015	42

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	2,453	999
Commercial bank account balances	2	6
	2,455	1,005

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	33	43

2.6 Accrued Income

at 31 December

Outstanding taxed costs in favour of the State are significant and such costs remain outstanding because it is the policy of the Office to pursue all cost orders awarded.

2.7 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Miscellaneous	164	416

2.8 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	327	236
Pay Related Social Insurance	166	116
Professional Services Withholding Tax	353	390
Value Added Tax	—	1
Local Property Tax	1	1
Pension contributions	75	52
	922	796
Payroll deductions held in suspense	70	53
State property deposits	1,554	1,117
	2,546	1,966

2.9 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	213	840
Exchequer grant undrawn	(140)	(1,385)
Net Liability to the Exchequer	73	(545)

Represented by:

Debtors		
Bank and cash	2,455	1,005
Debit balances: suspense	164	416
	2,619	1,421
Creditors		
Due to State	(922)	(796)
Credit balances: suspense	(1,624)	(1,170)
	(2,546)	(1,966)
	73	(545)

2.10 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	662	1,197

There are commitments in respect of ongoing legal cases which are not included in the above figure as the costs will only be finalised once legal action is completed. The expenditure is subject to the normal cost controls and the observation of budgetary limits.

2.11 Matured Liabilities	**2015**	**2014**
at 31 December	**€000**	**€000**
Estimate of matured liabilities not discharged at year end	109	71

3 Programme Expenditure by Subhead

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A	**Provision of legal services**				
A.1	Administration - pay				
	Original	15,318			
	Supplementary	(500)	14,818	14,414	14,126
A.2	Administration - non –pay				
	Original	2,308			
	Supplementary	(250)	2,058	2,039	1,819
A.3	External legal services		200	243	179
A.4	Fees to counsel				
	Original	9,600			
	Supplementary	2,500	12,100	12,090	9,823
A.5	General law expenses				
	Original	1,400			
	Supplementary	(250)	1,150	1,139	1,036
			30,326	29,925	26,983

Significant variations

Overall, the expenditure in relation to Programme A was €0.401 million lower than provided. Expenditure was higher than the original estimate by €1.099 million which was mainly due to the following :

Description	Less/ (more) than provided €000	Explanation
Administration – pay	904	Savings arose as the Office carried a number of legal vacancies during the year owing to difficulties in recruiting and retaining staff.
Administration – non-pay (vi)	142	Savings were achieved due to lower than estimated expenditure on furniture and fittings when some planned works were deferred to 2016.
Fees to counsel	(2,490)	The excess arose due to the Office dealing with a number of high profile and complex cases during the year and a faster throughput of some cases by the courts.
General law expenses	261	Expenditure on this subhead is dependent on how legal cases progress through the courts and as such is difficult to predict.

4 Receipts

4.1 Appropriations-in-aid

		2015 Estimated €000	2015 Realised €000	2014 Realised €000
1.	Costs and fees received by the Office of the Chief State Solicitor	1,000	805	641
2.	Receipts from pension-related deductions on public service remuneration	860	867	873
		1,860	1,672	1,514

Explanation of significant variations

The amount of fees realised was €195,000 less than estimated. It is not possible to forecast accurately what costs will be awarded to the State and what fees will actually be recovered in any year.

4.2 Extra receipts payable to the Exchequer

A total of €9,144 (2014: €16,074) was lodged to the Exchequer under the State Property Act 1954.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	224	235

	2015 €000	2014 €000
Pay	13,192	12,980
Higher, special or additional duties allowance	95	84
Other allowances	8	7
Overtime	15	15
Employer's PRSI	1,104	1,040
Total Pay	**14,414**	**14,126**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	40	1	11,333	12,382
Other allowances	6	—	1,783	1,783
Overtime	9	—	5,305	3,745
Number of individuals who received extra remuneration in more than one category	7	—	9,579	10,688

5.2 Payroll Overpayments

Overpayments at the year end were €35,741 (13 cases) (2014 €13,400, 4 cases). Of this, €33,118 (9 cases) have recovery plans in place.

6 Miscellaneous

6.1 Monies Held in Trust

The CSSO maintains a number of commercial bank accounts. Monies in these accounts are held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No monies from the CSSO vote are transmitted through these bank accounts. The amount held at the end of 2015 is €0.774 million and is not included in the account. (2014: €1.67 million).

Appropriation Account 2015

Vote 7

Office of the Minister for Finance

Introduction

As Accounting Officer for Vote 7, 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 2015 for the salaries and expenses of the Office of the Minister for Finance, including the Paymaster-General's Office, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.14 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 have been applied in the preparation of the account except for the following.

Stocks and capital assets

The Department of Finance (Vote 7), Department of Public Expenditure and Reform (Vote 11), Shared Services (Vote 18) and the Office of Government Procurement (Vote 39) share IT consumable stocks. They are allocated on the basis of staff numbers in the respective Votes.

For efficiency and convenience reasons, spend on stationery stocks is recorded under Vote 7 and spend on IT consumable stocks is recorded under Vote 11. However, as the stocks are deemed to be shared, they are included in the operating cost notes to the Accounts of Vote 7, Vote 11, Vote 18 and Vote 39 and are allocated on the basis of staff numbers in the respective Departments.

As most capital assets are shared, the usage of capital assets is also allocated on the basis of staff numbers. Up to 31 December 2010, all capital assets had been recorded on the asset register of the Department of Finance. The asset register does not record the location of the business unit using the asset. As a result, it was not possible to split the assets between those units remaining in the Department of Finance and those transferring to the Department of Public Expenditure and Reform. In general, furniture and fittings and office equipment assets are recorded on the asset register of the Department of Finance and IT equipment assets are recorded on the asset register of the Department of Public Expenditure and Reform. Depreciation on assets is charged to each Department on the basis of staff numbers. Notwithstanding any of the above, the Department of Finance purchased certain assets in years 2012 – 2015 which were for its exclusive use and the depreciation in respect of these is not apportioned.

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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Service Office for the provision of HR and Payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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
- the Department of Finance ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines

Significant financial risks

There are no significant financial risks for the Vote*.*

Internal Audit and Audit Committee

I confirm that the Department uses the services of the Department of Public Expenditure and Reform internal audit function under the terms of a Service Level Agreement between the two Departments. The Department of Public Expenditure and Reform Internal Audit Unit operates under a written charter which has been approved by the Secretary General of the Department of Public Expenditure and Reform. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, (which are prepared in consultation with the audit committee and approved by me), are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Derek Moran
Accounting Officer
Department of Finance

15 March 2016

Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas

Vote 7 Office of the Minister for Finance

I have audited the appropriation account for Vote 7 Office of the Minister for Finance for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 7 Office of the Minister for Finance for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Finance. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

27 July 2016

Vote 7 Office of the Minister for Finance
Appropriation Account 2015

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	European Union and International Policy		2,908	2,773	2,834
B	Financial Services Policy		10,744	7,599	6,813
C	Fiscal Policy				
	Original	4,104			
	Supplementary	1	4,105	4,218	3,580
D	Economic Policy		1,860	1,666	1,737
E	Provision of Shared Services		12,351	10,045	9,179
	Gross expenditure				
	Original	31,967			
	Supplementary	1	**31,968**	**26,301**	**24,143**
	Deduct				
F	**Appropriations-in-aid**		**1,350**	**1,935**	**2,248**
	Net expenditure				
	Original	30,617			
	Supplementary	1			
			30,618	**24,366**	**21,895**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year.

	2015	2014
	€	€
Surplus to be surrendered	6,251,696	9,305,117
Deferred surrender	(115,000)	—
Surplus to be surrendered	6,136,696	9,305,117

Analysis of administration expenditure

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	18,525	17,456	17,563
ii	Travel and subsistence	585	556	613
iii	Training and development and incidental expenses	841	649	780
iv	Postal and telecommunications services	461	457	488
v	Office equipment and external IT services	1,131	963	1,003
vi	Office premises expenses	1,389	1,232	374
vii	Consultancy and other services	40	—	56
		22,972	21,313	20,877

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		4,988	3,266
Pay		17,456	17,563
Non pay		3,857	3,314
Gross expenditure		**26,301**	**24,143**
Deduct			
Appropriations-in-aid		**1,935**	**2,248**
Net expenditure		**24,366**	**21,895**
Changes in capital assets			
Purchases cash	(488)		
Depreciation	484		
		(4)	(115)
Changes in net current assets			
Increase in closing accruals	42		
Decrease in stock	1		
		43	(30)
Direct expenditure		**24,405**	**21,750**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		12,315	10,900
Notional rents		979	1,746
Net programme cost		**37,699**	**34,396**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 7 borne elsewhere, net of costs of shared services apportioned to other Votes.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	7	—
Vote 12 Superannuation and Retired Allowances	e	12,239	11,243
Vote 13 Office of Public Works		437	294
Vote 18 Shared Services	e	27	14
Central Fund – Ministerial pensions		253	223
		12,963	11,774
Apportioned cost of accounting support for other Votes	e	(648)	(874)
		12,315	**10,900**

"e" indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**451**	**611**
Current assets			
Bank and cash	2.3	757	269
Stocks	2.4	13	14
Prepayments		356	364
Accrued income		—	29
Other debit balances	2.5	202	462
Total current assets		**1,328**	**1,138**
Less current liabilities			
Accrued expenses		241	236
Other credit balances	2.6	862	628
Net liability to the Exchequer	2.7	97	103
Total current liabilities		**1,200**	**967**
Net current assets		**128**	**171**
Net assets		**579**	**782**
Represented by:			
State funding account	2.1	**579**	**782**

2.1 State Funding Account

	Note	€000	2015 €000	2014 €000
Balance at 1 January			782	1,015
Disbursements from the Vote				
Estimate provision	Account	30,617		
Supplementary provision	Account	1		
Deferred surrender	Account	(115)		
Surplus to be surrendered	Account	(6,137)		
Net vote			24,366	21,895
Expenditure (cash) borne elsewhere	1		12,315	10,900
Non cash items – capital assets[a]			(353)	(544)
Non cash items – depreciation[a]			189	166
Non cash expenditure – notional rent	1		979	1,746
Net programme cost	1		(37,699)	(34,396)
Balance at 31 December			579	782

[a] Arising from the apportionment policy for assets shared by the Department of Finance and the Department of Public Expenditure and Reform, acquisition/depreciation figures in the balance sheet do not match those shown in the operating cost statement.

2.2 Capital Assets

	IT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	222	5,404	2,393	8,019
Additions	40	85	10	135
Cost or valuation at 31 December 2015	262	5,489	2,403	8,154
Accumulated depreciation				
Opening balance at 1 January 2015	132	4,903	2,373	7,408
Depreciation for the year	52	222	21	295
Cumulative depreciation at 31 December 2015	184	5,125	2,394	7,703
Net assets at 31 December 2015	**78**	**364**	**9**	**451**
Net assets at 31 December 2014	**90**	**501**	**20**	**611**

2.3 Bank and Cash at 31 December	2015 €000	2014 €000
PMG balances and cash	738	258
Commercial bank account balance	19	11
	757	269

2.4 Stocks at 31 December	2015 €000	2014 €000
Stationery	8	9
IT consumables	5	5
	13	14

2.5 Other Debit Balances at 31 December	2015 €000	2014 €000
Recoupable salaries	21	28
Recoupable travel expenditure	19	—
Travel imprests	7	3
Recoupable travel pass scheme expenditure	100	97
Advances to OPW	—	8
Other debit suspense items	55	326
	202	462

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	302	203
Pay Related Social Insurance	166	111
Professional Services Withholding Tax	110	95
Value Added Tax	12	5
Pension contributions	63	42
Local Property Tax	1	1
Universal Social Charge	94	66
	748	523
Payroll deductions held in suspense	95	73
Other credit suspense items	19	11
Recoupable travel expenditure	—	21
	862	628

2.7 Net liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	6,137	9,305
Deferred surrender	115	—
Exchequer grant undrawn	(6,155)	(9,202)
Net Exchequer funding due	97	103
Represented by:		
Debtors		
Bank and cash	757	269
Debit balances: suspense	202	462
	959	731
Creditors		
Due to State	(748)	(523)
Credit balances: suspense	(114)	(105)
	(862)	(628)
	97	103

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	—	53

2.9 Matured Liabilities	**2015**	**2014**
At 31 December	**€000**	**€000**
Estimate of matured liabilities not discharged at year end	10	4

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**European Union and International Policy**			
A.1	Administration – pay	2,288	2,049	2,245
A.2	Administration – non pay	470	425	392
A.3	Consultancy and other services	150	299	197
		2,908	2,773	2,834

Significant variations

Overall, the expenditure in relation to Programme A was €135,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Consultancy and other services	(149)	The variance is driven by a contribution to the Council of Europe Migrant and Refugee fund. The overspend is covered by sanctioned virement from other subheads and the programme remains within budget on an overall basis.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Financial Services Policy**			
B.1	Administration – pay	4,459	4,097	4,045
B.2	Administration – non pay	645	410	559
B.3	Committees and commissions	20	13	—
B.4	Consultancy and other services	5,620	3,079	2,209
		10,744	7,599	6,813

Significant variations

Overall, the expenditure in relation to Programme B was €3.1 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Administration – non pay	235	Small savings arose across all administration subheads within this programme, contributing to this overall saving.

Description	Less/(more) than provided	Explanation
	€000	
Consultancy and other services	2,541	The nature of this subhead is that the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise. The key driver of the saving was the Shareholding Management Unit where savings of approximately €1.5 million arose in relation to the budget for litigation and transactional activity. Savings also arose on the budget for National Payments Plan projects, the Central Bank Consolidation Act and SME/mortgage arrears initiatives. A number of factors contributed including the timing of a number of projects and the in-house completion of certain elements of the work.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
C	**Fiscal Policy**				
C.1	Administration – pay		2,638	2,787	2,685
C.2	Administration – non pay		286	257	211
C.3	Committees and commissions		330	327	289
C.4	Consultancy and other services		850	847	395
C.5	Fuel Grant				
	Original	—			
	Supplementary	1	1	—	—
			4,105	4,218	3,580

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	**Economic Policy**			
D.1	Administration – pay	1,464	1,250	1,463
D.2	Administration – non pay	221	246	204
D.3	Consultancy and other services	175	170	70
		1,860	1,666	1,737

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E	**Provision of Shared Services**			
E.1	Administration – pay	7,676	7,273	7,126
E.2	Administration non – pay	2,825	2,519	1,948
E.3	Consultancy and other services	1,850	253	105
		12,351	10,045	9,179

Significant variations

Overall, the expenditure in relation to Programme E was €2.3 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Consultancy and other services	1,597	This allocation was provided to cover a number of items including the Banking Inquiry, the National Economic Dialogue, transformational projects and advisory costs in relation to the risk and stability area. The extent of costs for the inquiry was difficult to estimate at the outset and was substantially lower than anticipated. Other savings arose through in-house development of various IT solutions and through the later than anticipated timing of certain projects.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Recoupment of certain expenses in relation to the stabilisation of the banking sector	350	701	1,123
2	Receipts from pension-related deductions on public service remuneration	950	991	1,016
3	Miscellaneous	50	243	109
	Total	**1,350**	**1,935**	**2,248**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated	Explanation
	€000	
Recoupment of certain expenses in relation to the stabilisation of the banking sector	(351)	Additional recoupments were secured in relation to the costs of the stabilisation of the banking sector. The budget for these recoupments had been set at a prudent level because the timing and extent of same could not be predicted with certainty at the time of preparing the estimates.
Miscellaneous	(193)	Miscellaneous receipts are by their nature difficult to predict. One key driver of this variance was the late realisation of receipts in respect of EU recoupable travel.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	—	—
Per diem allowances – IMF and World Bank	2	8
Salary recouped from former Department official	—	3
Transferred to the Exchequer	(2)	(11)
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	275	289

	2015 €000	2014 €000
Pay [a]	15,893	16,084
Higher, special or additional duties allowance	138	112
Other allowances	163	156
Overtime	178	159
Employer's PRSI	1,084	1,052
Total Pay	**17,456**	**17,563**

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

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	34	4	21,406	20,613
Other allowances	8	3	51,435	45,090
Overtime	77	5	22,102	22,548
Number of individuals who received extra remuneration in more than one category	21	8	51,435	45,090

5.2 Other Remuneration Arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €46,556. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €273,462 in respect of six officers who were serving outside the Department for all or part of 2015 and whose salaries were paid by the Department.

5.3 Payroll Overpayments

Overpayments at the year end were €41,449 (23 cases) (2014: €16,553). Of this, €11,142 (4 cases) have recovery plans in place.

6 Miscellaneous

6.1 Banking System Functions

The Minister for Finance delegated a number of banking system functions to the National Treasury Management Agency (NTMA) under Statutory Instrument (S.I.) no. 115 of 2010. This delegation was revoked with effect from 5 August 2011 under S.I. no. 395 of 2011 and the NTMA banking unit has since then been seconded to the Department of Finance. At the direction of the Minister, the costs of the unit, comprising staff costs and certain consultancy costs, continue to be met by the NTMA.

6.2 Committees and Commissions

	2015	2014
	€000	€000
Credit Union Advisory Committee[a]	13	—
Disabled Drivers Appeals Board[b]	327	289
	340	289

[a] The Committee's statutory function (under section 180 of the Credit Union Act 1997) is to advise the Minister for Finance and such other persons as the Minister thinks fit regarding:

- improvement of the management of credit unions
- protection of the interest of members and creditors of credit unions and
- other matters relating to credit unions upon which the Minister, the Central Bank or such other persons as may be specified by the Minister, may from time to time seek by way of advice from the Committee.

[b] The Disabled Drivers Medical Board of Appeals acts as an appeal body for those applicants refused a primary medical certificate by a senior medical officer in respect of the Disabled Drivers and Disabled Passengers (Tax Concessions) Scheme. The Board was established in 1989.

6.3 Contingent Liabilities

There is litigation in progress regarding Irish Bank Resolution Corporation (IBRC) and Permanent TSB (PTSB). These actions are being defended and no estimate of the potential liability has been made.

Certain third party protections (in the form of warranties and indemnities) have been provided in connection with the sale of Irish Life Limited, the disposal of the Bank of Ireland contingent capital notes, the disposal of the preference shares in Bank of Ireland and the liquidation of IBRC.

6.4 Write-Offs

The following sums were written off in the year:

	2015	2014
	€000	€000
Historic suspense account	—	84

6.5 Legal costs

	Number of cases	Legal costs paid by Department	Compensation awarded	Legal costs awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Legal costs in respect of banking inquiry	1	—	—	74	74	56
Claims by members of the public						
Legal case	1	—	—	1,160	1,160	608
		—	—	1,234	1,234	664

6.6 Carryover to 2016

Under the provisions of Section 91 of the Finance Act 2004, €115,000 of unspent allocations in respect of the capital elements of Subhead E.2 was carried forward to 2016.

Appropriation Account 2015

Vote 8

Office of the Comptroller and Auditor General

Introduction

As Accounting Officer for Vote 8, 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 2015 for the salaries and expenses of the Office of the Comptroller and Auditor General.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €665,040 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 have been applied in the preparation of the account.

In addition, the following accounting policy has been adopted in respect of work in progress.

Work in progress represents the estimated recoverable value associated with audit work completed at year end in cases where an audit opinion has not been reported.

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 Accounting Officer. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The human resource function transferred to the National Shared Services Office (Vote 18) on the 27 July 2015.

The human resource function is provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also and is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audit encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Significant Financial Risk

Audit fees are charged for certain financial audits in accordance with the Comptroller and Auditor General (Amendment) Act 1993. The fees form a significant proportion of the resources of the Office and a number of procedures have been put in place to ensure that costs are recovered for relevant audits. These measures include

- an annual review of the basis on which fees are charged including a review of the recovery of costs on individual audits over time
- systems which records audit costs, audit progress and billing information
- the monitoring of financial information including audit costs and fee recovery

Financial Control Environment

A control environment containing 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.

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 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
- The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of one contract to the value of €35,000 listed in my annual return in respect of circular 40/2002. The Office extended the contract for cleaning services until December 2015 as the Office was vacating the existing premises. Prior to extending the contract a check on prices disclosed that the price was competitive and represented value for money. A new tender competition was held for cleaning services in our new premises in 2015.

Internal Audit and Audit Committee

The Office has an internal audit function 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, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The internal audit function is provided by a private firm which uses appropriately trained personnel.

Andrew Harkness
Accounting Officer
Office of the Comptroller and Auditor General

22 March 2016

Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas

Vote 8 Office of the Comptroller and Auditor General

The appropriation account for Vote 8 Office of the Comptroller and Auditor General has been audited on my behalf by Mr Tommy Doherty of Mazars, Chartered Accountants and Registered Auditors under section 13 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, in accordance with standard accounting policies and principles for appropriation accounts.

On the basis of his audit and report, in my opinion, the appropriation account properly presents the receipts and expenditure of Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2015.

Seamus Mc Carthy
Comptroller and Auditor General

15 June 2016

Opinion to the Comptroller and Auditor General in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act, 1993

As the auditor appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, I have audited the Appropriation Account of the Office of the Comptroller and Auditor General for the year ended 31 December 2015.

This report is made solely to the Comptroller and Auditor General, in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993. My audit work has been undertaken so that I can state to the Comptroller and Auditor General those matters I am required to state to him in my opinion and for no other purposes. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for the audit work, for this report, or for the opinions I have formed.

Respective responsibilities of the Accounting Officer and the Auditor

Under Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is responsible for the preparation of the Appropriation Account. He is also responsible, inter alia, for the safeguarding of public funds and for the regularity and propriety of all transactions in the Appropriation Account.

It is my responsibility to audit the Appropriation Account in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2015. I also report to you whether in my opinion proper books of account have been kept by the Office. In addition, I state whether I have obtained all the information and explanations necessary for the purpose of my audit and whether the Office's Appropriation Account is in agreement with the accounting records.

Basis of Opinion

I conducted my audit of the Appropriation Account of the Office of the Comptroller and Auditor General in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Appropriation Account, of whether the transactions recorded in the account conform with the authority under which they purport to have been carried out, and of whether the accounting provisions of Public Financial Procedures have been complied with.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the Appropriation Account is free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the Appropriation Account.

Opinion

In my opinion, the Appropriation Account of the Vote for the Office of the Comptroller and Auditor General properly presents the receipts and expenditure of the Vote for the year ended 31 December 2015 and there are no matters on which I need to report, pursuant to Section 3(10) of the Comptroller and Auditor General (Amendment) Act 1993.

I have obtained all the information and explanations which I considered necessary for the purposes of my audit. In my opinion, proper accounting records have been kept by the Office of the Comptroller and Auditor General. The Appropriation Account is in agreement with the accounting records.

Tommy Doherty
For and on behalf of Mazars
Chartered Accountants and Registered Auditors
Harcourt Centre
Block 3
Harcourt Road
Dublin 2.

14 June 2016

Vote 8 Office of the Comptroller and Auditor General

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Audit and reporting	12,557	12,141	11,045
	Gross expenditure	**12,557**	**12,141**	**11,045**
	Deduct			
B	**Appropriations-in-aid**	**5,875**	**6,124**	**5,801**
	Net expenditure	**6,682**	**6,017**	**5,244**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	665,040	677,695

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	10,328	9,869	9,182
ii	Travel and subsistence	546	452	415
iii	Training and development and incidental expenses	328	378	297
iv	Postal and telecommunications services	100	111	100
v	Office equipment and external IT services	443	591	410
vi	Office premises expenses	217	245	199
vii	Consultancy services	350	36	2
viii	Legal fees	45	43	33
ix	Contract audit services	200	416	407
		12,557	12,141	11,045

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		9,869	9,182
Non pay		2,272	1,863
Gross expenditure		**12,141**	**11,045**
Deduct			
Appropriations-in-aid (Note 4)		**6,124**	**5,801**
Net expenditure		**6,017**	**5,244**
Changes in capital assets			
Purchases	(325)		
Depreciation	360		
Loss arising from relocation (note 2.2)	62		
		97	(8)
Changes in net current assets			
Increase in closing accruals	(418)		
Decrease in stock	1		
		(417)	(161)
Direct expenditure		**5,697**	**5,075**
Decrease in value of work-in-progress		478	(8)
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,528	2,566
Notional rents		244	244
Net programme cost		**8,947**	**7,877**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts associated with Vote 8 services borne elsewhere.

	2015	2014
	€000	€000
Vote 9 Office of the Revenue Commissioners	30	—
Vote 12 Superannuation and Retired Allowances	1,368	1,377
Vote 13 Office of Public Works	615	693
Account of the Central Fund of the Exchequer	515	496
	2,528	2,566

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2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**2,156**	**400**
Work-in-progress	2.3	**464**	**942**
		2,620	**1,342**
Current assets			
Stocks		15	16
Prepaid expenses		107	97
Audit fee debtors		1,441	170
Accrued audit fee income	2.5	503	1,320
Other debit balances	2.6	116	294
Net Exchequer funding due	2.8	1,527	(35)
Total current assets		**3,709**	**1,862**
Less current liabilities			
Bank and cash	2.4	1,183	(76)
Accrued expenses		76	30
Other credit balances	2.7	460	335
Total current liabilities		**1,719**	**289**
Net current assets		**1,990**	**1,573**
Net assets		**4,610**	**2,915**
Represented by:			
State funding account	2.1	**4,610**	**2,915**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			2,915	2,738
Disbursements for the Vote				
Estimate provision	Account	6,682		
Surplus to be surrendered	Account	(665)		
Net Vote			6,017	5,244
Fit-out costs and furniture provided by OPW			1,853	—
Expenditure (cash) borne elsewhere	1		2,528	2,566
Non cash expenditure – notional rent	1		244	244
Net programme cost	1		(8,947)	(7,877)
Balance at 31 December			**4,610**	**2,915**

2.2 Capital Assets

	Office equipment	Fixtures, furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	2,017	363	2,380
Additions	274	1,904	2,178
Disposals	(139)	(346)	(485)
Cost or valuation at 31 December 2015	2,152	1,921	4,073
Accumulated depreciation			
Opening balance at 1 January 2015	1,690	290	1,980
Depreciation for the year	168	192	360
Depreciation on disposals	(139)	(284)	(423)
Cumulative depreciation at 31 December 2015	1,719	198	1,917
Net assets at 31 December 2015	**433**	**1,723**	**2,156**
Net assets at 31 December 2014	**327**	**73**	**400**

The Office was located in two premises at Dublin Castle and Harcourt Road. The lease on the Harcourt Road premises expired in 2015 and OPW decided not to seek a renewal of the lease. In accordance with the strategic objective of locating staff in a single site, OPW procured a lease on premises in Mayor Street Upper and occupancy commenced in September 2015. The loss from the relocation arises from the write-off of assets which could not be utilised in the new premises or which had become obsolete and required replacement. It also reflects a correction to historic values to align with the fixed asset register. The additions figure includes fit-out costs of €1.566m and furniture to a value of €0.287m which was provided by the OPW. Furniture costs were estimated based on OPW standard price lists

2.3 Work in Progress

Work in progress assigns a value to audit work where a fee is charged but where the audit has not yet been completed. The value of work in progress is calculated as a percentage of the agreed audit fee, based on the status of the audit at year end, as follows:

Status of audit	Percentage of audit fee included in work-in-progress	2015	2014
		€000	€000
Cleared for certification	90%	89	316
Audit review stage	75%	122	318
Fieldwork complete	60%	47	161
Final audit in progress	30%	22	25
Interim audit completed	15%	47	50
Interim audit in progress	10%	137	72
		464	942

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	(1,228)	57
Commercial bank account balance	45	19
	(1,183)	76

2.5 Accrued Audit Fee Income

Accrued audit fee income represents audit work completed but not yet invoiced at the year end.

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable travel expenditure and travel pass scheme	79	65
Recoupable expenditure from co-tenants	35	39
Miscellaneous salary suspense	2	190
	116	294

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	151	110
Pay Related Social Insurance	103	70
Income Levy	50	37
Professional Services Withholding Tax	32	38
Value Added Tax	17	13
Pension contributions	62	24
Local Property Tax	1	1
	416	293
Payroll deductions held in suspense	40	38
Haddington Road payroll deduction	4	4
	460	335

2.8 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	665	678
Exchequer grant undrawn	(2,192)	(643)
Net liability to the Exchequer	(1,527)	35
Represented by:		
Debtors		
Debit balances: suspense	116	294
	116	294
Creditors		
Bank and cash	(1,183)	76
Due to State	(416)	(293)
Credit balances: suspense	(44)	(42)
	(1,643)	(259)
	(1,527)	35

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	18	77

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Audit and reporting**			
A.1	Administration - pay	10,328	9,869	9,182
A.2	Administration - non pay	2,229	2,272	1,863
		12,557	12,141	11,045

Significant variations

The overall saving on expenditure headings in the year was €416,000. The significant variations were as follows:

Salaries, wages and allowances

There was an underspend of €459,000 which arose from the time taken to fill vacancies and from changes in the grade mix where new staff normally commence at a lower grade.

Travel and Subsistence

There was an underspend of €94,000 on official travel undertaken mainly due to interim audits not advancing to the level anticipated.

Office Equipment and External IT Services

Additional expenditure of €148,000 on new equipment which arose due to the relocation of the Office was funded from savings on subhead (vii) Consultancy services. This financial transfer process known as virement was sanctioned by the Department of Public Expenditure and Reform.

Consultancy Services

The use of external expert consultants is dependent upon the nature of examinations as determined by the Comptroller and Auditor General. The nature of the examinations conducted in 2015 did not require significant external expertise.

Contract Audit Service

Additional expenditure on subhead (ix) Contract Audit Services of €216,000 to facilitate the timely certification of accounts was funded from savings on subhead (i) Salaries, wages and allowances. The virement was sanctioned by the Department of Public Expenditure and Reform.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1	Audit fees	5,275	5,589	5,269
2	Receipts from pension-related deductions on public service remuneration	600	535	532
		5,875	6,124	5,801

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	139	146

	2015	2014
	€000	€000
Pay	9,130	8,505
Higher, special or additional duties allowances	58	30
Overtime	—	—
Employer's PRSI	681	647
Total pay	**9,869**	**9,182**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015	Maximum individual payment 2014
			€	€
Higher, special or additional duties	13	—	9,948	10,913
Overtime and extra attendance	3	—	295	401

No staff member received additional payments in more than one category.

5.2 Remuneration of Comptroller and Auditor General

The salary of the Comptroller and Auditor General is paid directly out of the Central Fund of the Exchequer, as provided for in Section 14 of the Comptroller and Auditor General (Amendment) Act 1993. The charge on the Central Fund in 2015 in relation to the remuneration of the Comptroller and Auditor General was €182,500 (2014: €175,742). As provided for in Article 33 of the Constitution, the Comptroller and Auditor General may not hold any other office or position of emolument.

5.3 Remuneration of the Accounting Officer

The charge to the Vote in 2015 in relation to the remuneration of the Accounting Officer was €135,809 (2014: €130,799).

5.4 Acting up allowances

Ten staff received acting up allowances for taking on the roles of higher grades. The total cost was €37,558 (2014: €8,296).

5.5 Payroll Overpayments

There were no overpayments in 2015 (2014: NIL).

6 Miscellaneous

Audit Committee costs amounted to €1,773 in 2015 (€2,055 in 2014).

Appropriation Account 2015

Vote 9

Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, 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 2015 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €8.55 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 have been applied in the preparation of the account, with the exceptions listed here.

Capital assets: vehicles and equipment

Seized vehicles that have been appropriated by Revenue are included in the capital assets at open market value at the time of appropriation and are depreciated at a rate of 20% per annum on a straight line basis.

The Customs cutter is depreciated at a rate of 5% per annum on a straight line basis.

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 Head of Office. 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.

I rely on letters of assurance from the Accounting Officer of the Vote for Shared Services in relation to the provision of Human Resources shared services and from the Accounting Officer of the Department of Justice and Equality in relation to the provision of Payroll shared services. The letters provide assurances that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

I confirm that a control environment containing 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

Administrative controls and management reporting

I confirm that 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 Office to identify potential risks and ensure an appropriate mitigation strategy is in place
- mitigations used to manage risk include;
    - revenue's governance structures
    - environmental scanning to ensure Revenue are aware of influences that affect risk
    - integrated strategic/business planning and Risk Management system that regularly reviews risks at Organisational, Divisional and Branch level
    - project management methodologies for all significant projects.
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines

Procurement

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Office has introduced a financial management system that records details of all supplies of goods and services and related payments. This database includes records relating to long term service, support and maintenance agreements, largely in respect of software and communications where regular tendering is not practical or possible. These arrangements have not been included under Circular 40/02 but are recorded separately.

The total value of these arrangements is €10,698,766 and includes:

- Twenty six contracts with a total value of €7,172,060 relating to the roll-over of support/maintenance/licensing of Revenue IT systems.
- Five contracts with a total value of €746,976 relating to annual/bi annual subscriptions.
- Six contracts with a total value of €2,280,792 awarded to sole suppliers.
- One contract with a value of €498,938 procured contrary to national procurement guidelines. This relates to a long standing contract for telephonist services to Government Departments. Revenue intends to engage with the Office of Government Procurement (OGP) to address this issue.

The Office complied with the guidelines with the exception of 26 contracts to the value of €4,636,573 which are listed in my annual return in respect of Circular 40/2002. These contracts have been included in the Circular 40/02 return as they are above the reporting threshold of €25,000 and were awarded without competitive tender for the following reasons:

- Fourteen contracts with a total value of €3,576,558 which were extended due to timing of procurement tenders in the Office of Government Procurement.
- Four contracts with a total value of €619,557 were awarded due to specialist skills/expertise requirements.
- Seven contracts with a total value of €391,867 were awarded to a sole supplier.
- One contract with a value of €48,591 was awarded for essential vehicle repair and maintenance work. This contract is being replaced in 2016 following a cross departmental tendering process.

It is the policy of my Office to avail of all centrally available frameworks as soon as they come on stream and to engage with the Office of Government Procurement where we have more specific requirements. Controls will remain in place to ensure compliance with this strategy.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written Internal Audit Charter. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 9 Office of the Revenue Commissioners

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Revenue Commissioners. The appropriation account is in agreement with the accounting records.

Non compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of a contract that operated in 2015.

Seamus McCarthy
Comptroller and Auditor General

13 September 2016

Vote 9 Office of the Revenue Commissioners
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and collection of taxes and duties, and frontier management	405,637	401,440	385,294
	Gross expenditure	**405,637**	**401,440**	**385,294**
	Deduct			
B	**Appropriations-in-aid**	**76,156**	**82,512**	**78,061**
	Net expenditure	**329,481**	**318,928**	**307,233**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	10,553,281	13,230,169
Deferred surrender	(2,000,000)	—
Surplus to be surrendered	8,553,281	13,230,169

Analysis of administration expenditure

		2015		2014
		Estimate provision	**Outturn**	**Outturn**
		€000	**€000**	**€000**
i	Salaries, wages and allowances	299,666	288,647	285,655
ii	Travel and subsistence	3,500	3,740	3,606
iii	Training and development and other day-to-day expenses	18,975	17,839	19,899
iv	Postal and telecommunications services	9,700	9,977	9,928
v	Office equipment and external IT services	52,450	60,234	46,503
vi	Office premises expenses	7,100	6,351	6,882
vii	Consultancy services and value for money and policy reviews	45	55	43
viii	Motor vehicles and equipment maintenance	2,400	2,951	2,481
ix	Law charges, fees and rewards	11,285	11,046	9,868
x	Compensation and losses	516	600	429
		405,637	401,440	385,294

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		288,647	285,655
Non pay		112,793	99,639
Gross expenditure		**401,440**	**385,294**
Deduct			
Appropriations-in-aid		**82,512**	**78,061**
Net expenditure		**318,928**	**307,233**
Changes in capital assets			
Purchases cash	(5,931)		
Depreciation	16,965		
Disposals cash	24		
Gain on disposals	(12)		
		11,046	10,635
Changes in assets under development			
Cash payments		(9,727)	(8,127)
Changes in net current assets			
Decrease in closing accruals	(10,824)		
Decrease in stock	204		
		(10,620)	(1,100)
Direct expenditure		**309,627**	**308,641**
Expenditure borne elsewhere			
Net allied services expenditure (cash) (note 1.1)		88,542	83,963
Notional rents (non cash)		9,843	9,220
Net programme cost		**408,012**	**401,824**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 9 borne elsewhere and amounts borne on the Vote in respect of other services.

		2015	2014
		€000	€000
Vote 12 Superannuation and Retired Allowances		72,294	66,650
Vote 13 Office of Public Works		18,655	19,154
Vote 24 Justice and Equality		1,229	1,045
		92,178	86,849
Services rendered by Revenue without charge [a]	e	(3,636)	(2,886)
		88,542	83,963

[a] In addition to services rendered without charge to other Votes (€3.64 million), services to the value of approximately €890,000 were also provided without charge to other non voted bodies.

“e" indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	61,137	62,683
Capital assets under development	2.3	1,905	1,625
		63,042	**64,308**
Current assets			
Bank and cash	2.4	14,365	5,539
Stocks	2.5	1,314	1,518
Prepayments		17,418	7,047
Accrued income		2,594	2,658
Other debit balances	2.6	2,665	5,462
Total current assets		**38,356**	**22,224**
Less current liabilities			
Accrued expenses		3,350	3,855
Deferred income		90	81
Other credit balances	2.7	15,291	10,552
Net liability to the Exchequer	2.8	1,739	449
Total current liabilities		**20,470**	**14,937**
Net current assets		**17,886**	**7,287**
Net assets		**80,928**	**71,595**
Represented by:			
State funding account	2.1	**80,928**	**71,595**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			71,595	72,999
Disbursements from the Vote				
Estimate provision	Account	329,481		
Deferred surrender	Account	(2,000)		
Surplus to be surrendered	Account	(8,553)		
Net vote			318,928	307,233
Expenditure (cash) borne elsewhere	1		88,542	83,963
Non cash expenditure – notional rent	1		9,843	9,220
Other non-cash items – seized vehicles			32	4
Net programme cost	1		(408,012)	(401,824)
Balance at 31 December			**80,928**	**71,595**

2.2 Capital Assets

	Vehicles and equipment	Office/IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	13,779	404,392	57,016	475,187
Additions	835	13,576	989	15,400
Seized vehicles appropriated to Revenue	32	—	—	32
Disposals	(311)	(1,018)	(32)	(1,361)
Cost or valuation at 31 December 2015	14,335	416,950	57,973	489,258
Accumulated depreciation				
Opening balance at 1 January 2015	10,933	350,449	51,122	412,504
Depreciation for the year	659	15,117	1,189	16,965
Depreciation on disposals	(302)	(1,015)	(31)	(1,348)
Cumulative depreciation at 31 December 2015	11,290	364,551	52,280	428,121
Net assets at 31 December 2015	**3,045**	**52,399**	**5,693**	**61,137**
Net assets at 31 December 2014	**2,846**	**53,943**	**5,894**	**62,683**

2.3 Capital Assets under Development

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2015	1,625
Cash payments for the year	9,727
Transferred to asset register	(9,447)
Amounts carried forward at 31 December 2015	1,905

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	14,363	5,611
Commercial bank account balances	2	8
Orders outstanding	—	(80)
	14,365	5,539

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery and small stores	593	593
IT consumables	380	477
Equipment/clothing/miscellaneous	341	448
	1,314	1,518

2.6 Other Debit Balances at 31 December	2015 €000	2014 €000
Shared buildings advances	155	211
Advances for travel and subsistence purposes	9	6
Advances to OPW for building works etc.	415	291
Miscellaneous suspense	871	775
Vote 10 Appeal Commissioners	178	114
Payroll suspense	1,037	4,065
	2,665	5,462

a) Debt Write-Offs and Provisions

During 2015, Vote 9 made a provision for bad debts of €25,000 as follows

	Debts written off		Movement in provision	
	2015 €000	2014 €000	2015 €000	2014 €000
Unrecoverable OPW shared buildings balances	—	—	25	—
Total	—	—	25	—

2.7 Other Credit Balances at 31 December	2015 €000	2014 €000
Amounts due to the State		
Income Tax	5,480	4,086
Pay Related Social Insurance	1,971	1,480
Professional Services Withholding Tax	2,110	457
Value Added Tax	430	275
Relevant Contracts Tax	—	(3)
Local Property Tax	47	53
Pension contributions	927	683
Extra exchequer receipts	460	410
	11,425	7,441
Payroll deductions held in suspense	3,694	2,868
Recoupable expenditure in advance	120	187
Other credit suspense items	52	56
	15,291	10,552

2.8 Net Liability to the Exchequer	2015	2014
at 31 December	€000	€000
Surplus to be surrendered	8,553	13,230
Deferred surrender	2,000	—
Exchequer grant undrawn	(8,814)	(12,781)
Net liability to the Exchequer	1,739	449
Represented by:		
Debtors		
Bank and cash	14,365	5,539
Other debit balances	2,665	5,462
	17,030	11,001
Creditors		
Due to State	(11,425)	(7,441)
Other credit balances	(3,866)	(3,111)
	(15,291)	(10,552)
	1,739	449

2.9 Commitments	2015	2014
at 31 December	€000	€000
Procurement subheads	4,696	6,311

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Administration and collection of taxes, duties and frontier management**			
A.1	Administration – pay	299,666	288,647	285,655
A.2	Administration – non pay	105,971	112,793	99,639
		405,637	401,440	385,294

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts for services relating to Pay-Related Social Insurance Scheme	37,437	37,437	37,437
2.	Fines, forfeitures, law costs recovered	3,600	3,586	3,664
3.	Cherished numbers	50	177	131
4.	Receipts in respect of Environmental Levy collection	400	398	399
5.	Share of SASP collection cost (Single Authorisation for Simplified Procedures)	16,000	23,151	18,204
6.	Miscellaneous	2,000	2,664	2,545
7.	Receipts from pension-related deductions on public service receipts in respect of civil service staff	16,669	15,099	15,681
	Total	**76,156**	**82,512**	**78,061**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated	Explanation
	€000	
Cherished numbers	(127)	Receipts vary with demand. Increase due to higher volume of new car sales.
Share of SASP collection costs	(7,151)	This represents the collection costs in respect of Custom duties. Forecasting the duties payable is difficult as it relates to levels of economic activity in other member states.
Miscellaneous	(664)	Increase in amount of fees on credit/debit cards due to greater use and VRT Export Repayments.
Receipts from pension-related deductions on public service receipts in respect of civil service staff	1,570	Largely due to overestimation of average salary used in the estimates process.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	410	366
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	1,054	844
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with global cigarette manufacturers	726	667
Bank interest	—	55
Receipts from voluntary surrender of salary under Section 483 of the Taxes Consolidation Act 1997	—	14
Transferred to Exchequer	(1,730)	(1,536)
Balance at 31 December	460	410

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	5,860	5,787

	2015 €000	2014 €000
Pay	268,040	265,409
Higher, special or additional duties allowance	4,257	3,851
Overtime	2,630	3,194
Employer's PRSI	13,720	13,201
Total pay	**288,647**	**285,655**

The number of staff at year end 2015 includes 80 temporary Clerical Officers (2014:140), 46 of whom were engaged in the administration of Local Property Tax. The remainder covered other peak business periods across the organisation.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	218	11	17,998	17,602
Overtime and extra attendance	1,798	129	29,618	26,870
Shift and roster allowances	188	26	23,595	22,015
Miscellaneous	95	6	27,505	10,232
Number of individuals who received extra remuneration in more than one category	268	101	29,828	26,723

5.2 Performance Awards

A total of €105,633 was spent on Staff Recognition Schemes i.e. 1,826 individual awards, ranging from €19 to €350.

5.3 Other Remuneration Arrangements

The cost of Revenue staff on secondment to other departments/agencies without recoupment was €487,977 (2014: €447,241).

A total of €123,810 was paid to 13 staff in 2015 in compensation of claims for loss of earnings in accordance with Labour Court recommendation 19995 and Mediation Officer recommendation under Department of Finance circular 11/2001.

5.4 Payroll Overpayments

Overpayments at the year end were €1,128,777 (827 cases) (2014: €782,173, 555 cases). Of this, €432,517 (279 cases) have recovery plans in place.

6 Miscellaneous

6.1 Write-Offs

The following sums were written off in the year:

	2015	2014
	€000	€000
Obsolete stock	145	42

6.2 Law Charges, Fees and Rewards (subhead A (ix))

	2015	2014
	€000	€000
Legal costs paid during the year are categorised as follows:		
External solicitors	5,230	5,447
Counsel fees	2,387	1,820
Other fees and costs:		
Bankruptcy/liquidation costs	2,204	1,978
Court fees	484	2
Miscellaneous costs and rewards	741	621
	11,046	9,868

6.3 Legal Costs (*in 2014 accounts compensation costs)*

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Claims pursued via the State Claims Agency	10	2	39	48	89	136
Miscellaneous expenses arising from work related incidents.	9	—	—	3	3	6
Claims by members of the public	17	15	249	244	508	287
		17	288	295	600	429

6.4 Contingent Liability

Revenue has contingent liabilities of €2.2 million (2014: €2.1 million).

Appropriation Account 2015

Vote 10

Office of the Appeal Commissioners

Introduction

As Accounting Officer for Vote 10, 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 2015 for the salaries and expenses of the Office of the Appeal Commissioners.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €263,662 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

The Finance (Tax Appeals) Act 2015 which establishes the Tax Appeals Commission was signed into law in December 2015. The Minister for Finance signed the relevant commencement orders to give effect to the new legislative provisions in February 2016. The Tax Appeals Commission and the new regime for the processing of tax appeals came into force in March 2016. To coincide with these legislative changes, a modern governance framework is also being put in place.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

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 Head of Office. 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.

Financial control environment

The Office of the Appeal Commissioners depends to a significant degree on the controls operated by the Revenue Commissioners which provides a payment function and an accounting service to this Office. I note in this regard the assurances provided to the Revenue Commissioners by the Accounting Officer of the Vote for Shared Services in relation to the provision of Human Resources shared services and by the Accounting Officer of the Department of Justice and Equality in relation to the provision of payroll shared services.

I confirm that a signed service level agreement is in place between this Office and the Office of the Revenue Commissioners which sets out both parties' responsibilities for all administrative and accounting procedures.

The Office of the Appeal Commissioners does not have an Audit Committee and the agreement between the Office and the Revenue Commissioners does not provide for access to the Revenue Commissioners' Audit Committee by the Office. However, if I required access, I understand I would be facilitated.

Administrative controls and management reporting

I confirm that 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
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- the Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The risk management system in the Revenue Commissioners does not extend to the Office of the Appeal Commissioners and the Office does not have a separate risk management system or maintain a risk register.

As part of a reform agenda currently underway to enhance and modernise the appeals process, internal controls are being revised in line with best public service practice.

Internal Audit

I confirm that the Office of the Appeal Commissioners has an agreement in place with the Revenue Commissioners which provides this Office with access to Revenue's internal audit function which will, on request, advise this Office on departmental standards of internal audit, practices and procedures in auditing generally, and ongoing developments.

In 2015, this Office did not consult with or seek the advice of Revenue's internal audit function.

Mark O' Mahony
Accounting Officer
Tax Appeals Commission

29 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 10 Office of the Appeal Commissioners

I have audited the appropriation account for Vote 10 Office of the Appeal Commissioners for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 10 Office of the Appeal Commissioners for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Appeal Commissioners. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

30 June 2016

Vote 10 Office of the Appeal Commissioners
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Facilitation of hearing tax appeals	823	543	445
	Gross expenditure	**823**	**543**	**445**
	Deduct			
B	**Appropriations-in-aid**	**48**	**32**	**30**
	Net expenditure	**775**	**511**	**415**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	263,662	61,972

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	654	473	378
ii	Travel and subsistence	44	22	19
iii	Training and development and incidental expenses	26	16	25
iv	Postal and telecommunications services	20	7	5
v	Office equipment and external IT services	20	18	17
vi	Office premises expenses	59	7	1
		823	543	445

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		473	378
Non pay		70	67
Gross expenditure		**543**	**445**
Deduct			
Appropriations-in-aid		**32**	**30**
Net expenditure		**511**	**415**
Changes in capital assets			
Purchases cash	(8)		
Depreciation	8		
Loss on Disposals	2		
		2	3
Changes in net current assets			
Increase/(Decrease) in closing accruals	—		
		—	(3)
Direct expenditure		**513**	**415**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		250	249
Net programme cost		**763**	**664**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following actual amounts in relation to Vote 10 borne elsewhere.

	2015	2014
	€000	€000
Vote 13 Office of Public Works	250	249
	250	**249**

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**14**	**16**
Current Assets			
Paymaster General account balance		170	104
Prepayments		8	8
Payroll suspense		1	6
Net Exchequer funding due	2.3	7	4
Total current assets		**186**	**122**
Less current liabilities			
Accrued expenses		2	2
Vote 9 Revenue Commissioners		178	114
Total current liabilities		**180**	**116**
Net current assets		**6**	**6**
Net assets		**20**	**22**
Represented by:			
State funding account	2.1	**20**	**22**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			22	22
Disbursements from the Vote				
Estimate provision	Account	775		
Surplus to be surrendered	Account	(264)		
Net vote			511	415
Expenditure (cash) borne elsewhere	1		250	249
Net programme cost	1		(763)	(664)
Balance at 31 December			**20**	**22**

2.2 Capital Assets

	Furniture and fittings	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	63	30	93
Additions	3	5	8
Disposals	—	(9)	(9)
Cost or valuation at 31 December 2015	66	26	92
Accumulated depreciation			
Opening balance at 1 January 2015	52	25	77
Depreciation for the year	5	3	8
Depreciation on disposals	—	(7)	(7)
Cumulative depreciation at 31 December 2015	57	21	78
Net assets at 31 December 2015	**9**	**5**	**14**
Net assets at 31 December 2014	**11**	**5**	**16**

2.3 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	264	62
Exchequer grant undrawn	(271)	(66)
Net Exchequer funding due	(7)	(4)
Represented by:		
Debtors		
Paymaster General account balance	170	104
Payroll suspense	1	6
	171	110
Creditors		
Vote 9 Revenue Commissioners	(178)	(114)
	(7)	(4)

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Facilitation of hearing of tax appeals**			
A.1	Administration - pay	654	473	378
A.2	Administration - non pay	169	70	67
		823	543	445

Significant variations

Overall, the expenditure in relation to Programme A was € 280,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration - pay	181	Provision was made for 8 staff to be in place by end-2015 in connection with the establishment of the Tax Appeals Commission which was provided for in the Finance (Tax Appeals) Bill 2015. In the event, progress was slower than anticipated with 6 staff in place by the end of the year. The Bill was enacted in December 2015.
Administration - non pay	99	Variance is due to progress towards establishment of the Tax Appeals Commission being slower than anticipated during 2015.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from pension-related deductions on public service remuneration	48	32	30
		48	32	30

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	**6**	**4**

	2015	2014
	€000	€000
Pay	454	365
Employer's PRSI	19	13
Total pay	**473**	**378**

Appropriation Account 2015

Vote 11

Office of the Minister for Public Expenditure and Reform

Introduction

As Accounting Officer for Vote 11, 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 2015 for the salaries and expenses of the Office of the Minister for Public Expenditure and Reform, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.14 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account with the following exceptions.

Stocks and capital assets

The Department of Finance (Vote 7), the Department of Public Expenditure and Reform (Vote 11), Shared Services (Vote 18) and the Office of Government Procurement (Vote 39) share IT consumable stocks. They are allocated on the basis of staff numbers in the respective Votes.

For efficiency and convenience reasons, spend on stationery stocks is recorded under Vote 7 and spend on IT consumable stocks is recorded under Vote 11. However, as the stocks are deemed to be shared, they are included in the operating cost notes to the Accounts of Vote 7, Vote 11, Vote 18 and Vote 39 and are allocated on the basis of staff numbers in the respective Departments.

As most capital assets are shared, the usage of capital assets is also allocated on the basis of staff numbers. Up to 31 December 2010, all capital assets had been recorded on the asset register of the Department of Finance. The asset register does not record the location of the business unit using the asset. As a result, it was not possible to split the assets between those units remaining in the Department of Finance and those transferring to the Department of Public Expenditure and Reform. In general, IT equipment assets are now recorded on the asset register of the Department of Public Expenditure and Reform and furniture and fittings and office equipment assets are now recorded on the asset register of the Department of Finance. Depreciation on assets is charged to each Department on the basis of staff numbers. Notwithstanding any of the above, the Department of Public Expenditure and Reform has at times, since it was established, purchased certain assets which were for its exclusive use and the depreciation in respect of these is not apportioned.

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.

I have fulfilled my responsibilities in relation to control arrangements for the HR and payroll shared services supplied to the Department by the National Shared Services Office for which I am also the Accounting Officer.

Financial control environment

I confirm that a control environment containing 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
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 11.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines as outlined in my annual return in respect of Circular 40/2002.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Robert Watt
Accounting Officer
Department of Public Expenditure and Reform

9 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 11 Office of the Minister for Public Expenditure and Reform

I have audited the appropriation account for Vote 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Public Expenditure and Reform. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

26 July 2016

Vote 11 Office of the Minister for Public Expenditure and Reform

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Public expenditure and sectoral policy	17,735	16,688	17,037
B	Public service management and reform	26,755	24,089	19,765
	Gross expenditure	**44,490**	**40,777**	**36,802**
	Deduct			
C	**Appropriations-in-aid**	**3,880**	**4,309**	**4,748**
	Net expenditure	**40,610**	**36,468**	**32,054**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	4,142,320	3,844,458

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,875	18,679	17,597
ii	Travel and subsistence	223	204	181
iii	Training and development and incidental expenses	836	770	652
iv	Postal and telecommunications services	329	289	233
v	Office equipment and external IT services	640	800	713
vi	Office premises expenses	339	550	359
vii	Consultancy and other services	50	23	49
		23,292	21,315	19,784

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		19,462	17,018
Pay		18,679	17,597
Non pay		2,636	2,187
Gross expenditure		**40,777**	**36,802**
Deduct			
Appropriations-in-aid		**4,309**	**4,748**
Net expenditure		**36,468**	**32,054**
Changes in capital assets			
Purchases cash	(684)		
Depreciation	488		
		(196)	(144)
Changes in assets under development			
Cash payments		—	(48)
Changes in net current assets			
Decrease in closing accruals		(245)	(40)
Direct expenditure		**36,027**	**31,822**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,560	1,855
Notional rents		2,658	1,891
Net programme cost		**41,245**	**35,568**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 11 borne elsewhere.

		2015	2014
		€000	€000
Vote 7 Finance	e	262	233
Vote 9 Office of the Revenue Commissioners	e	206	94
Vote 12 Superannuation and Retired Allowances	e	817	582
Vote 13 Office of Public Works		1,247	931
Vote 18 Shared Services	e	28	15
		2,560	**1,855**

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**1,783**	**1,423**
Current assets			
Bank and cash	2.4	1,185	303
Stocks	2.5	14	14
Prepayments		847	632
Other debit balances	2.6	238	545
Total current assets		**2,284**	**1,494**
Less current liabilities			
Accrued expenses		211	241
Other credit balances	2.7	1,177	702
Net liability to the Exchequer	2.8	246	146
Total current liabilities		**1,634**	**1,089**
Net current assets		**650**	**405**
Net assets		**2,433**	**1,828**
Represented by:			
State funding account	2.1	**2,433**	**1,828**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			1,828	1,245
Disbursements from the Vote				
Estimate provision	Account	40,610		
Surplus to be surrendered	Account	(4,142)		
Net vote			36,468	32,054
Expenditure (cash) borne elsewhere	1		2,560	1,855
Non-cash items- capital assets[a]			352	512
Non-cash items – depreciation[a]			(188)	(161)
Non cash expenditure – notional rent	1		2,658	1,891
Net programme cost	1		(41,245)	(35,568)
Balance at 31 December			**2,433**	**1,828**

[a] Arising from the apportionment policy for assets shared by the Department of Finance and the Department of Public Expenditure and Reform, acquisition and depreciation figures in the balance sheet do not match those shown in the operating cost statement.

2.2 Capital Assets

	IT equipment	Furniture and Fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	26,777	6	3	26,786
Additions	837	199	—	1,036
Cost or valuation at 31 December 2015	27,614	205	3	27,822
Accumulated depreciation				
Opening balance at 1 January 2015	25,360	1	2	25,363
Depreciation for the year	656	20	—	676
Cumulative depreciation at 31 December 2015	26,016	21	2	26,039
Net assets at 31 December 2015	**1,598**	**184**	**1**	**1,783**
Net assets at 31 December 2014	**1,417**	**5**	**1**	**1,423**

2.3 Capital Assets under Development	**In house computer applications**	
	2015	**2014**
At 31 December	**€000**	**€000**
Opening balance at 1 January	—	—
Cash payments for the year	—	48
Transferred to asset register	—	(48)
Amounts carried forward at 31 December	—	—

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance and cash	1,160	303
Commercial bank account balance	25	—
	1,185	303

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	9	10
IT consumables	5	4
	14	14

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable travel expenditure	3	13
Recoupable travel pass scheme expenditure	153	111
Recoupable salaries	22	9
Other debit suspense items	60	412
	238	545

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	407	283
Pay Related Social Insurance	175	112
Professional Services Withholding Tax	103	54
Value Added Tax	64	28
Pension contributions	68	43
Local Property Tax	2	2
Universal Social Charge	123	85
	942	607
Payroll deductions held in suspense	130	94
Other credit suspense items	105	1
	1,177	702

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	4,142	3,844
Exchequer grant undrawn	(3,896)	(3,698)
Net liability to the Exchequer	246	146
Represented by:		
Debtors		
Bank and cash	1,185	303
Debit balances: suspense	238	545
	1,423	848
Creditors		
Due to State	(942)	(607)
Credit balances: suspense	(235)	(95)
	(1,177)	(702)
	246	146

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	478	168

2.10 Matured Liabilities	**2015**	**2014**
at 31 December	**€000**	**€000**
Estimates of matured liabilities not discharged at year end	24	4

3 Programme Expenditure by Subhead

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Public Expenditure and Sectoral Policy**			
A.1	Administration - pay	7,328	7,168	7,036
A.2	Administration - non pay	909	989	793
A.3	Economic and Social Research Institute- administration and general expenses	2,575	2,847	2,600
A.4	Structural funds technical assistance and other costs	1,410	952	847
A.5	Technical assistance costs of Regional Assemblies	880	843	814
A.6	Peace Programme/ Northern Ireland INTERREG	2,500	1,873	2,832
A.7	Special EU Programmes Body	1,164	1,249	1,075
A.8	Ireland/ Wales and transnational INTERREG	769	767	418
A.9	Consultancy and other services	50	—	613
A.10	Office of the National Lottery Regulator	150	—	9
		17,735	16,688	17,037

Significant variations

Overall, the expenditure in relation to programme A was €1 million lower than provided. The significant variations were as follows:

Description	Less/(more) than provided €000	Explanation
Economic and Social Research Institute- administration and general expenses	(272)	The over spend on the ESRI arises from a pensions cashflow shortfall which must be met by this Vote under the FEMPI legislation.
Structural funds technical assistance and other costs	458	The variance arises as a result of a delay to the e-cohesion IT project. This project will allow for the electronic exchange of information between beneficiaries of EU funding and the authorities involved in the implementation of EU co-financed programmes.
Peace Programme/ Northern Ireland INTERREG	627	The 2014-2020 programmes were slower to commence spending than anticipated, resulting in an under spend.
Office of the National Lottery Regulator	150	The allocation of €150,000 for the Office of the National Lottery was provided to assist with the establishment of the Office. This was not required, as the Office became operational and self-funded in early 2015.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Public Service Management and Reform**			
B.1	Administration - pay	13,547	11,511	10,561
B.2	Administration - non pay	1,508	1,647	1,393
B.3	Institute of Public Administration	2,725	2,881	2,750
B.4	Civil service arbitration and appeals procedure	40	39	27
B.5	Consultancy and other services	450	248	102
B.6	Office of the Government Chief Information Officer	4,456	4,415	2,834
B.7	Reform agenda	2,423	1,794	711
B.8	Employee Assistance Officer shared service	1,307	1,277	1,268
B.9	Statute Law revision programme	299	277	119
		26,755	24,089	19,765

Significant variations

Overall, the expenditure in relation to Programme B was €2.6 million lower than provided. The significant variations were as follows:

Description	Less/(more) than provided	Explanation
	€000	
Administration - pay	2,036	Administrative budget pay is under profile because recruitment took place at a slower pace than was anticipated, particularly in the Office of Government Chief Information Officer and Reform and Delivery Office. The under spend was also driven by a substantial number of retirees/leavers.
Institute of Public Administration	(156)	The over spend on the IPA arises from a pensions cashflow shortfall which must be met by this Vote under the FEMPI legislation.
Consultancy and other services	202	The variance arises in respect of a provision for legal costs. The timing of the court decision was later than anticipated and final costs have not yet been settled.
Reform agenda	629	A number of factors contributed to this variance: savings were achieved by drawing down from existing consultancy contracts in place in the Reform and Delivery Office; in some cases, other departments absorbed costs that were initially expected to be borne by the Reform and Delivery Office; a number of projects did not progress as quickly as anticipated; an allocation for shared services project support was not required.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	EU programmes	1,700	2,165	2,336
2.	Pension cashflow surpluses	210	80	252
3.	Miscellaneous	20	63	97
4.	Receipts from pension-related deduction on public service remuneration	1,950	2,001	2,063
	Total	**3,880**	**4,309**	**4,748**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than provided	Explanation
	€000	
EU programmes	(465)	Receipts received during 2015 were higher than anticipated, as some reimbursements from the EU Commission that were originally projected for payment in 2016 were received ahead of schedule.
Pension cashflow surpluses	130	Pension cashflow surpluses ceased in respect of ESRI and IPA during the year leading to lower than anticipated receipts.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	—	—
Receipt in respect of prior year secondment recouped	—	46
Closure of suspense account no longer in operation	—	32
Transferred to Exchequer	—	(78)
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	313	314

	2015 €000	2014 €000
Pay [a]	20,398	19,372
Higher, special or additional duties allowance	239	204
Redundancy	—	6
Other allowances	47	53
Overtime	40	47
Employer's PRSI	1,077	1,003
Total pay	**21,801**	**20,685**

[a] The total pay figure is inclusive of pay in subheads A.1, A.4, A.6, A.7, B.1, B.7 and B.8.

Staff numbers exclude agency staff, but the pay figure represents all pay incurred by the Department.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	32	7	34,209	19,869
Other allowances	16	1	10,505	8,011
Overtime	19	1	10,372	11,071
Number of individuals who received extra remuneration in more than one category	4	3	14,421	13,975

5.2 Other Remuneration Arrangements

This account includes expenditure of €144,867 (2014: €149,157) in respect of 2 officers who were serving outside the Department for all or part of 2015 and whose salary was paid by the Department.

Under the terms of the AHCPS 1% PCW restructuring agreement, 20 officers (2014: 25) received a total of €44,296 (2014:€42,693) in respect of PCW/seniority allowances.

The pay figure includes €9,000 paid to a teacher who was formerly employed as a language teacher within the Civil Service. The payment was a result of an adjudication in favour of a loss of earnings claim brought by this individual following the reduction in the provision of language services for civil servants in 2008 and the formal withdrawing of such services following the teaching year 2011-12

5.3 Payroll Overpayments

Overpayments at year end were €27,495 (17 cases) (2014: €4,450). Of this €1,085 (4 cases) have recovery plans in place.

6 Miscellaneous

6.1 EU Funding

The outturn shown in headings A.4, A.5, and A.6 include payments in respect of activities which are co-financed by the EU.

Heading	Description	2015		2014
		Estimate	Outturn	Outturn
		€000	€000	€000
A.4	Structural funds technical assistance and other costs	1,200	720	636
A.5	Technical assistance costs of Regional Assemblies	880	843	814
A.6	Peace Programme/Northern Ireland INTERREG	2,500	1,873	2,832
		4,580	3,436	4,282

6.2 Committees and Commissions

	Year of appointment	2015	2014
		€000	€000
Civil Service Arbitration Board	1950/51	22	10

6.3 Late Payment Interest	2015	2014
	€000	€000
Total of interest payments	8	18

6.4 Contingent Liabilities

The Department has received a judgment in respect of an ongoing legal case. Costs have been awarded against the Department, but the amount is yet to be determined. Once the figure has been identified, the Department will be liable for that amount.

6.5 Suspected Fraud	2015	2014
	€000	€000
Alleged misappropriation of monies	181	—

Special EU Programmes Body (SEUPB) advised the Department in 2014 that there was a risk to funds paid to a PEACE III Project which had subsequently been removed from the PEACE III Programme due to irregularities and a suspected fraud. The Department had provided funding of €181,438 to the project in 2010. Funding had been stopped by SEUPB as soon as the question of irregularity/fraud arose. SEUPB commissioned a forensic audit and subsequently referred the case to the Police Service of Northern Ireland whose investigations are ongoing. All necessary steps were taken to recoup money but it is now accepted by SEUPB that there is no prospect of recovering the monies and there is no route for legal action as the lead partner company is dissolved.

6.6 Settlement with the Revenue Commissioners

In finalisation of an audit conducted by the Revenue Commissioners, the Department in June 2015 made a settlement payment to the Commissioners of €27,801. The settlement covers the period 2012 to 2014 and relates to employer tax liability issues from two contracts for the Statute Law Revision Programme.

7 Contingency Fund

	2015	2014
	€000	€000
Balance at 1 January	1,200	1,200
Receipts	—	—
Payments	—	—
Balance at 31 December	1,200	1,200

The Contingency Fund is a non-statutory fund formed by a grant-in-aid voted in 1923. The fund is available for use to facilitate the defraying of urgent or unforeseen expenditure which is not covered by the ordinary Votes and for which it may be impracticable to seek the immediate approval of Dáil Éireann e.g. during recess.

The procedures in relation to the operation of the Fund are set out in Public Financial Procedures (Sections C.1.5 to C.1.12).

The size of the Fund is reviewed every five years. Following a review in 2014, it was decided that the Fund should remain at its existing level.

Appropriation Account 2015

Vote 12

Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 12, 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 2015 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform; fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €24 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 have been applied in the preparation of the account.

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, all transactions are 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.

The statement on internal financial control for the Department of Finance is also relevant given that it made superannuation payments, on an agency basis, for Vote 12 until December 2015. The payments service transferred to the National Shared Services Office in December 2015 so the statement on internal financial control for Shared Services is also relevant.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Robert Watt
Accounting Officer
Superannuation and Retired Allowances

9 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 12 Superannuation and Retired Allowances

I have audited the appropriation account for Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Public Expenditure and Reform. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

15 August 2016

Vote 12 Superannuation and Retired Allowances
Appropriation Account 2015

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Superannuation and retired allowances				
	Original	474,000			
	Supplementary	37,000			
			511,000	499,175	473,868
	Gross expenditure				
	Original	474,000			
	Supplementary	37,000			
			511,000	**499,175**	**473,868**
	Deduct				
B	**Appropriations-in-aid**				
	Original	104,000			
	Supplementary	20,230			
			124,230	**136,404**	**105,129**
	Net expenditure				
	Original	370,000			
	Supplementary	16,770			
			386,770	**362,771**	**368,739**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	23,999,338	16,061,215

Notes to the Appropriation Account

1 Operating Cost Statement 2015

This note is not applicable. The administration costs of this Vote were borne on Vote 7 – Office of the Minister for Finance, until the payments process transferred to Vote 18 – Shared Services in December 2015. The costs involved in formulation of superannuation policy are borne on Vote 11 - Office of the Minister for Public Expenditure and Reform.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Current Assets			
Other debit balances	2.3	106	22,620
Bank and cash	2.2	33,285	(14,102)
Total current assets		**33,391**	**8,518**
Less current liabilities			
Other credit balances	2.4	12,858	8,590
Net Liability to the Exchequer	2.5	20,533	(72)
Total current liabilities		**33,391**	**8,518**
Net current assets		**—**	**—**
Net assets		**—**	**—**
Represented by:			
State funding account	2.1	**—**	**—**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	386,770		
Surplus to be surrendered	Account	(23,999)		
Net vote			362,771	368,739
Net programme cost			(362,771)	(368,739)
Balance at 31 December			—	—

2.2 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	33,155	(14,327)
Commercial bank account balance	130	225
	33,285	(14,102)

2.3 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable pensions owed by other Departments	106	17
Other debit suspense items	—	22,603
	106	22,620

2.4 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	7,895	5,051
Universal Social Charge	2,645	1,950
Local Property Tax	103	116
	10,643	7,117
Voluntary pension deductions held in suspense	—	13
Other credit suspense items	2,215	1,460
	12,858	8,590

2.5 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	23,999	16,061
Exchequer grant undrawn	(3,466)	(16,133)
Net liability to the Exchequer	20,533	(72)
Represented by:		
Debtors		
Debit balances: suspense	106	22,620
Bank and cash	33,285	(14,102)
	33,391	8,518
Creditors		
Due to State	(10,643)	(7,117)
Credit balances: suspense	(2,215)	(1,473)
	(12,858)	(8,590)
	20,533	(72)

3 Programme Expenditure by Subhead

			2015		2014
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A	**Superannuation and Retired Allowances**				
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances				
	Original	342,000			
	Supplementary	14,000	356,000	353,859	323,985
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers				
	Original	40,500			
	Supplementary	1,700	42,200	42,005	40,832
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers				
	Original	800			
	Supplementary	(60)	740	725	772
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service				
	Original	66,000			
	Supplementary	22,669	88,669	80,267	83,328
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service				
	Original	23,190			
	Supplementary	(490)	22,700	21,687	24,506
A.6	Injury grants and medical fees				
	Original	400			
	Supplementary	40	440	380	339
A.7	Fees to Pensions Board				
	Original	55			
	Supplementary	41	96	96	54
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997				
	Original	1,000			
	Supplementary	(900)	100	101	—
A.9	Pension liabilities of former public service bodies payable under statute		55	55	52
			511,000	499,175	473,868

Significant variations

Overall, the expenditure in relation to Programme A was €11.8 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Superannuation allowances, compensation allowances, pensions and certain children's allowances	2,141	Expenditure on this subhead is impacted by the numbers entering and leaving the scheme, and the grade mix, all of which can vary from year to year. It is therefore difficult to estimate expenditure from one year to the next. The original estimate was based on an assumption that there would be 14,200 persons on the A1 payroll at year end. At the time the supplementary estimate was prepared and based on experience to that date, this estimate was revised up to an estimate of 14,530 by year end. However, the actual year end number of pensioners ended up lower, at 14,428.
Additional allowances and gratuities in respect of established officers and payments in respect of transferred services	8,402	Expenditure on this subhead is impacted by the numbers entering and leaving the scheme, and the grade mix, all of which can vary from year to year. It is therefore difficult to estimate expenditure from one year to the next. The original estimate was based on 950 retirements expected for 2015. At the time the supplementary estimate was prepared, around 1,050 retirements had already occurred and so the expected total for the year was increased to 1,200 retirements. At the year end, the actual number of retirements (1,174) was broadly in line with the revised estimate. However, the average lump sum paid out was around €4,000 lower than used for the estimate calculation due to a change in grade mix. The estimate also allowed for a prudent contingency, which in the event was not required.
Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	1,013	The variation is almost entirely attributable to the amount of lump sums paid to unestablished officers in 2015. The lump sum estimate was €5.1 million, but €4 million was paid out for the year. As is the case for the established scheme, the amount paid out in respect of total unestablished lump sums in any year is particularly sensitive to both the number of retirees and their grade.
Payments in respect of liability under Chapter 2C of the taxes Consolidation Act 1997	(1)	The Finance (No 2) Act 2013 provides that individuals who became liable for “chargeable excess” income tax can choose to repay any chargeable excess over a post retirement period of up to 20 years, but the full amount owing must be paid by the pension administrator to the Collector General within 3 months of the person’s retirement. Where this occurs, it is shown as a charge under this subhead. The original 2015 estimate of €1 million was based on eight higher paid civil servants exercising their right to create such a charge for the Vote. The actual experience in 2015 was that one retiree opted to defer an amount of €101,175. This has been paid out of Voted monies and will be reimbursed over a 20 year period. If the individual chooses to pay their liability up front, there is no charge to the Vote, and this was the case with respect to two other retirees in the year.

4 Receipts

4.1 Appropriations-in-aid

			2015		2014
			Estimated	Realised	
		€000	€000	€000	€000
1.	Receipt as provided for in the Social Welfare Consolidation Act 2005 in respect of pension liability of staff		28,000	28,000	28,000
2.	Receipts in respect of pension liability of staff on loan, etc.				
	Original	2,000			
	Supplementary	(300)	1,700	2,149	2,498
3.	Contributions to spouses' and children's pension scheme for civil servants and others				
	Original	18,000			
	Supplementary	(100)	17,900	19,739	20,021
4.	Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)				
	Original	25,000			
	Supplementary	1,000	26,000	29,872	28,455
5.	Repayment of gratuities, etc.				
	Original	1,300			
	Supplementary	(620)	680	851	1,312
6.	Purchase of notional service				
	Original	4,600			
	Supplementary	(250)	4,350	4,816	5,484
7.	Single scheme contributions				
	Original	25,000			
	Supplementary	20,500	45,500	50,874	17,958
8.	Miscellaneous		100	103	1,401
	Total		**124,230**	**136,404**	**105,129**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Receipts in respect of pension liability of staff on loan, etc.	(449)	It is difficult to predict the number of staff on loan year to year.
Contributions to spouses' and children's pension scheme for civil servants and others	(1,839)	Contributions will vary according to staff changes across the service and are therefore difficult to predict. This was compounded by the timing of cash receipts – a larger proportion of receipts was received in the final month than was the case in previous years.
Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)	(3,872)	Contributions will vary according to staff changes across the service and are therefore difficult to predict. Timing issues also apply with respect to this subhead – a larger proportion of receipts was received in the final month than was the case in previous years.
Repayment of gratuities, etc.	(171)	It is difficult to predict the number of gratuities that will be repaid in any one year.
Purchase of notional service	(466)	Purchase of notional service is at the discretion of officers, and therefore it is difficult to accurately forecast receipts on this subhead.
Single scheme contributions	(5,374)	The Public Service Single Scheme was put in place for all new entrants to the public service from January 2013. The amount credited to the Vote represents contributions made by all new entrant public servants in the year. While there is central oversight of total public service employee numbers, the number of new entrants, the timing of their engagement and the grade and pay level at which they are engaged in individual sectors in any year is managed in those sectors and is subject to wide variation, as evidenced by the fact that the original estimate of €25 million was surpassed by an amount of €26 million. A major project to assess and recommend the optimal operating model for the Single Scheme began in 2016.

5 Employee Numbers and Pay

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote were paid from Vote 7 – Office of the Minister for Finance until transfer of relevant section to Vote 18 – Shared Services in December 2015 and staff engaged on the formulation of superannuation policy are charged to Vote 11 - Office of the Minister for Public Expenditure and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

		2015	2014
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	14,428	13,633
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	2,783	2,781
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	44	37
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	4,614	4,674
A.9	Pension liabilities of former public service bodies payable under statute	3	3
		21,872	21,128

5.3 Pension Payment Agency Services

The Department (Vote 12) makes pension payments, on an agency basis, to former staff of the bodies detailed below

Name of body	Number of pensioners	Gross value (per annum) €m
Vocational Education Committee/Institute of Technology/Education Training Board pensions	9,206	253
FÁS/Solas pensions	1,608	31

The amounts are charged to the Vote for Education and Skills (Vote 26).

5.4 Overpayments

Overpayments at year end were €257,832.27 (81 cases) (2014: €4,450). Of this €257,722.54 (80 cases) have recovery plans in place.

5.5 Severance Payments

Severance payments totalling €299,072 were paid to three civil servants in 2015 under a scheme which was terminated for new appointees in November 2011.

6 Miscellaneous

6.1 Abatement of Pensions

The Pensions (Abatement) Act 1965 and the Public Service (Single Scheme and other Provisions) Act 2012 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The legislation also provides that such abatements may be waived at the discretion of the Minister for Public Expenditure and Reform.

In 2015, the pensions of eighteen retired civil servants were fully or partially abated. The total amount abated in 2015 was €106,097.

Appropriation Account 2015

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 2015 for the salaries and expenses of the Office of Public Works; for services administered by that Office, for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.18 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 have been applied in the preparation of the account except for the following;

(a) Statement of capital assets: valuation of land and buildings

The Commissioners of Public Works continue to review the valuation methodologies for land and buildings and have followed the public sector accounting standards and valuation protocols produced by the Royal Institution of Chartered Surveyors, being the accepted industry standard in Ireland, in the RICS Valuation - Professional Standards January 2014. The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value.

Assessments of market value/investment value on the ‘existing use’ basis are applied to land and buildings where market comparisons are available. For a large part of the portfolio, estimates are based on current building cost norms and notional site values. Prestige properties have been valued using the replacement cost valuation method. Properties purchased since 1 January 1995 and properties constructed since 1 January 1997 are initially valued at cost. National Historic Properties and National Monuments are not included in the valuation.

(b) Threshold value for capital assets

OPW applies a threshold value of €300 for its capital assets due to the large quantity of plant and equipment items held countrywide.

(c) Depreciation

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life.

(d) Property lease payments

The OPW recognises payment for goods and services when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements, once the service is provided the rent is due and payable, then the OPW are satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments to the suppliers the OPW charges the payment to the Vote and transfers the funds to suspense.

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 Chairman. 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.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Service Office for the provision of human resources shared service.

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 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.
- The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of 1 contract to the value of €111,000 which was listed in my annual return in respect of Circular 40/2002. The contract was extended to provide for ongoing security requirements. A tender competition will be held in 2016 for a reduced security service.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the recommendations arising from reports of the internal audit function are implemented.

Clare McGrath
Accounting Officer
Office of Public Works

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by her Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 13 Office of Public Works for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of Public Works. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

17 August 2016

Vote 13 Office of Public Works
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Flood Risk Management	87,815	75,324	69,647
B	Estate Portfolio Management	309,559	314,752	311,361
	Gross expenditure	**397,374**	**390,076**	**381,008**
	Deduct			
C	**Appropriations-in-aid**	**27,526**	**30,408**	**27,227**
	Net expenditure	**369,848**	**359,668**	**353,781**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus for the year	10,179,584	364,690
Deferred surrender	(7,000,000)	—
Surplus to be surrendered	3,179,584	364,690

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	34,110	32,062	31,467
ii	Travel and subsistence	1,511	1,490	1,382
iii	Training and development and incidental expenses	637	723	597
iv	Postal and telecommunications services	1,532	1,578	1,630
v	Office equipment and external IT services	2,431	3,692	2,465
vi	Office premises expenses	1,253	1,145	1,265
vii	Consultancy services and value for money and policy reviews	417	136	61
		41,891	40,826	38,867

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		349,250	342,141
Administration pay		32,062	31,467
Administration non pay		8,764	7,400
Gross expenditure[a]		**390,076**	**381,008**
Deduct			
Appropriations-in-aid		**30,408**	**27,227**
Net expenditure		**359,668**	**353,781**
Changes in capital assets			
Purchases cash	(17,215)		
Disposals cash[b]	3,632		
Depreciation	5,546		
Gain on disposals[c]	(146)		
		(8,183)	3,000
Changes in net current assets			
Decrease in closing accruals	(689)		
Decrease in stock	34		
		(655)	(2,955)
Direct expenditure		**350,830**	**353,826**
Expenditure on services provided free to other departments (allied services)[d]		(142,450)	(147,539)
Expenditure on services where OPW acts as client[e]		(107,608)	(103,334)
Direct expenditure (excluding allied services and services where OPW acts as client)		**100,772**	**102,953**
Expenditure borne elsewhere			
Vote 12 - Superannuation and retired allowances		19,145	18,378
Total operating cost[f]		**119,917**	**121,331**

[a] This figure is derived from the gross outturn on Vote 13 only (€390.08 million) whereas the total financial transactions of the Office of Public Works during 2015, including direct expenditure incurred by the OPW and charged to other Votes, amounted to €509.04 million.

[b] The disposals cash figure does not include proceeds from the sale of property in 2015, to the value of €0.79 million which had not been brought to account in Appropriations in Aid at year end.

[c] The gain on disposals figure does not include a gain of €527,000 in the net book value of a number of properties sold in 2016.

[d] This includes capital expenditure of €21.18 million.

[e] The direct expenditure figure has been reduced by an amount of €107.61 million which is the net cost of services where OPW acts as client in either carrying out or funding certain works on behalf of the State (e.g. drainage maintenance, flood relief, maintenance of heritage properties, grants for certain refurbishment works, payments for the Convention Centre Dublin). The cost of such works and grants do not form part of the running costs of OPW.

[f] The operating cost figure does not include an amount for notional income or payments.

- Notional rents receivable by the OPW on State owned properties are estimated at some €70.7 million. Notional rents payable by OPW are estimated at €3.3 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**3,233,556**	**3,222,162**
Current assets			
Bank and cash	2.3	33,405	27,672
Stocks	2.4	2,037	2,071
Prepayments	2.5	20,697	21,075
Accrued income		1,926	1,282
Other debit balances	2.6	600	3,558
Total current assets		**58,665**	**55,658**
Less current liabilities			
Accrued expenses		4,042	4,464
Deferred income		37	39
Other credit balances	2.7	26,576	30,866
Net liability to the Exchequer	2.8	7,429	364
Total current liabilities		**38,084**	**35,733**
Net current assets		**20,581**	**19,925**
Net assets		**3,254,137**	**3,242,087**
Represented by:			
State funding account	2.1	**3,254,137**	**3,242,087**

2.1 State Funding Account

	Note	€000	2015 €000	2014 €000
Balance at 1 January			3,242,087	3,050,367
Disbursements from the Vote				
Estimate provision	Account	369,848		
Deferred surrender	Account	(7,000)		
Surplus to be surrendered	Account	(3,180)		
Net vote			359,668	353,781
Expenditure (cash) borne elsewhere	1		19,145	18,378
Allied services	1		(142,450)	(147,539)
Client services	1		(107,608)	(103,334)
Net programme cost	1		(119,917)	(121,331)
Adjustments[a]			3,212	191,765
Balance at 31 December			**3,254,137**	**3,242,087**

[a] Adjustments include capitalisation of expenditure not relating to the accounting year, agency services capitalised by the OPW and a gain on an asset disposal.

2.2 Capital Assets

	Prestige properties	Land and buildings	Plant and machinery	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2015	1,052,168	2,150,073	41,604	26,943	21,875	3,292,663
Additions	—	15,037	1,879	2,309	694	19,919
Disposals	—	(2,944)	(1,671)	(491)	(222)	(5,328)
Cost or valuation at 31 December 2015	1,052,168	2,162,166	41,812	28,761	22,347	3,307,254
Accumulated depreciation						
Opening balance at 1 January 2015	—	—	33,149	22,659	14,693	70,501
Depreciation for the year	—	—	2,642	2,174	730	5,546
Depreciation on disposals	—	—	(1,657)	(481)	(211)	(2,349)
Cumulative depreciation at 31 December 2015	—	—	34,134	24,352	15,212	73,698
Net assets at 31 December 2015	**1,052,168**	**2,162,166**	**7,678**	**4,409**	**7,135**	**3,233,556**
Net assets at 31 December 2014	**1,052,168**	**2,150,073**	**8,455**	**4,284**	**7,182**	**3,222,162**

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
Central Bank	33,396	26,151
Commercial bank	8	1,513
Petty cash	9	11
Orders outstanding	(8)	(3)
	33,405	27,672

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Engineering stocks	905	864
Heritage depot stocks	1,028	1,067
Building materials	68	77
Paper and stationery	10	12
Miscellaneous stocks	26	51
	2,037	2,071

2.5 Prepayments		
at 31 December	**2015**	**2014**
	€000	**€000**
Administration	514	576
Flood risk management	2,083	767
Estate portfolio management	18,100	19,732
	20,697	21,075

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Payroll suspense	—	1,219
Rents	—	1,557
Schools building account	296	730
Maintenance accounts	293	52
Energy	11	—
	600	3,558

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	1,042	—
Universal Social Charge	392	—
Pay Related Social Insurance	897	—
Professional Services Withholding Tax	679	554
Value Added Tax	3,764	4,860
Pension contributions	211	3
Local Property Tax	9	—
Receipts from sales of State property	—	677
	6,994	6,094
Sundry works accounts	8,514	12,493
Property management accounts	6,418	8,340
Receipts from sales of State property	785	—
Per cent for art scheme	1,563	1,369
Furniture services	317	1,299
Heritage	1,119	820
Rents	161	—
Payroll deductions held in suspense	430	276
Other credit suspense items	275	175
	26,576	30,866

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	3,180	365
Deferred surrender	7,000	—
Exchequer grant undrawn	(2,751)	(1)
Net liability to the Exchequer	7,429	364
Represented by:		
Debtors		
Bank and cash	33,405	27,672
Debit balances: suspense	600	3,558
	34,005	31,230
Creditors		
Due to State	(6,994)	(6,094)
Credit balances: suspense	(19,582)	(24,772)
	(26,576)	(30,866)
	7,429	364

2.9 Commitments

(a) Global commitments at 31 December	**2015 €000**	**2014 €000**
Total of legally enforceable commitments	2,103	2,111

There were commitments outstanding at the end of 2015 in respect of rental of leased properties and associated service charges – longer term leases would normally have a specific provision or minimum notice period for early termination. Figures have not been included for such commitments in this account but they are estimated to be €98 million in 2016 (2015: €94 million).

(b) Multi-annual capital commitments

The following table details expenditure in 2015 and commitments to be met in subsequent years on foot of capital projects where legally enforceable contracts were in place at 31 December 2015.

	2015 €000	**2014 €000**
Expenditure	84,754	101,549
Commitments to be met in subsequent years (2016 – 2018)	101,780	138,325

(c) Major capital projects

Expenditure was incurred on twelve ongoing major projects during 2015 where the total estimated cost of the individual project will exceed €6.5 million. Particulars of these projects are as follows:

Project	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend of project 2015 €000	Expected total spend of project 2014 €000
Flood risk management					
Mallow North	19,709	92	2,917	22,718	22,718
Mallow South	10,560	1,043	2,410	14,013	14,013
Clonmel West	23,757	807	436	25,000	25,000
Clonmel North	15,182	42	3,491	18,715	18,715
Fermoy North	8,024	171	1,702	9,897	9,897
Fermoy South	19,642	463	9,412	29,517	29,517
River Dodder (tidal)	12,521	161	3,359	16,041	16,041
River Dodder (fluvial scheme)	3,343	2,891	2,791	9,025	9,025
Ennis Lower	14,844	1,270	2,531	18,645	18,645
Bray	15,190	12,444	18,366	46,000	46,000
Waterford	11,211	2,542	4,247	18,000	18,000
Subtotal	153,983	21,926	51,662	227,571	227,571
Estate portfolio management					
Knockmaun House	—	6,036	3,125	9,161	—
	153,983	27,962	54,787	236,732	227,571

(d) Capital cost of public private partnership project

	Cumulative Expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Legally enforceable commitments to be met in subsequent years €000	Project Total 2015 €000	Project Total 2014 €000
Convention Centre Dublin	112,287	27,502	140,439	280,228	280,228

The expenditure in 2015 represents repayment of the capital cost of the asset, excluding the cost of PPP financing.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Flood Risk Management**			
A.1	Administration - pay	7,123	7,124	6,665
A.2	Administration - non pay	2,068	2,367	1,598
A.3	Purchase of plant and machinery	1,950	1,902	821
A.4	Hydrometric and hydrological investigation and monitoring	936	700	1,001
A.5	Flood risk management	61,284	48,369	43,537
A.6	Drainage maintenance	14,454	14,862	16,025
		87,815	**75,324**	**69,647**

Significant variations

Overall, the expenditure in relation to the Programme A was €12.49 million less than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Hydrometric and hydrological investigation and monitoring	236	The saving arose due to staff vacancies and the postponed procurement of Catchment Flood Risk Assessment and Management related monitoring equipment.
Flood risk management	12,915	The saving was due to changing timelines in progressing construction works on flood relief schemes. These works are expected to commence in 2016.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Estate Portfolio Management**			
B.1	Administration – pay	26,987	24,938	24,802
B.2	Administration - non pay	5,713	6,397	5,802
B.3	President's household staff	824	798	771
B.4	Grants for certain refurbishment works	250	250	250
B.5	Purchase of sites and buildings	500	3,512	709
B.6	New works, alterations and additions	44,250	46,802	46,877
B.7	Property maintenance and supplies	55,190	57,382	55,675
B.8	Rents	86,064	87,081	94,302
B.9	Service charges and utilities	10,923	9,648	1,721
B.10	Unitary payments	41,200	39,916	43,208
B.11	Heritage services	37,437	37,798	37,075
B.12	Government publication services	221	230	169
		309,559	**314,752**	**311,361**

From 2015 service charges are being accounted for under B.9. They were previously accounted for under B.8 Rents.

Significant variations

Overall, the expenditure in relation to Programme B was €5.19 million higher than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Purchase of sites and buildings	(3,012)	The additional investment was incurred on the acquisition of a new property used for the Department of Social Protection office.
New works, alterations and additions	(2,552)	The additional investment was incurred on a number of projects and programmes. The excess was funded by virement from other savings on the Vote.
Service charges and utilities	1,275	The savings arose from a number of sources including a successful property disposal programme which decreased expenditure and resulted in a refund of credits.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Rents, licence fees, etc.	3,040	3,813	3,943
2.	Events and facilities management	1,530	2,606	2,068
3.	Receipts for Government publication services	630	861	746
4.	Recoveries for services carried out on repayment or agency basis	7,199	7,653	7,442
5.	Sales at national monuments and historic properties	1,250	1,114	935
6.	Admission charges at national monuments and historic properties	6,230	6,222	5,853
7.	Miscellaneous, including fees, interest and disposals etc	3,320	4,086	2,026
8.	Receipts from pension-related deduction on public service remuneration	4,327	4,053	4,214
	Total	27,526	30,408	27,227

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than provided €000	Explanation
Rents, licence fees, etc.	(773)	The excess was due to the timing of lodgements in relation to licence fees.
Events and facilities management	(1,076)	The excess was due to increased revenue generating activity at Dublin Castle and Kilkenny Castle.
Receipts for Government publication services	(231)	The increase in receipts is due to one-off additional revenue from Iris Oifigiuil advertising.
Recoveries for services carried out on repayment or agency basis	(454)	The increase in receipts is due to additional receipts for the Social Insurance Fund and Agency Fees.
Sales at national monuments and historic properties	136	The shortfall in receipts relates to outstanding concession fees at year end.
Miscellaneous, including fees, interest and disposals etc	(766)	The increase in miscellaneous receipts is due to the sale of state property.
Receipts from pension-related deduction on public service remuneration	274	The shortfall was due to an increase in the annual PRD exemption threshold.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	—	0.2
Receipts from sale of state property	—	1.7
Balances on dormant suspense accounts	4.4	—
Transferred to Exchequer	(4.4)	(1.9)
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Civil service grades	572	550
OPW specific grades	976	1,015
	1,548	1,565

	2015 €000	2014 €000
Pay	73,202	73,142
Higher, special or additional duties allowance		
Civil service grades	217	240
OPW specific grades	430	453
Overtime		
Civil service Grades	99	111
OPW specific grades	2,779	2,891
Extra attendance, shift and roster		
OPW specific grades	2,195	2,153
Employer's PRSI	6,528	6,515
Total pay	**85,450**	**85,505**

The total pay figure is inclusive of pay in programme subheads A.1, A.4, A.5, A.6, B.1, B.3, B.7, and B.11 and includes pay for an additional 394 temporary and seasonal staff in 2015 (2014: 490 additional staff).

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties				
Civil service grades	70	3	16,066	11,424
OPW specific grades	733	1	18,252	17,041
Overtime				
Civil service grades	29	1	16,164	12,022
OPW specific grades	861	80	33,475	27,084
Extra attendance, shift and roster				
OPW specific grades	715	20	21,463	15,452
Number of individuals who received extra remuneration in more than one category				
Civil service grades	2	1	23,372	13,997
OPW specific grades	849	122	34,150	32,375

5.2 Overpayments

The amount of overpayments arising in 2015 was €78,442 in relation to 71 individual cases. Of this, €49,397 has been recouped. The amount of overpayments arising in 2014 was €48,529 in relation to 47 individual cases of which €40,521 has been recovered to date.

5.3 Other remuneration arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €43,734.

6 Miscellaneous

6.1 Legal costs

	Number of cases	Legal costs paid by the department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees						
Personal injury claims settled in 2015	2	—	—	43	43	260
Settled in a previous year or ongoing	4	69	62	—	131	—
Claims by members of the public						
Personal injury claims settled in 2015	11	39	111	387	537	502
Settled in a previous year or ongoing	13	56	126	—	182	—
Loss or damage claims settled in 2015	6	—	—	4	4	7
Other						
Legal costs in relation to High Court judgement	1	—	240	—	240	4,669
		164	539	434	1,137	5,438

6.2 Contingent Liability

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

6.3 Provision of Agency Services

In addition to expenditure on Vote 13, the OPW also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the OPW by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2015 was €118.9 million of which the main areas of expenditure were major capital works (€79 million), schools programme (€6 million), maintenance works (€3 million), leasing of accommodation (€12 million), local loans (€5 million) and property management (€9 million).

The Office also performs specific roles not attracting OPW voted funds which demand input and resources on a continuing basis e.g. advising on architectural matters, developing sustainable energy options, conducting universal access audits, examining flood protection proposals, the sourcing, assessment, acquisition and construction of sites for primary schools, procurement issues related to specific projects, art management within the State and the sale of state property.

6.4 Interest and Compensation

Penalty interest and compensation payments amounting to €17,741 were made by OPW in 2015 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2014: €18,106). The total value of payments made by OPW in 2015 amounted to €385 million and the total number of reckonable payments were 79,157.

6.5 Services supplied to Departments and Offices 2015 (Subhead B8 Rents)

Departments, etc	2015 Estimate provision	2015 Outturn	2014 Outturn
	€000	€000	€000
Houses of the Oireachtas	949	648	1,040
Taoiseach	56	—	61
Attorney General	75	94	82
Central Statistics Office	605	624	663
Director of Public Prosecutions	1,227	1,016	1,344
Chief State Solicitor's Office	672	658	736
Finance	88	289	97
Comptroller and Auditor General	459	516	650
Revenue Commissioners	14,960	14,354	16,393
Public Expenditure and Reform	989	1,113	1,084
Office of Public Works	4,252	2,664	4,180
Valuation Office	666	510	729
Public Appointments Service	1,794	1,935	1,966
Shared Services	497	818	545
Ombudsman	993	1,056	1,088
Garda Síochána	7,441	8,294	8,153
Prisons	129	133	142
Courts Service	601	659	658
Property Registration Authority	242	191	265
Justice and Equality	9,728	10,013	10,857
Environment, Community and Local Government	660	350	724
Education and Skills	3,244	3,188	3,555
Foreign Affairs and Trade	3,658	3,990	4,161
Communications, Energy and Natural Resources	3,244	3,531	3,554
Agriculture, Food and the Marine	2,231	2,304	2,444
Transport, Tourism and Sport	3,499	3,275	3,833
Jobs, Enterprise and Innovation	5,197	5,641	5,695
Arts, Heritage and the Gaeltacht	1,777	1,885	1,837
National Gallery [a]	—	—	110
Defence	293	174	321
Social Protection	12,113	13,436	13,451
Health	1,287	1,215	1,311
Health Services Executive [a]	—	—	99
Children and Youth Affairs	1,985	2,036	2,175
Office of Government Procurement	273	465	299
Irish Human Rights and Equality Authority Commission [b]	180	6	—
Total	**86,064**	**87,081**	**94,302**

[a] The National Gallery Vote and Health Service Executive Vote ceased to exist in 2014.

[b] The Irish Human Rights and Equality Authority Commission Vote was created in 2015.

Appropriation Account 2015

Vote 14

State Laboratory

Introduction

As Accounting Officer for Vote 14, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2015 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €311,495 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Motor Vehicles are depreciated at a rate of 20% per annum on a straight line basis.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the State Laboratory. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the State Laboratory and the National Shared Service Office for the provision of payroll shared services and human resource shared services.

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the State Laboratory
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the State Laboratory ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Following a malware attack in July 2015, contingency procedures were in operation for a period of fourteen weeks.

Internal Audit and Audit Committee

I confirm that the State Laboratory has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the State Laboratory is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Ita Kinahan
Accounting Officer
State Laboratory

29 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 14 State Laboratory

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by the State Laboratory and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 14 State Laboratory for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the State Laboratory. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

11 May 2016

Vote 14 State Laboratory

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Government analytical laboratory and advisory service	8,900	8,626	8,312
	Gross expenditure	**8,900**	**8,626**	**8,312**
	Deduct			
B	**Appropriations-in-aid**	**851**	**888**	**1,085**
	Net expenditure	**8,049**	**7,738**	**7,227**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	311,495	568,343

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	5,200	4,948	4,819
ii	Travel and subsistence	35	31	26
iii	Training and development and incidental expenses	229	226	228
iv	Postal and telecommunications services	70	61	60
v	Office equipment and external IT services	1,865	1,868	1,794
vi	Office premises expenses	1,487	1,478	1,372
vii	Consultancy services and value for money and policy reviews	14	14	13
		8,900	8,626	8,312

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		4,948	4,819
Non pay		3,678	3,493
Gross expenditure		**8,626**	**8,312**
Deduct			
Appropriations-in-aid		**888**	**1,085**
Net expenditure		**7,738**	**7,227**
Changes in capital assets			
Purchases cash	(767)		
Depreciation	579		
		(188)	190
Changes in net current assets			
Increase in closing accruals	155		
Increase in stock	(3)		
		152	(19)
Direct expenditure		**7,702**	**7,398**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,061	893
Notional rents		1,485	1,302
Total Operating Cost		**10,248**	**9,593**

1.1 Net Allied Services Expenditure

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

		2015	2014
		€000	€000
Vote 7 Finance	e	—	16
Vote 12 Superannuation and Retired Allowances	e	1,054	873
Vote 18 Shared Services	e	7	4
		1,061	**893**

“e” indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**1,299**	**1,111**
Current assets			
Bank and cash	2.3	237	72
Stocks	2.4	162	159
Prepayments		548	643
Accrued income		61	53
Other debit balances	2.5	18	108
Total current assets		**1,026**	**1,035**
Less current liabilities			
Accrued expenses		134	66
Other credit balances	2.6	250	187
Net liability to the Exchequer	2.7	5	(7)
Total current liabilities		**389**	**246**
Net current assets		**637**	**789**
Net assets		**1,936**	**1,900**
Represented by:			
State funding account	2.1	**1,936**	**1,900**

2.1 State Funding Account

	Note	€000	2015 €000	2014 €000
Balance at 1 January			1,900	2,071
Disbursements from the Vote				
Estimate provision	Account	8,049		
Surplus to be surrendered	Account	(311)		
Net vote			7,738	7,227
Expenditure (cash) borne elsewhere	1		1,061	893
Non cash expenditure – notional rent	1		1,485	1,302
Net programme cost	1		(10,248)	(9,593)
Balance at 31 December			**1,936**	**1,900**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	12,412	538	20	12,970
Additions	767	—	—	767
Disposals	(63)	—	—	(63)
Cost or valuation at 31 December 2015	13,116	538	20	13,674
Accumulated depreciation				
Opening balance at 1 January 2015	11,310	529	20	11,859
Depreciation for the year	571	8	—	579
Depreciation on disposals	(63)	—	—	(63)
Cumulative depreciation at 31 December 2015	11,818	537	20	12,375
Net assets at 31 December 2015	**1,298**	**1**	**—**	**1,299**
Net assets at 31 December 2014	**1,102**	**9**	**—**	**1,111**

2.3 Banks and Cash at 31 December	**2015** €000	**2014** €000
PMG balance	232	70
Commercial bank account balance	5	2
	237	72

2.4 Stocks at 31 December	**2015** €000	**2014** €000
Chemicals and laboratory consumables	138	140
Stationery and IT consumables	24	19
	162	159

2.5 Other Debit Balances at 31 December	**2015** €000	**2014** €000
Recoupable salaries	5	91
Recoupable travel pass scheme expenditure	12	14
Recoupable cycle to work scheme	1	3
	18	108

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the state		
Income Tax	86	50
Pay Related Social Insurance	53	30
Universal Social Charge	29	18
Local Property Tax	1	1
Value Added Tax on intra-EU acquisitions	25	52
	194	151
Payroll deductions held in suspense	56	36
	250	187

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	311	568
Exchequer grant undrawn	(306)	(575)
Net Exchequer funding due	5	(7)
Represented by:		
Debtors		
Bank and Cash	237	72
Debit balances: suspense	18	108
	255	180
Creditors		
Due to State	(194)	(151)
Credit balances: suspense	(56)	(36)
	(250)	(187)
	5	(7)

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	52	54

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Government Analytical Laboratory and Advisory Service**			
A.1	Administration - pay	5,200	4,948	4,819
A.2	Administration - non pay	3,700	3,678	3,493
		8,900	8,626	8,312

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts for various analyses, examinations, tests etc.	550	604	799
2.	Receipts from pension-related deductions on public service remuneration	300	283	284
3.	Miscellaneous receipts – Haddington Road	1	1	2
	Total	**851**	**888**	**1,085**

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	82	79

	2015	2014
	€000	€000
Pay	4,616	4,512
Higher, special or additional duties allowance	19	19
Overtime	—	—
Employer's PRSI	313	288
Total Pay	**4,948**	**4,819**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	6	1	12,665	11,157

5.2 Performance and Merit Payments

Under the terms of the AHCPS 1% PCW restructuring agreement, 12 officers received special service payments. The total amount paid was €22,957.

Appropriation Account 2015

Vote 15

Secret Service

Introduction

As Accounting Officer for Vote 15, 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 2015 for the Secret Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015.

A surplus of €364,856 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 3 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Statement on Internal Financial Control

The Statement on Internal Financial Control made in respect of the Department of Public Expenditure and Reform also applies in relation to the issue of payments from this Vote.

Prescribed arrangements are in place with the Department of Justice and Equality and the Department of Defence for the drawdown of moneys from the Secret Service Vote and for the annual certification by the relevant Ministers of moneys actually expended during the year, as well as balances at year end.

Robert Watt
Accounting Officer

9 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 15 Secret Service

I have audited the appropriation account for Vote 15 Secret Service for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I have been furnished for the purposes of this audit with certificates from the Minister for Justice and Equality and the Minister for Defence which support the expenditure from the Vote.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 15 Secret Service for the year ended 31 December 2015.

Seamus McCarthy
Comptroller and Auditor General

28 April 2016

Vote 15 Secret Service

Appropriation Account 2015

	2015		2014
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Secret Service	1,000	635	593
	1,000	**635**	**593**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	364,856	406,777

Notes to the Appropriation Account

1 Operating Cost Statement 2015

The note is not applicable in the case of the Secret Service Vote.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Current assets			
Sub-account balances		302	367
Net Exchequer funding due	2.2	64	(78)
Total current assets		**366**	**289**
Less current liabilities			
PMG balance		366	289
Other credit balances		—	—
Total current liabilities		**366**	**289**
Net assets		—	—
Represented by:			
State funding account	2.1	—	—

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	1,000		
Surplus to be surrendered	Account	(365)		
Net vote			635	593
Net programme cost			(635)	(593)
Balance at 31 December			—	—

2.2 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	365	407
Exchequer grant undrawn	(429)	(329)
Net Exchequer funding due	(64)	78
Represented by:		
Debtors		
Sub-account balances	302	367
Creditors		
Net PMG balance	(366)	(289)
	(64)	78

3 Variations in Expenditure

The estimate is necessarily conjectural.

Appropriation Account 2015

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2015 for the salaries and expenses of the Valuation Office and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.95 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.

New legislation

The Valuation (Amendment) Act 2015 was enacted on 8 June 2015 and introduced a number of amendments to the 2001 legislation, including the following

- Removal of the requirement to submit an appeal to the Commissioner of Valuation prior to submitting an appeal to the Valuation Tribunal. Appeals should now be submitted to the Valuation Tribunal in the first instance.
- Introduction of a provision for the carrying out of the valuation by the occupier of each property concerned, within a specific local authority area, and the procedure to be followed for those purposes.
- The Commissioner of Valuation may appoint a person, who is not an officer of the Commissioner, to carry out the valuation of each property in a specified local authority area.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

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 Valuation Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. 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.

Human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also, and is responsible for the operation of controls within the shared service centres. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Valuation Office and the National Shared Service Office for the provision of human resource services.

The Accounting Officer for shared services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are

being conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operate effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for shared services.

Financial control environment

I confirm that a control environment containing 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
- procedures are in place 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.

Administrative controls and management reporting

I confirm that 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 Valuation 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
- the Valuation Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. One exception, with a value of €84,978, arose during 2015 relating to Ordnance Survey Ireland and the provision of mapping services and has been reported under Circular 40/2002. This exception arose because there was only a single suitable supplier available for this service.

Internal Audit and Audit Committee

I confirm that the Valuation Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Valuation Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

John O'Sullivan
Accounting Officer
Valuation Office

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 16 Valuation Office for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Valuation Office. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

21 September 2016

Vote 16 Valuation Office

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of a State valuation service	9,707	7,889	7,863
B	Administration services for the Valuation Tribunal	687	633	432
	Gross expenditure	**10,394**	**8,522**	**8,295**
	Deduct			
C	**Appropriations-in-aid**	**1,249**	**1,325**	**1,639**
	Net expenditure	**9,145**	**7,197**	**6,656**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,948,461	2,248,406

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	7,682	7,024	6,898
ii	Travel and subsistence	250	118	182
iii	Training and development and incidental expenses	219	209	270
iv	Postal and telecommunications services	100	49	103
v	Office equipment and external IT services	630	651	475
vi	Office premises expenses	160	100	115
vii	Consultancy services and value for money and policy reviews	50	12	11
		9,091	8,163	8,054

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		359	241
Pay		7,024	6,898
Non pay		1,139	1,156
Gross expenditure		**8,522**	**8,295**
Deduct			
Appropriations-in-aid		**1,325**	**1,639**
Net expenditure		**7,197**	**6,656**
Changes in capital assets			
Purchases cash	(66)		
Depreciation	140		
Loss on disposals	125		
		199	232
Changes in assets under development			
Cash payments		(134)	(161)
Changes in net current assets			
Decrease in closing accruals	(48)		
Decrease in stock	1		
		(47)	(82)
Direct expenditure		**7,215**	**6,645**
Net allied services expenditure (note 1.1)		4,442	4,492
Net programme cost		**11,657**	**11,137**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 16 borne elsewhere.

		2015	2014
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	3,680	3,639
Vote 13 Office of Public Works	e	762	853
		4,442	4,492

'*e*' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**384**	**449**
Capital assets under development	2.3	**—**	**—**
		384	**449**
Current assets			
Bank and Cash	2.4	170	(153)
Stocks	2.5	38	39
Prepayments		111	105
Accrued income		140	91
Other debit balances	2.6	83	213
Total current assets		**542**	**295**
Less current liabilities			
Accrued expenses		88	103
Deferred income		95	73
Other credit balances	2.7	230	155
Net liability to the Exchequer	2.8	23	(95)
Total current liabilities		**436**	**236**
Net current assets		106	59
Net assets		**490**	**508**
Represented by:			
State funding account	2.1	**490**	**508**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			508	504
Disbursements from the Vote				
Estimate provision	Account	9,145		
Surplus to be surrendered	Account	(1,948)		
Net vote			7,197	6,656
Expenditure (cash) borne elsewhere	1.1		4,442	4,492
Fixed assets adjustment			—	(7)
Net programme cost			(11,657)	(11,137)
Balance at 31 December			**490**	**508**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	1,683	1,118	2,801
Additions	200	—	200
Disposals	(366)	—	(366)
Cost or valuation at 31 December 2015	1,517	1,118	2,635
Accumulated depreciation			
Opening balance at 1 January 2015	1,304	1,048	2,352
Depreciation for the year	129	11	140
Depreciation on disposals	(241)	—	(241)
Cumulative depreciation at 31 December 2015	1,192	1,059	2,251
Net assets at 31 December 2015	**325**	**59**	**384**
Net assets at 31 December 2014	**379**	**70**	**449**

2.3 Capital assets under development

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2015	—
Transferred to capital assets	(134)
Cash payments for the year	134
Amounts carried forward at 31 December 2015	—

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	94	(171)
Commercial bank account balance	76	18
	170	(153)

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Consumable stocks	38	39
	38	39

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable travel pass scheme	59	54
Recoupable prefunding Office of Public Works	16	16
Payroll advance	8	143
	83	213

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	152	105
Pay Related Social Insurance	65	44
Value Added Tax	1	—
Professional Services Withholding Tax	7	6
	225	155
Appeal fees refunds outstanding	5	—
	230	155

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,949	2,248
Exchequer grant undrawn	(1,926)	(2,343)
Net liability to the exchequer	23	(95)
Represented by:		
Debtors		
Bank and cash	170	(153)
Debit balances: suspense	83	213
	253	60
Creditors		
Due to State	(225)	(155)
Credit balances: suspense	(5)	—
	(230)	(155)
	23	(95)

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	115	74

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Provision of a State Valuation Service**			
A.1	Administration - pay	7,225	6,730	6,661
A.2	Administration - non pay	1,409	1,139	1,156
A.3	Fees to counsel and other legal expenses	73	20	46
A.4	National revaluation projects	1,000	—	—
		9,707	7,889	7,863

Significant variations

Overall, the gross expenditure in relation to Programme A was €1.82 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – pay	495	More staff opted for retirement during 2015 than had been anticipated and that, coupled with an increase in the number of staff availing of career breaks and other family-friendly policies, yielded unexpected savings in pay during 2015. In addition, a recruitment campaign for valuer staff had been planned for the third quarter of 2015 but was deferred until early 2016.
Administration – non pay	270	The outturn for 2015 on some of the non pay subheads was lower than anticipated as a result of the concentration of the national revaluation programme being on appeals to the Commissioner in relation to the Limerick area during the year and the appeals to the Tribunal in relation to Dublin and Waterford. This resulted in lower than anticipated spending on travel and subsistence expenses in particular. Expenditure on consultancy was kept to a minimum in 2015 yielding some savings on this subhead.
National revaluation projects	1,000	Expenditure on specific national revaluation projects in 2015 was contingent on the commencement of two pilot projects which were contingent on the enactment of enabling legislation. This legislation was enacted in July 2015 and arrangements were in train at year end to progress both projects.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Administration Services for the Valuation Tribunal**			
B.1	Administration – pay	457	294	237
B.2	Administration – non pay	—	—	—
B.3	Valuation Tribunal	230	339	195
		687	633	432

Significant variations

Overall, the gross expenditure in relation to Programme B was €54,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - pay	163	While there was a substantial increase in the number of hearings by the Tribunal in respect of the revaluation of Dublin City and Waterford City and County, fewer administration staff were required than originally anticipated. Provision had been made to engage staff on a temporary basis on the expectation of an increase in the administration burden of the Tribunal.
Valuation Tribunal	(109)	There was a substantial increase in the number of hearings by the Tribunal in respect of the revaluation of Dublin City and Waterford City and County. The overrun in this area reflects additional costs paid to members of the Tribunal in respect of those hearings.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Valuation Tribunal appeal fees	80	39	232
2.	Valuation certificates	120	108	118
3.	Valuation revision fees	600	712	612
4.	Fees from appeals to the Commissioner	—	39	258
5.	Miscellaneous receipts	65	18	10
6.	Receipts from pension related deduction on public service remuneration	384	409	409
	Total	1,249	1,325	1,639

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Valuation revision fees	(112)	Revision fee intake was higher than estimated in 2015 due to a focus on revision work in the nine areas where revaluation will be carried out in 2016 - 2017.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	116	120

	2015 €000	2014 €000
Pay	6,448	6,330
Higher, special or additional duties allowance	145	153
Overtime	7	10
Employer's PRSI	424	405
Total Pay	**7,024**	**6,898**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	27	1	18,476	33,452
Other allowances	25	—	4,693	860
Overtime	5	—	5,881	5,260
Number of individuals who received extra remuneration in more than one category	21	2	18,476	33,452

5.2 Other Remuneration Arrangements

Payments of €3,250 were paid to two retired civil servants who were employed on contract on specialised tasks.

6 Miscellaneous Items

6.1 Legal costs

					2015	2014
	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by members of the public						
Cost awarded arising from appeals to the valuation tribunal	2	—	20	—	20	46

6.2 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to proceed with the merger of the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The Chief Executive Designate for the new organisation was appointed on 1 July 2013 and he has since been working towards the development of a detailed plan for the establishment of the new entity, proposed to be called Tailte Éireann. Subject to the passing of necessary legislation, the governing structure of Tailte Éireann will have a statutory board. Each of the core functions of Tailte Éireann (registration, valuation and survey) will be headed by a statutory officer who will report to the Chief Executive who, in turn, will report to the Board. Staff of the new organisation will be civil servants and the organisation will be funded through a Vote structure. The merger is not expected to have an impact on the carrying value of the Valuation Office assets or liabilities.

Appropriation Account 2015

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2015 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €195,848 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 have been applied in the preparation of the account.

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 Public Appointments Service.

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

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Public Appointments Service and the National Shared Service Office for the provision of payroll shared service.

I rely on a letter of assurance from the accounting officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of payroll shared services to the Public Appointments Service.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 Public Appointments Service
- There are systems aimed at ensuring the security of the ICT systems
- There are appropriate capital investment control guidelines and formal project management disciplines
- The Public Appointments Service ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. Two exceptions, with a combined value of €151,544, arose during 2015. Both related to Oracle support and software licensing and have been reported under Circular 40/2002. These two exceptions arose because there was only a single suitable supplier available for the proprietary software.

Internal Audit and Audit Committee

I confirm that the Public Appointments Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Public Appointments Service is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Fiona Tierney
Accounting Officer
Public Appointments Service

24 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by the Public Appointments Service and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 17 Public Appointments Service for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Public Appointments Service. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

10 May 2016

Vote 17 Public Appointments Service
Appropriation Account 2015

			2015	2014
			Estimate provision	Outturn
			€000	€000	€000
Programme expenditure					
A	Civil and Public Service - Redeployment/Recruitment/Selection				
	Original	8,525			
	Supplementary	380			
			8,905	**8,802**	**7,169**
	Gross expenditure				
	Original	8,525			
	Supplementary	380			
			8,905	**8,802**	**7,169**
	Deduct				
B	**Appropriations-in-aid**		**321**	**414**	**337**
	Net expenditure				
	Original	8,204			
	Supplementary	380			
			8,584	**8,388**	**6,832**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	195,848	154,866

Analysis of administration expenditure

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		5,789	5,218	4,437
ii	Travel and subsistence		45	86	55
iii	Training and development and incidental expenses				
	Original	60			
	Supplementary	50	110	281	174
iv	Postal and telecommunications services		120	109	117
v	Office equipment and external IT services		850	748	847
vi	Office premises expenses		260	184	215
vii	Recruitment costs – research and corporate governance		35	56	13
viii	Recruitment costs – advertising and testing		856	1,023	761
ix	Recruitment costs – interview boards				
	Original	510			
	Supplementary	330	840	1,097	550
			8,905	8,802	7,169

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		5,218	4,437
Non pay		3,584	2,732
Gross expenditure		**8,802**	**7,169**
Deduct			
Appropriations-in-aid		**414**	**337**
Net expenditure		**8,388**	**6,832**
Changes in capital assets			
Purchases cash	(144)		
Depreciation	456		
		312	391
Changes in net current assets			
Increase in closing accruals	76		
Decrease in stock	5		
		81	(204)
Direct expenditure		**8,781**	**7,019**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,186	3,130
Net programme cost		**11,967**	**10,149**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

		2015	2014
		€000	€000
Vote 7 Finance	e	—	21
Vote 9 Office of the Revenue Commissioners	e	45	45
Vote 12 Superannuation and Retired Allowances	e	898	905
Vote 13 Office of Public Works	e	2,232	2,154
Vote 18 Shared Services		11	5
		3,186	3,130

"e" indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**1,170**	**1,482**
Current assets			
Bank and cash	2.3	129	79
Stocks	2.4	147	152
Prepayments		339	358
Accrued income		50	112
Other debit balances	2.5	81	116
Net Exchequer funding due	2.6	38	(40)
Total current assets		**784**	**777**
Less current liabilities			
Accrued expenses		87	92
Other credit balances	2.7	248	155
Total current liabilities		**335**	**247**
Net current assets		449	530
Net assets		**1,619**	**2,012**
Represented by:			
State funding account	2.1	**1,619**	**2,012**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			2,012	2,199
Disbursements from the Vote				
Estimate provision	Account	8,584		
Surplus to be surrendered	Account	(196)		
Net vote			8,388	6,832
Expenditure (cash) borne elsewhere	1.1		954	976
Non cash expenditure – notional rent	1.1		2,232	2,154
Net programme cost	1		(11,967)	(10,149)
Balance at 31 December			**1,619**	**2,012**

2.2 Capital Assets

	Office and IT equipment	Furniture and fittings	Building Improvement	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	8,576	653	692	9,921
Additions	130	14	—	144
Disposals	(107)	—	(1)	(108)
Cost or valuation at 31 December 2015	8,599	667	691	9,957
Accumulated depreciation				
Opening balance at 1 January 2015	7,153	594	692	8,439
Depreciation for the year	440	16	—	456
Depreciation on disposals	(107)	—	(1)	(108)
Cumulative depreciation at 31 December 2015	7,486	610	691	8,787
Net assets at 31 December 2015	**1,113**	**57**	**—**	**1,170**
Net assets at 31 December 2014	**1,423**	**59**	**—**	**1,482**

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	119	35
Commercial bank account balance	10	43
Petty cash	—	1
	129	79

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Test materials	125	129
IT consumables/stationery	22	23
	147	152

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Salary suspense	20	92
Advances to OPW	11	—
Recoupable travel pass scheme	48	23
Other debit balance suspense items	2	1
	81	116

2.6 Net Liability to the Exchequer

at 31 December	2015 €000	2014 €000
Surplus to be surrendered	196	155
Exchequer grant undrawn	(234)	(115)
Net liability from the Exchequer	(38)	40
Represented by:		
Debtors		
Bank and cash	129	79
Debit balances - suspense	81	116
	210	195
Creditors		
Due to State	(236)	(154)
Credit balances suspense	(12)	(1)
	(38)	40

2.7 Other Credit Balances at 31 December	2015 €000	2014 €000
Amounts due to the State		
Income Tax	148	92
Pay Related Social Insurance	65	39
Local Property Tax	1	1
Professional Services Withholding Tax	7	7
Value Added Tax	15	15
	236	154
Credit balances - suspense	12	1
	248	155

2.8 Commitments at 31 December	2015 €000	2014 €000
Total of legally enforceable commitments	112	103

3 Programme Expenditure by Subhead

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A	**Civil and Public Service-Redeployment/Recruitment/Selection**				
A.1	Administration - pay		5,789	5,218	4,437
A.2	Administration - non pay				
	Original	2,736			
	Supplementary	380	3,116	3,584	2,732
			8,905	8,802	7,169

Explanation of significant variations

Overall, the expenditure in relation to Programme A was €103,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than estimated €000	Explanation
Administration pay	571	The higher activity level required the reallocation of available funds from pay to non pay and as a consequence certain planned additions were deferred into 2016
Administration-non pay	(468)	The Public Appointments Service's core recruitment activities are demand led and in 2015 it experienced a significantly higher than anticipated level of demand across all of its work areas leading to an outturn 30% greater than the original estimate. The office's planning systems allowed it to anticipate the over spend and as a consequence certain additional new staff hires were deferred into 2016. The resulting surplus in its staff costs was then used to offset the deficit in recruitment costs thereby allowing for a supplementary estimate that, at €380,000 was less than the absolute amount of the recruitment overspend.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	25	131	89
2.	Receipts from pension-related deductions on public service remuneration	296	283	248
		321	414	337

Explanation of significant variations

An explanation is provided in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Miscellaneous	(106)	Receipts due in 2014 in relation to reimbursements of certain expenses by clients were received in 2015 and as such were treated as appropriation in aid

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	113	92

	2015 €000	2014 €000
Pay	4,728	4,031
Higher, special or additional duties allowance	43	69
Overtime	81	57
Employer's PRSI	366	280
Total Pay	**5,218**	**4,437**

The staff compliment, at full time equivalent, as per the revised estimates was 107 while the outturn was 113. The Expenditure Control Framework did not apply in 2015, having been removed in that year's budget and subsequently replaced by delegated sanction allowing for staffing adjustments up to and including principal officer level within the estimate provided.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	11	—	1,898	6,339
Other allowances	10	—	8,320	7,626
Overtime and extra attendance	81	2	11,567	10,220
No of individuals who received extra remuneration in more than one category	13	2	14,779	16,558

5.2 Other Remuneration Arrangements

A total of €26,291 was paid as fees to four members of the Board of Public Appointments Service in 2015 (2014: €26,291).

5.3 Payroll overpayments

Overpayments at the year end were €2,775 (1 case) (2014 €1,037, 2 cases). Of this €2,775 have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

					2015	2014
	Number of cases	Legal costs paid by the Service	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by members of the public						
Injunction proceedings in relation to the constitution of an interview panel.	1	—	21	—	21	2

Appropriation Account 2015

Vote 18

Shared Services

Introduction

As Secretary General of the Department of Public Expenditure and Reform, I am the Accounting Officer for Vote 18. I am required 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 2015 for the salaries and expenses of Shared Services.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
(b) provided for capital supply services in 2015 out of the unspent 2014 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €16.79 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 have been applied in the preparation of the account except for the following.

Stock policy

The Department of Finance (Vote 7), Department of Public Expenditure and Reform (Vote 11), Shared Service (Vote 18) and the Office of Government Procurement (Vote 39) share IT consumable stocks. They are allocated on the basis of staff numbers in the respective Votes.

For efficiency and convenience reasons, spend on IT consumable stock is recorded under Vote 11. However, as the stock is deemed to be shared, it is included in the operating cost notes to the Accounts of Vote 7, Vote 11, Vote 18 and Vote 39 and is allocated on the basis of staff numbers in the respective Departments.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the National Shared Services Office, which exists on an administrative basis within the Department of Public Expenditure and Reform.

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.

Financial control environment

I confirm that a control environment containing 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
- the Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 18.

Administrative controls and management reporting

I confirm that 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
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office has complied with the guidelines as per my annual return in respect of Circular 40/2002.

Matter for attention - Overpayments

In the 2014 Appropriation Account, I drew attention to the matter of overpayments, which can occur for a number of reasons in any organisation, be it private or public sector. These include, but are not limited to, delays in applying, approving or processing pay-impactful absences, including sick leave absences or other leave arrangements, and errors in calculating allowances, payroll or expenses. Once an organisation becomes a customer of PeoplePoint, the responsibility moving forward for recouping any monies owed transfers to PeoplePoint, while some legacy cases are managed by the relevant PSBs.

The Public Service Sick Leave Scheme, that reduced thresholds and has saved circa €50 million annually across the public sector, has had an unintended consequence of bringing overpayments ‘forward’. The pay-affecting threshold moved from six months to three months, therefore halving the time within which an overpayment could occur, with employees potentially reaching the thresholds of paid sick leave twice as fast. The fact that the payroll is run in advance for Civil Servants means that the timeline to stop payments is greatly reduced. This has impacted significantly on the overpayments value within the system.

A lack of centralised historic information (pre-PeoplePoint) on overpayments within PeoplePoint’s existing customer base means that the previous number and value of overpayments is difficult to accurately conclude.

At the end of 2015, overpayments had been made to 2,969 individuals (4,188 cases), with some cases pre-dating the creation of PeoplePoint in 2013. As stated above, some legacy cases are managed by the relevant PSBs so are not included in these figures. The value of these overpayment cases is €5,869,679. Recoupment plans are in place to recover €3,599,078 of that balance with the remaining €2,270,649 being pursued in collaboration with Departmental Local HR units. The NSSO, through PeoplePoint and the Payroll Shared Services Centre, continue to engage with departments on the early identification and reporting of overpayment cases.

A suite of measures have been put in place by my Department to address the Overpayments issue:

1. A cross-departmental working group was established in October 2014 comprising representatives from local HR, PeoplePoint management, the Civil Service HR Policy Unit, and the Technology Lead chaired by an Assistant Secretary from the Department of Social Protection.

   The Group was tasked with examining the end-to-end overpayment steps and processes, reviewing current practice and volumes, identifying failure points, immediate and short-term actions and identifying process changes to minimise new risks.

   The Group's initial focus was on absence management, where a key root cause identified was linked to the changes in sick leave regulations across the public service.

   The Recoupments team in PeoplePoint was increased to 20 staff from April 2015. This team is focused on ensuring plans are put in place for all overpayments to be paid back as quickly as possible.

2. A root cause analysis of overpayments available from 01/05/2015 to 30/04/2016 found that 82% of overpayments happen because of issues outside PeoplePoint with approximately 43% of the overpayments attributed to employees, line managers and local HR input. A further 32% are caused by inherent overpayments, i.e. unavoidable overpayments where payroll for employees is run in advance of instances of unscheduled absence or leave.

   My Department continues to engage with local HR departments to assist them address the issue of non-compliance with the absence reporting process itself and to have a positive impact on their own Departmental overpayment balance. The improvements in compliance stated above highlight the direct impact of this initiative.

3. A single recoupment policy Circular has been developed and approved and is being applied to all civil servants with effect from March 2015. This policy sets out the standard procedure for recouping money from any staff member when an overpayment occurs. The policy has been communicated to staff via Personnel Officers and is available on the PeoplePoint portal and my Department's website. The policy deals with a number of issues including the principles underpinning the recoupment of overpayments, the recoupment process, non-standard arrangements and repayment options. There is an annual review planned for the Circular in early 2016 and a number of key items have already been flagged for further consideration including, management of hardship cases and the auto recoupment of amounts owed. The National Shared Service Centre Office (NSSO) is also currently involved in the Department of Public Expenditure and Reform's review of the Public Service Sick Leave Circular where the impacts of the complexity of the Temporary Rehabilitation Remuneration (TRR) provisions are being considered.

The remaining key challenges are to substantially reduce the number of overpayments arising and the more effective processing of cases once they arise.

July 2016 update:

While the number of employees serviced by PeoplePoint has increased by 25% since the start of 2014, the number of new cases, while consistently high, c.430 a month has remained consistent. The Overpayments Working Group, which was set up in late 2014, identified a number of interventions in the areas of policy, people, process and technology across the Civil Service which have helped offset the customer increase. From a policy perspective, the reduction thresholds of the new Sickness Leave circular, which has saved €50 million annually across the public sector, has had an unintended consequence of bringing overpayments 'forward'. The fact that the payroll is run in advance for Civil Servants means that the timeline to stop payments is greatly reduced.

An End to End Process Review Group has been created with the NSSO to look for further efficiencies. This document outlines the key actions currently underway in relation to overpayments across the Civil Services

Each key action falls under a focus area of

1. Policy change to the i) Sick leave scheme (e.g. simplify the temporary rehabilitation rate of pay and break in service calculations) and ii) Recoupments circular. Negotiations have commenced with the Unions.
2. Process – reinforce compliance required with Accounting Officer. Secretary Generals to send out guidance note on overpayments to all departments.
3. Technology/Reporting – Continue to enhance reports and automation (e.g. automation of uncertified sick leave cases that are less than 5 days, block HRMS access if return to work forms not completed by manager).

Please note that all current initiatives as set out by the Working Group will continue. However, the focus for Q3 and Q4 at a strategic level is on the 'vital few' interventions (listed above) that will make the biggest difference in;

A. Reducing the inflow of overpayment cases being created
B. Reducing processing time and 'stopping the clock' faster
C. Accelerating the return of monies.

Internal Audit and Audit Committee

The National Shared Services Office (Vote 18) exists on an administrative basis within the Department of Public Expenditure and Reform and I confirm that that Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Robert Watt
Accounting Officer
Shared Services
22 September 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 18 Shared Services

I have audited the appropriation account for Vote 18 Shared Services for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 18 Shared Services for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Public Expenditure and Reform. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

26 September 2016

Vote 18 Shared Services
Appropriation Account 2015

		2015			2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	National shared service office		2,110	1,459	681
B	PeoplePoint				
	Current year provision	14,526			
	Deferred surrender	698	15,224	13,153	13,247
C	Payroll shared services centre				
	Current year provision	16,831			
	Deferred surrender	300	17,131	9,300	7,642
D	Other shared service projects		10,426	2,271	1,675
	Gross expenditure				
	Current year provision	43,893			
	Deferred surrender	998	**44,891**	**26,183**	**23,245**
	Deduct				
E	**Appropriations-in-aid**		**4,860**	**4,193**	**2,955**
	Net expenditure				
	Current year provision	39,033			
	Deferred surrender	998			
			40,031	**21,990**	**20,290**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus to be surrendered	18,040,605	10,290,828
Deferred surrender	(1,248,000)	(998,000)
Surplus to be surrendered	16,792,605	9,292,828

Analysis of administration expenditure

		2015		2014
		Estimate provision	**Outturn**	**Outturn**
		€000	**€000**	**€000**
i	Salaries, wages and allowances	21,633	15,417	11,977
ii	Travel and subsistence	54	67	22
iii	Training and development and incidental expenses	627	586	272
iv	Postal and telecommunications services	797	195	321
v	Office equipment and external IT services	4,248	3,081	1,131
vi	Office premises expenses	484	202	145
vii	Consultancy and other services	—	—	—
		27,843	19,548	13,868

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	Note		2015	2014
		€000	€000	€000
Programme cost			6,635	9,378
Pay			15,417	11,977
Non pay			4,131	1,890
Gross expenditure			**26,183**	**23,245**
Deduct				
Appropriations-in-aid			**4,193**	**2,955**
Net expenditure			**21,990**	**20,290**
Changes in capital assets				
Purchases cash		(116)		
Depreciation		3,329		
			3,213	(1,194)
Changes in assets under development				
Cash payments			(3,816)	(4,898)
Changes in net current assets				
Decrease in closing accruals		(901)		
Increase in stock		(6)		
			(907)	(414)
Direct expenditure			**20,480**	**13,784**
Expenditure borne elsewhere				
Net allied services expenditure	1.1		(1,877)	1,216
Notional rents (non cash)			151	132
Net programme cost			**18,754**	**15,132**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere

		2015	2014
		€000	€000
Vote 7 Finance	e	194	200
Vote 9 Revenue		1	—
Vote 13 Office of Public Works		1,033	1,016
Apportioned cost of shared services for other votes		(3,105)	—
		(1,877)	1,216

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	11,535	2,615
Capital assets under development	2.3	8,439	17,021
		19,974	**19,636**
Current assets			
Bank and cash	2.4	17,528	2,153
Stocks	2.5	18	12
Prepayments		1,288	318
Accrued income		71	21
Other debit balances	2.6	252	167
Total current assets		**19,157**	**2,671**
Less current liabilities			
Accrued expenses		236	116
Other credit balances	2.7	720	506
Client funding/advance balances	2.9	15,804	736
Net liability to the Exchequer	2.8	1,255	1,078
Total current liabilities		**18,015**	**2,436**
Net current assets		**1,142**	**235**
Net assets		**21,116**	**19,871**
Represented by:			
State funding account	2.1	**21,116**	**19,871**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			19,871	1,242
Disbursements from the Vote				
Estimate provision	Account	40,031		
Deferred surrender	Account	(1,248)		
Surplus to be surrendered	Account	(16,793)		
Net vote			21,990	20,290
Expenditure (cash) borne elsewhere	1		(1,877)	1,216
Non cash items – capital assets and depreciation	2.2		(265)	12,123
Non cash expenditure – notional rent	1		151	132
Net programme cost	1		(18,754)	(15,132)
Balance at 31 December			**21,116**	**19,871**

2.2 Capital Assets

	IT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	3,169	456	36	3,661
Adjustment [a]	(1,479)	—	—	(1,479)
Additions	13,509	30	41	13,580
Cost or valuation at 31 December 2015	15,199	486	77	15,762
Accumulated depreciation				
Opening balance at 1 January 2015	953	79	14	1,046
Adjustment [a]	(148)	—	—	(148)
Depreciation for the year	3,265	49	15	3,329
Cumulative depreciation at 31 December 2015	4,070	128	29	4,227
Net Assets at 31 December 2015	**11,129**	**358**	**48**	**11,535**
Net Assets at 31 December 2014	**2,216**	**377**	**22**	**2,615**

[a] The adjustment is necessary to correct the amount and depreciation rate, for certain assets capitalised in error in 2014.

2.3 Capital Assets under Development	**In-house computer applications**	
at 31 December	**2015**	**2014**
	€000	**€000**
Opening balance at 1 January	17,021	—
Cash payments for the year	3,816	4,898
Transfer to capital assets	(12,398)	—
Adjustment	—	12,123
Balance at 31 December	8,439	17,021

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	1,724	1,295
Commercial bank account	15,804	858
	17,528	2,153

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	7	4
IT consumables	11	8
	18	12

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable salaries	9	—
Other debit suspense items	243	167
	252	167

2.7 Other Credit Balances	**2015**	**2014**
At 31 December	**€000**	**€000**
Amounts due to the State		
VAT	—	15
Income Tax	178	95
Pay Related Social Insurance	181	118
Professional Services Withholding Tax	142	146
Pension contributions	58	34
Local Property Tax	3	2
Universal Social Charge	72	46
	634	456
Payroll deductions held in suspense	86	50
	720	506

2.8 Net Liability to the Exchequer	**2015**	**2014**
At 31 December	**€000**	**€000**
Surplus to be surrendered	16,792	9,293
Deferred surrender	1,248	998
Exchequer grant undrawn	(16,785)	(9,213)
Net liability to the Exchequer	1,255	1,078
Represented by:		
Debtors		
Bank and cash	17,527	2,153
Debit balances: suspense	252	167
	17,779	2,320
Creditors		
Due to State	(634)	(456)
Client funding/advance balances	(15,804)	(736)
Credit balances suspense	(86)	(50)
	(16,524)	(1,242)
	1,255	1,078

2.9 Client Funded Payroll Bank Account

Shared Services provides a payroll shared service function to a number of Government departments/offices and agencies. The balance on this account was €15,804,000 at 31 December 2015, all of which represents money lodged to the account by these client offices to cover funding for salaries over the new year period.

2.10 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	4,418	3,518

2.11 Matured Liabilities	**2015**	**2014**
at 31 December	**€000**	**€000**
Estimate of matured liabilities not discharged at year end	3	4

3 Programme Expenditure by Subhead

		2015 Estimate provision €000	2015 Outturn €000	2014 Outturn €000
A	**National Shared Services Office**			
A.1	Administration - pay	1,233	808	501
A.2	Administration - non pay	877	651	180
		2,110	1,459	681

Significant variations

Overall, the expenditure in relation to Programme A was €651,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – pay	425	Savings were driven by the later than anticipated recruitment of staff. The budget anticipated that all posts would be filled by end 2015 and this did not materialise.
Administration – non pay	226	The recruitment delays also impacted on non pay spend. The saving here was also driven by delays in securing new office accommodation for the Corporate Unit.

		2015 Estimate provision €000	2015 Estimate provision €000	2015 Outturn €000	2014 Outturn €000
B	**PeoplePoint**				
B.1	Administration – pay		10,500	9,441	8,605
B.2	Administration – non pay		1,949	1,598	1,008
B.3	Human resources shared services project set-up				
	Current year provision	2,077			
	Deferred surrender	698	2,775	2,114	3,634
			15,224	13,153	13,247

Significant variations

Overall, the expenditure in relation to Programme B was €2.1 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – pay	1,059	The budget anticipated that there would be a requirement for overtime and staff overlap during the final recruitment phase. The costs in this area were not as significant as originally anticipated.
Administration – non pay	351	A provision for managed service support was not utilised. The majority of this cost, if used, would have been recouped through the levy on clients and therefore there was a knock-on effect to appropriation in aid receipts also.
Human resources shared services project set-up	661	The underspend on this subhead arose largely on capital, with lower than anticipated costs on building fit-out and on capital consultancy.

		2015 Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000
C	**Payroll**			
C.1	Administration - pay	9,900	5,168	2,870
C.2	Administration - non pay	3,384	1,881	703
C.3	Payroll shared services – project set-up costs			
	Current year provision	3,547		
	Deferred surrender	300	3,847	2,251	4,069
		17,131	9,300	7,642

Significant variations

Overall, the expenditure in relation to Programme C was €7.8 million lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
Administration – pay	4,732	The saving is driven by the later than anticipated transition of certain payroll clients to the shared service office.
Administration – non pay	1,503	The delays referenced above also impacted on non-pay costs.
Payroll shared services – project set-up costs	1,596	The underspend arises largely in relation to capital technology. The migration of clients was slower than anticipated and certain capital projects did not therefore proceed according to the timelines originally envisaged.

		2015 Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000
D	**Other Shared Service Projects**			
D.1	Administration - pay	—	—	—
D.2	Administration - non pay	—	—	—
D.3	Financial management project – set-up costs	10,426	2,270	1,675
		10,426	2,270	1,675

Signification Variations

Overall, the expenditure in relation to Programme D was €8.2 million lower than provided. This was mainly due to the following

Description	Less/ (more) than provided	Explanation
	€000	
Financial management project – set-up costs	8,156	Capital budget underspend arose because the timing of the Government decision to move to the next stage of the project did not occur until January 2016. The budget anticipated that this decision would be taken in 2015.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from pension-related deduction on public service remuneration	800	598	442
2.	PeoplePoint levy	4,000	3,517	2,449
3.	Miscellaneous	60	78	64
	Total	**4,860**	**4,193**	**2,955**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Receipts from pension – related deduction on public service remuneration	202	The shortfall on pension-related deductions is directly related to delayed recruitment.
PeoplePoint levy	483	The shortfall in the PeoplePoint levy reflects an amended charging structure because the HRMS managed service was not fully delivered in 2015. The related underspend on the HRMS managed service is referenced in the Programme B variance analysis in note 3.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	542	442

	2015 €000	2014 €000
Pay[a]	15,825	12,350
Higher, special or additional duties allowance	69	51
Other allowances	16	5
Overtime	83	52
Employer's PRSI	1,291	979
Total Pay	**17,284**	**13,437**

[a] The total pay figure is inclusive of pay in subheads A.1, B.1, B.3, C.1, C.3 and D.3.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	30	2	18,056	3,654
Other allowances	11	—	3,692	2,393
Overtime	113	—	7,014	4,298
Number of individuals who received extra remuneration in more than one category	7	—	3,766	3,708

5.2 Other Remuneration Arrangements

Under the terms of the AHCPS 1% PCW restructuring agreement, two officers received a total of €1,602 in respect of seniority allowances.

5.3 Payroll Overpayments

Overpayments at the year end were €27,255 (26 cases) (2014: €28,206). Of this, €9,386 (10 cases) have recovery plans in place.

6 Miscellaneous

6.1 Carryover to 2016

Under the provisions of Section 91 of the Finance Act 2014, €1,248,000 of unspent capital allocations was carried forward to 2016.

6.2 Public Service Bodies in Shared Services at 31 December 2015

HR Shared Services – PeoplePoint

An Garda Síochána Ombudsman Commission
Central Statistics Office
Chief State Solicitor's Office
Courts Service
Department of Communications, Energy and Natural Resources
Department of Agriculture, Food and the Marine
Department of Children and Youth Affairs
Department of Defence
Department of Education and Skills
Department of Finance
Department of Health
Department of Jobs, Enterprise and Innovation
Department of Justice and Equality
Department of Public Expenditure and Reform (including the Office of Government Procurement and the National Shared Services Office)
Department of Social Protection
Department of the Taoiseach
Department of Transport, Tourism and Sport
Irish Human Rights and Equality Commission
Legal Aid Board
National Council for Special Education
National Library of Ireland
Office of Public Works
Office of the Attorney General
Office of the Comptroller and Auditor General
Office of the Director of Public Prosecutions
Office of the Ombudsman
Office of the Revenue Commissioners
Ordnance Survey Ireland
President's Establishment
Property Registration Authority
Public Appointments Service
Road Safety Authority
State Examination Commission
State Laboratory
Valuation Office

Payroll Shared Services Centre

An Garda Síochána (including Garda Force and Garda Civilian)
Central Statistics Office
Chief State Solicitor's Office
Courts Service
Credit Union Restructuring Board (REBO)
Department of Arts, Heritage and the Gaeltacht
Department of Communications, Energy and Natural Resources
Department of Defence (including the Defence Forces, Civilian Staff and Military Pensioners)
Department of Education and Skills
Department of Finance (including PMG Pensioners)
Department of Justice and Equality (including An Garda Síochána Ombudsman Commission (GSOC), National Disability Authority and Child Detention Schools)

Department of Public Expenditure and Reform (including the Office of Government Procurement and the National Shared Services Office)
Department of the Environment, Community & Local Government
Department of the Taoiseach
Department of Transport, Tourism and Sport
Health Information and Quality Authority (HIQA)
Irish Human Rights and Equality Commission
Irish Prison Service
Law Reform Commission
Legal Aid Board
National Council for Curriculum and Assessment
National Council for Special Education
National Library of Ireland
National Museum of Ireland
Office of the Attorney General
Office of the Director of Public Prosecutions
Office of the Ombudsman
President's Establishment
Property Registration Authority
Public Appointments Service
State Examinations Commission
State Laboratory

Appropriation Account 2015

Vote 19

Office of the Ombudsman

Introduction

As Accounting Officer for Vote 19, 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 2015 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.15 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.

New Functions

The Regulation of Lobbying Act 2015 was signed into law on 11 March 2015. The provisions of the Act came into force on 1 September 2015. The main purpose of the Act is to provide for a web-based register of lobbying, providing information to the public about who is lobbying, on whose behalf lobbying is being carried out, the issues involved in the lobbying, the intended result of the lobbying and who is being lobbied. Lobbying is an essential part of the democratic process. It enables or facilitates citizens and organisations to make their views on public policy and public service known to politicians and public servants. The Act does not aim to prevent or inhibit lobbying. It does aim to make the process more transparent.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

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 of the Ombudsman.

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

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of shared services.

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

Financial control environment

I confirm that a control environment containing 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
- the Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.

Administrative controls and management reporting

I confirm that 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 Office. Risk management is increasingly integral to the Office's strategic and business processes. This is brought about through risk registers, strategic and business plans and individual PMDS targets.
- There are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. I am satisfied that our ICT system is fit for purpose and is functioning effectively.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of 2 contracts to the value of €166,000 which were listed in my annual return in respect of Circular 40/2002. However, both cases concern instances in which contracts for legal services had previously been in place, following competitive tendering processes, but these had expired. As the expenditure related to ongoing litigation, it was decided that continuing with the old legal service providers constituted a more prudent use of resources and would be more cost efficient. A new tender competition was held and all new legal services are assigned under this contract.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel. The internal audit unit operates under a charter which was approved in 2013. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Jacqui McCrum
Accounting Officer
Office of the Ombudsman

17 June 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 19 Office of the Ombudsman

I have audited the appropriation account for Vote 19 Office of the Ombudsman for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by her Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 19 Office of the Ombudsman for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Ombudsman. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

30 June 2016

Vote 19 Office of the Ombudsman
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Ombudsman function/ Office of the Commission for Public Service Appointments	5,251	4,458	4,297
B	Standards in Public Office Commission	1,867	1,351	865
C	Office of the Information Commissioner/ Office of the Commissioner for Environmental Information	2,022	2,137	1,556
	Gross expenditure	**9,140**	**7,946**	**6,718**
	Deduct			
D	**Appropriations-in-aid**	**402**	**362**	**335**
	Net expenditure	**8,738**	**7,584**	**6,383**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,154,075	1,360,072

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	6,740	6,041	5,479
ii	Travel and subsistence	58	48	45
iii	Training and development and incidental expenses	435	484	270
iv	Postal and telecommunications services	86	42	39
v	Office equipment and external IT services	232	381	249
vi	Office premises expenses	189	130	113
vii	Consultancy and value for money and policy reviews	756	209	84
viii	Legal fees	644	611	439
		9,140	7,946	6,718

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		6,041	5,479
Non pay		1,905	1,239
Gross expenditure		**7,946**	**6,718**
Deduct			
Appropriations-in-aid		**362**	**335**
Net expenditure		**7,584**	**6,383**
Changes in capital assets			
Purchases cash	(214)		
Depreciation	108		
		(106)	(36)
Changes in assets under development			
Cash payments		(77)	—
Changes in net current assets			
Decrease in closing accruals	(11)		
Decrease in stock	3		
		(8)	25
Direct expenditure		**7,393**	**6,372**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,019	1,792
Net programme cost		**9,412**	**8,164**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 19 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	—	34
Vote 9 Office of the Revenue Commissioners	30	15
Vote 12 Superannuation and Retired Allowances*	832	610
Vote 13 Office of Public Works	1,148	1,129
Vote 18 Shared Services	9	4
	2,019	**1,792**

*The figure for 2014 has been revised. The outturn for 2014 has not been impacted following this change.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	309	203
Capital assets under development	2.3	99	—
Current assets			
Bank and cash	2.4	228	55
Stocks	2.5	13	16
Prepayments		107	92
Other debit balances	2.6	41	134
Net Exchequer funding due	2.8	22	(2)
Total current assets		**411**	**295**
Less current liabilities			
Accrued expenses		39	35
Other credit balances	2.7	291	187
Total current liabilities		**330**	**222**
Net current assets		81	73
Net assets		**489**	**276**
Represented by:			
State funding account	2.1	**489**	**276**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			276	265
Disbursements from the Vote				
Estimate provision	Account	8,738		
Surplus to be surrendered	Account	(1,154)		
Net vote			7,584	6,383
Expenditure (cash) borne elsewhere	1		2,019	1,792
Capital assets under development adjustment			22	—
Net programme cost	1		(9,412)	(8,164)
Balance at 31 December			**489**	**276**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	684	519	1,203
Additions	214	—	214
Disposals	—	—	—
Cost or valuation at 31 December 2015	898	519	1,417
Accumulated depreciation			
Opening balance at 1 January 2015	546	454	1,000
Depreciation for the year	91	17	108
Depreciation on disposals	—	—	—
Cumulative depreciation at 31 December 2015	637	471	1,108
Net assets at 31 December 2015	**261**	**48**	**309**
Net assets at 31 December 2014	**138**	**65**	**203**

2.3 Capital Assets under Development	**2015**
	€000
Balance at 1 January 2015	**—**
Adjustment from 2014	22
Cash payments for the year	77
Transferred to the asset register	**—**
Balance at 31 December 2015	99

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	228	60
Other balances	—	(5)
	228	55

2.5 Stocks	**2015**	**2014**
	€000	**€000**
Stationery	6	6
IT consumables	7	10
	13	16

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Other debit balances	41	60

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	147	81
Pay Related Social Insurance	56	31
Professional Services Withholding Tax	14	19
Pension contributions	24	13
	241	144
Payroll deductions held in suspense	38	28
Other credit suspense items	12	15
	291	187

2.8 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,154	1,360
Exchequer grant undrawn	(1,176)	(1,358)
Net Exchequer funding due	(22)	2
Represented by:		
Debtors		
Bank and cash	228	55
Debit balances: suspense	41	134
	269	189
Creditors		
Due to State	(241)	(144)
Credit balances: suspense	(50)	(43)
	(291)	(187)
	(22)	2

2.9 Commitments

The total of legally enforceable commitments at 31 December 2015 amounted to €111,000.

2.10 Contingent Liabilities

The Commission for Public Service Appointments must pay one third of an individual's legal costs arising from a judicial review case. As negotiations on costs have not been concluded, it is not possible to quantify the amount involved.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Ombudsman function/ Office of the Commission for Public Service Appointments**			
A.1	Administration – pay	4,541	3,845	3,716
A.2	Administration – non pay	710	613	581
		5,251	4,458	4,297

Significant variations

Overall, the expenditure in relation to Programme A was €793,000 lower than provided. This was mainly due to the following:

Salaries, Wages and Allowances

There was an underspend of €696,000 due to the number of vacancies arising and the time taken to fill the posts.

Legal Services

There was an underspend of €61,000 in respect of legal services. The amounts provided under this subhead relate mainly to fees for legal and professional advice and litigation related expenditure relating to the work of the Ombudsman and the Commission for Public Service Appointments. It is difficult to predict with accuracy the number of cases and when court related fees and costs will fall due.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Standards in Public Office Commission**			
B.1	Administration – pay	851	709	549
B.2	Administration – non pay	1,016	642	316
		1,867	1,351	865

Significant variations

Overall, the gross expenditure in relation to Programme B was €516,000 lower than provided. This was mainly due to the following:

Salaries, Wages and Allowances

There was an underspend of €142,000 as the budget provision allowed for the full year staffing costs for the regulation of lobbying and some of the posts were filled during 2015.

Incidental Expenses

This subhead contains provision for incidental and other miscellaneous expenses, and therefore an element of the provision must be conjectural. An overrun of €72,000 occurred because of significant expenditure on advertising and other expenditure relating to the launch of the Regulation of Lobbying.

Consultancy Fees

The saving of €487,000 arose because the outlay in 2015 on a 3 year consultancy project relating to the creation of an IT system for the regulation of lobbying was lower than anticipated. In addition, the creation of a new case tracking system was delayed and therefore the anticipated expenditure did not materialise.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Office of the Information Commissioner/ Office of the Commissioner for Environmental Information**			
C.1	Administration – pay	1,348	1,487	1,214
C.2	Administration – non pay	674	650	342
		2,022	2,137	1,556

Significant variations

Overall, the gross expenditure in relation to Programme C was €115,000 higher than provided. This was mainly due to the following:

Salaries, Wages and Allowances

There was an overspend of €139,000 on the salaries, wages and allowances of the Office of the Information Commissioner (OIC) and the Office of the Commissioner for Environmental Information (OCEI). This is due to additional staffing resources being assigned to these areas to deal with the increase of 32% and 72% in cases referred to OIC and OCEI respectively in 2015, when compared with 2014.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	**Realised**	**Realised**
		€000	**€000**	**€000**
1.	Miscellaneous	5	13	7
2.	Receipts from pension-related deductions on public service remuneration	397	349	328
		402	362	335

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	107	89

	2015	2014
	€000	**€000**
Pay	5,636	5,146
Higher, special or additional duties allowance	34	31
Overtime	36	35
Employer's PRSI	335	267
Total Pay	**6,041**	**5,479**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015	Maximum individual payment 2014
			€	**€**
Higher, special or additional duties	9	1	11,333	9,774
Overtime and extra attendance	23	—	7,549	5,296
No of individuals who received extra remuneration in more than one category	6	1	13,216	9,774

5.2. Salary overpayments

Overpayments at the year end were €13,148 (8 cases) (2014 €7,490, 5 cases). Of this €4,030 (3 cases) have recovery plans in place.

6. Miscellaneous

6.1 Legal costs

					2015	2014
	Number of cases	Legal costs paid by Office of the Ombudsman	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by Members of the public						
Judicial Review cases settled						
Re: Ombudsman functions	3	—	37	—	37	—
Re: Office of the Commissioner for Environmental Information functions	1	—	23	—	23	—
Re: Office of the Information Commissioner functions	1	—	77	—	77	—
	5	—	137	—	137	—

Appropriation Account 2015

Vote 20
Garda Síochána

Introduction

As Accounting Officer for Vote 20, 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 2015 for the salaries and expenses of the Garda Síochána, including pensions, etc; for the payment of certain witnesses' expenses, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.85 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 have been applied in the preparation of the account except for the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month recorded in the fixed asset register.

The standard depreciation rates are applied in respect of office and IT equipment, and furniture and fittings. The following depreciation rates apply to other capital assets

- Aircraft: 5% per annum
- Boats: 10% per annum
- Vehicles: 25% per annum

Land and buildings

The Minister for Justice & Equality owns eight Garda Stations which are included in the appropriation account of the Office of Public Works (Vote 13). All other property utilised by An Garda Síochána is owned by the Office of Public Works, and is accounted for in the appropriation account of that Office.

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 An Garda Síochána. This responsibility is exercised in the context of the resources available to me and my other obligations as the Commissioner of An Garda Síochána. 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.

An Garda Síochána notes the findings of the Garda Inspectorate report entitled *Changing Policing in Ireland – November 2015,* where a number of improvement opportunities were identified in the areas of governance and risk management. Improvement opportunities identified in risk management included the oversight and operation of risk management at an operational level in addition to the operation of the Risk Governance Board.

In order to address the issues identified, a number of improvement initiatives are being prioritised under the Garda modernisation and renewal plan 2016 – 2021:

- A new organisational structure has been developed with a single senior management lead for policy, auditing and oversight roles which will strengthen internal control and governance.
- A policy management framework is being developed that will provide a transparent and co-ordinated approach to the development, implementation and monitoring of policy.
- A comprehensive review of risk management was undertaken in 2015 which developed a revised approach to risk management in An Garda Síochána. Significant improvements include the establishment of a new risk management office, revised policies and procedures and the establishment of a new Risk and Policy Governance Board, strengthened by the inclusion of the Deputy Commissioner Policing and Security as the Chief Risk Officer, and the Chief Administrative Officer. The revised approach to risk management will operate in cooperation with the Garda Professional Standards Unit and Garda Internal Audit section.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements between An Garda Síochána and the Financial Shared Services Centre of the Department of Justice and Equality and the Shared Services Office for the provision of financial and payroll shared services.

I rely on letters of assurance from the Accounting Officers of Vote 24 Justice and Equality and of Vote 18 Shared Services that the appropriate controls are exercised in the provision of shared services to this Office.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 An Garda Síochána
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines

Procurement

An Garda Síochána ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

An Garda Síochána complied with the guidelines with the exception of 73 contracts to the value of €11,493,861 which were listed in my annual return in respect of Circular 40/2002. 13 contracts to a value of €4,420,333 included payments to sole suppliers and security-related services. In addition, 23 contracts to a value of €3,714,269 were extended beyond the original contract date without competitive procurement and tenders are in progress in 2016 for these services. 17 contracts to a value of €2,175,410 in respect of medical services were paid in accordance with Department of Public Expenditure and Reform sanctioned rates for professional services and a competitive tender has been undertaken. In the other 20 cases with a value of €1,183,849 local contract arrangements were in place contrary to national procurement guidelines. An Garda Síochána has already put contracted arrangements in place for a number of these supplies and is taking steps to put tenders in place in 2016 for the remainder.

Internal Audit and Audit Committee

I confirm that An Garda Síochána has an internal audit function with appropriately trained personnel. Its work is informed by analysis of the financial risks to which An Garda Síochána is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Significant financial risks

Property and Evidence Management

The proper management, recording and storage of property taken into the possession of An Garda Síochána, both evidential and non-evidential was the most frequently occurring financial and reputational risk identified by Internal Audit in 2015. The resolution of this issue is prioritised within the Strategic Transformation Programme.

Audit of the Garda College

A number of issues associated with the provision of ancillary services in the Garda College, Templemore, have been identified which are not in compliance with current public standard corporate governance procedures. A draft internal audit report has made a number of recommendations to ensure compliance with the Public Financial Procedures which will be incorporated into any action plan to address these issues.

Nóirín O'Sullivan
Accounting Officer
An Garda Síochána

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 20 Garda Síochána

I have audited the appropriation account for Vote 20 An Garda Síochána for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by An Garda Síochána and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 20 An Garda Síochána for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by An Garda Síochána. The appropriation account is in agreement with the accounting records.

Non compliance with procurement rules

The Accounting Officer has disclosed in the Statement on Internal Financial Control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Seamus McCarthy

Comptroller and Auditor General

5 September 2016

Vote 20 Garda Síochána
Appropriation Account 2015

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Working with communities to protect and serve				
	Original	1,468,868			
	Supplementary	43,079	1,511,947	1,503,468	1,439,854
	Gross expenditure		**1,511,947**	**1,503,468**	**1,439,854**
	Deduct				
B	**Appropriations-in-aid**				
	Original	120,595			
	Supplementary	7,879			
			128,474	**128,485**	**126,892**
	Net expenditure				
	Original	1,348,273			
	Supplementary	35,200			
			1,383,473	**1,374,983**	**1,312,962**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	8,490,200	1,765,512
Deferred surrender	6,644,000	—
Surplus to be surrendered	1,846,200	1,765,512

Analysis of administration expenditure

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	930,034			
	Supplementary	33,785	963,819	963,316	931,418
ii	Travel and subsistence				
	Original	14,483			
	Supplementary	742	15,225	15,345	13,940
iii	Training and development and incidental expenses				
	Original	12,706			
	Supplementary	2,009	14,715	15,576	13,336
iv	Postal and telecommunications services				
	Original	39,647			
	Supplementary	5,663	45,310	43,687	41,259
v	Office equipment and external IT services				
	Original	20,212			
	Supplementary	18,091	38,303	38,598	25,830
vi	Maintenance of Garda premises				
	Original	721			
	Supplementary	2,779	3,500	3,347	2,901
vii	Consultancy services and value for money and policy reviews				
	Original	261			
	Supplementary	19	280	231	160
viii	Station services				
	Original	18,700			
	Supplementary	200	18,900	19,530	19,458
ix	Garda Reserve				
	Original	895			
	Supplementary	(395)	500	439	593
			1,100,552	1,100,069	1,048,895

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		403,399	390,959
Pay		963,316	931,418
Non pay		136,753	117,477
Gross expenditure		**1,503,468**	**1,439,854**
Deduct			
Appropriations-in-aid		**128,485**	**126,892**
Net expenditure		**1,374,983**	**1,312,962**
Changes in capital assets			
Purchases cash	(20,450)		
Depreciation	13,328		
Disposals cash	55		
Loss on disposals	190	(6,877)	(4,868)
Assets under development			
Cash payments		(5,073)	(481)
Changes in net current assets			
Decrease in closing accruals	(8,232)		
Increase in stock	(900)		
		(9,132)	(586)
Direct expenditure		**1,353,901**	**1,307,027**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		20,617	22,012
Net programme cost		**1,374,518**	**1,329,039**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 20 borne elsewhere

		2015	2014
		€000	€000
Vote 13 Office of Public Works	e	17,856	18,059
Vote 18 Shared Services	e	993	2,105
Vote 24 Justice and Equality - Financial Shared Services Centre	e	2,884	2,968
Less			
Services provided by An Garda Síochána to other Votes[a]	e	(1,116)	(1,120)
		20,617	22,012

"e" indicates that the number is an estimate value or an apportioned cost.

[a] Garda transport was made available to Prison Service personnel to convey prisoners to court.

Assistance was rendered to An Garda Síochána by the Defence Forces in the disposal of explosive materials, without payment.

Garda personnel availed of Air Corps aircraft during 2015 without payment. Air Corps support was also provided without charge in relation to the operation of the Garda fixed-wing aircraft and pilot costs of Garda helicopters.

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2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	51,063	43,218
Capital assets under development	2.3	7,297	3,582
		58,360	**46,800**
Current assets			
Bank and cash	2.4	46,571	16,947
Stocks	2.5	5,997	5,097
Prepayments		11,731	6,239
Accrued income		3,540	2,719
Other debit balances	2.6	3,705	13,585
Total current assets		**71,544**	**44,587**
Less current liabilities			
Accrued expenses	2.7	9,518	11,827
Other credit balances	2.8	43,536	30,566
Net liability to the Exchequer	2.9	6,740	(34)
Total current liabilities		**59,794**	**42,359**
Net current assets		**11,750**	**2,228**
Net assets		**70,110**	**49,028**
Represented by:			
State funding account	2.1	**70,110**	**49,028**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			49,028	43,093
Estimate provision	Account	1,383,473		
Deferred surrender		(6,644)		
Surplus to be surrendered	Account	(1,846)		
Net vote			1,374,983	1,312,962
Expenditure (cash) borne elsewhere	1		20,617	22,012
Net programme cost	1		(1,374,518)	(1,329,039)
Balance at 31 December			**70,110**	**49,028**

2.2 Capital Assets

	Aircraft	Motor boats	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2015	17,072	1,060	65,910	161,251	5,754	251,047
Additions	1,565	—	11,225	8,423	205	21,418
Disposals	—	—	(8,403)	(1,484)	—	(9,887)
Cost or valuation at 31 December 2015	18,637	1,060	68,732	168,190	5,959	262,578
Accumulated depreciation						
Opening balance at 1 January 2015	10,902	877	45,855	146,670	3,525	207,829
Depreciation for the year	832	70	7,391	4,586	449	13,328
Depreciation on disposals	—	—	(8,181)	(1,461)	—	(9,642)
Cumulative depreciation at 31 December 2015	11,734	947	45,065	149,795	3,974	211,515
Net assets at 31 December 2015	**6,903**	**113**	**23,667**	**18,395**	**1,985**	**51,063**
Net assets at 31 December 2014	**6,170**	**183**	**20,055**	**14,581**	**2,229**	**43,218**

2.3 Capital Assets under Development

at 31 December 2015	Schengen project[a]	MIMS project[b]	Total
	€000	€000	€000
Amounts brought forward at 1 January 2015	2,676	906	3,582
Cash payments for the year	—	5,073	5,073
Transferred to the asset register	—	(1,358)	(1,358)
Balance at 31 December 2015	2,676	4,621	7,297

[a] The Schengen Information System was developed as part of the Schengen Convention which allows for the removal of internal borders and provides increased co-operation between member state police forces. There is currently no signed contract in place for the Schengen Information System. Contract negotiations are taking place between the preferred supplier and An Garda Síochána. The project has an estimated cost of €23.9 million but no commitment arises until a decision is made to proceed with the project.

[b] The Major Investigation Management System (MIMS) supports specialist units within An Garda Síochána in the capture, analysis and dissemination of intelligence. The MIMS project has an estimated cost of €28.7 million and a preferred supplier has been sourced after a tender competition. Phase 2 was deployed in 2015 and the development of phases 3a, 3b and 5 commenced in 2015. The development of the remaining phases of this project are subject to available funding.

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	26,810	(2,807)
Orders outstanding	—	(450)
Commercial bank accounts	19,761	20,204
	46,571	16,947

The commercial bank account balance reflects €15,110,000 at end 2015 (2014: €15,355,000) in a commercial bank account operated by the Department of Justice and Equality – Financial Shared Services.

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	419	427
Telecommunications stock	1,038	877
Clothing	2,299	2,051
Technical Bureau	99	96
United Nations stock	87	76
Armoury	1,493	1,142
Miscellaneous	562	428
	5,997	5,097

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Advances to OPW	1,480	2,368
Imprests	789	709
Payroll suspense account (Paypath)	753	9,752
Cycle to Work scheme	501	548
Other debit suspense items	182	208
	3,705	13,585

2.7 Accrued Expenses

Included in 2015 accrued expenses of €9.52 million, is an amount of €3.83 million in respect of a Garda Information Systems upgrade associated with a Windows 7 migration. This relates to the lease purchase and installation of 7,027 desktop computers in 2014 under a Centre for Management and Organisation Development framework agreement for a fixed price over the five year period 2015 – 2019 as part of a lease agreement at a total financing cost of €417,951.

2.8 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	21,651	13,937
Pay Related Social Insurance	8,608	5,665
Professional Services Withholding Tax	1,311	546
Value Added Tax	639	367
Road Traffic Act fines	1,015	207
Tax on pension contribution refunds	9	20
Civil Service Pension Scheme	148	—
Garda accounts	4,651	4,849
	38,032	25,591
Payroll deductions held in suspense	4,961	4,423
Garda Reward Fund	359	330
Other credit suspense items	184	222
	43,536	30,566

2.9 Net liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,846	1,766
Deferred surrender	6,644	—
Exchequer grant undrawn	(1,750)	(1,800)
Net liability to the Exchequer	6,740	(34)
Represented by:		
Debtors		
Bank and cash	46,571	16,947
Debit balances: suspense	3,705	13,585
	50,276	30,532
Creditors		
Due to State	(38,032)	(25,591)
Credit balances: suspense	(5,504)	(4,975)
	(43,536)	(30,566)
	6,740	(34)

2.10 Commitments	2015	2014
at 31 December	€000	€000
a) Global commitments	17,005	32,781

The main reason for the reduction in global commitments at the end of 2015 compared to 2014 is because the Go Safe road camera safety contract due to expire in November 2016 is 12 months closer to completion in 2015 than in 2014.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
Galway regional/ divisional HQ	—	639	27,707	28,346	—
Kevin Street divisional HQ	—	6,357	24,834	31,191	—
Wexford divisional HQ	—	2,831	22,480	25,311	—
MIMS phases 3a, 3b & 5	—	5,957	8,438	14,395	—
	—	**15,784**	**83,459**	**99,243**	—

2.11 Matured Liabilities

There were no matured liabilities un-discharged at year end 2015 or in the previous year.

3 Programme Expenditure by Subhead

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A	**Working with communities to protect and serve**				
A.1	Administration - pay				
	Original	930,034			
	Supplementary	33,785	963,819	963,316	931,418
A.2	Administration - non pay				
	Original	107,625			
	Supplementary	29,108	136,733	136,753	117,477
A.3	Clothing and accessories				
	Original	2,764			
	Supplementary	1,836	4,600	4,356	4,014
A.4	St. Paul's Garda Medical Aid Society		124	124	124
A.5	Transport				
	Original	25,516			
	Supplementary	3,354	28,870	28,017	31,150
A.6	Communications and other equipment				
	Original	30,957			
	Supplementary	(1,752)	29,205	30,440	29,606
A.7	Aircraft				
	Original	1,050			
	Supplementary	2,281	3,331	2,869	1,479
A.8	Superannuation, etc.				
	Original	309,173			
	Supplementary	2,700	311,873	310,962	308,212
A.9	Witnesses' expenses				
	Original	1,805			
	Supplementary	(155)	1,650	1,652	1,562
A.10	Compensation				
	Original	16,622			
	Supplementary	(2,722)	13,900	13,954	13,614
A.11	Witness security programme		1,198	1,198	1,198
A.12	Capital building programme				
	Original	42,000			
	Supplementary	(25,356)	16,644	9,827	—
			1,511,947	1,503,468	1,439,854

Significant variations

Overall, the gross expenditure in relation to Programme A was €8.5m lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
Administration - pay	503	The original budget was increased by €33.8 million in the supplementary estimate due to the payment of allowances and overtime for an additional roster period which fell due in 2015 in addition to the policing of the Prince of Wales state visit and the implementation of Operation Thor.
Administration - non pay	(20)	The original budget allocation was increased by €29.1million in the supplementary estimate due to additional funding requirements in a number of subheads including ICT where an additional €18 million was provided for the maintenance and implementation of critical IT systems and capital funding for the Major Investigations Management System (MIMS). Additional funding requirements also included the TETRA radio system, health and safety maintenance works and a number of demand led areas of expenditure. Additional expenditure associated with the intake of Garda recruits was incurred on the training budget. The state visit by the Prince of Wales incurred additional expenditure under travel and subsistence and incidental expenses. The overall additional expenditure was offset in part by budgetary savings under the Garda Reserve subhead following a reduction in Reserve Gardaí.
Clothing and accessories	244	The original budget allocation was increased by €1.8 million in the supplementary estimate. The additional costs arose from the uniform requirements of new Garda recruits and serving Garda members. Additional expenditure was also incurred for a footwear roll out, uniform accessories and safety clothing.
Transport	853	The original budget was increased by €3.4 million which included an additional capital allocation of €6 million for the purchase of new vehicles including specific high powered vehicles for Operation Thor which was offset by savings achieved of €2.6 million for maintenance and running costs of the Garda fleet.
Communications and other equipment	(1,235)	The original budget was reduced by €1.7 million in the supplementary estimate due to a reduced number of Suspect Interview Video Recording Equipment (SIVRE) units planned for installation in 2015. Additional expenditure was incurred under this subhead before year end following the earlier than expected delivery of firearms consumables.
Aircraft	462	The original budget was increased by €2.3 million in the supplementary estimate to fund the upgrade of police role equipment on the Garda aircraft and general maintenance costs.
Superannuation, etc	911	The original budget was increased by €2.7 million for gratuity payments based on retirement projections for 2015. Due to the actual timing of retirements in late December, a number of gratuity payments rolled over into 2016.

Description	Less/ (more) than provided €000	Explanation
Witnesses' expenses	(2)	The savings arose due to a reduction in operational demand and a number of cost saving initiatives undertaken.
Compensation	(54)	The original budget was decreased by €2.7 million in the supplementary estimate. The savings arose due to a reduction in the number of individual settlements and associated costs under the Garda Compensation Acts 1941 and 1945.
Capital building programme	6,817	An underspend of €32.2 million arose in the capital building programme for 3 new divisional headquarters due to the timing of contracts and payments. The underspend resulted in a decrease in the original budget by €25.4 million in the supplementary estimate, the remainder being utilised to fund additional capital requirements for ICT, Garda vehicles and aircraft. The actual spend was €6.8 million lower than the revised estimate due to timing of payments made. €6.64 million was carried forward to 2016 under the capital carry forward provisions.

4 Receipts

4.1 Appropriations-in-aid			2015		2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
1.	Contributions to the Garda Síochána spouses' and children's pension schemes				
	Original	12,454			
	Supplementary	(154)	12,300	12,501	12,677
2.	Contributions to the Garda Síochána pensions scheme				
	Original	21,822			
	Supplementary	678	22,500	22,583	22,376
3.	Miscellaneous receipts (note 4.2)				
	Original	10,000			
	Supplementary	800	10,800	11,622	12,143
4.	Receipts from banks in respect of cash escort services				
	Original	1,000			
	Supplementary	1,274	2,274	999	489
5.	Firearm fees				
	Original	1,500			
	Supplementary	1,400	2,900	3,139	3,697
6.	Safety cameras - certain receipts from fixed charges				
	Original	17,000			
	Supplementary	300	17,300	17,279	16,761
7.	Receipts from pension-related deduction on public service remuneration				
	Original	56,819			
	Supplementary	3,581	60,400	60,362	58,749
			128,474	128,485	126,892

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than provided €000	Explanation
Miscellaneous receipts	(822)	A supplementary was required as a result of greater than anticipated receipts for non public duty services due to the timeliness of monies received. In addition, greater than anticipated receipts were generated under forfeitures to the State.
Receipts from banks in respect of cash escort services	1,275	While the original estimate was increased by €1.3 million in the supplementary estimate, a deficit in receipts arose due to a delay in receipt of payment from the Irish Banking Federation for cash escorts provided by An Garda Síochána.

Description	Less/(more) than provided €000	Explanation
Firearm fees	(239)	The original estimate was increased by €1.4 million in the supplementary estimate. The additional receipts arose from a greater than estimated number of applications for firearm licences under the three year licensing cycle.
Receipts from pension-related deduction on public service remuneration	38	The original estimate was increased by €3.6 million. The number of retirements was lower than originally estimated, resulting in higher numbers of serving Gardaí.

4.2 Analysis of miscellaneous receipts

	2015	2014
	€000	€000
Payment for non-public duty services rendered by Gardaí	4,644	4,457
Recovery in respect of damage to official vehicles and other Garda property	219	98
Proceeds of sales of used vehicles, old stores, forfeited and unclaimed property	1,638	1,170
Fees for accident and malicious damage reports	765	778
Contribution for living quarters	54	52
Recoupment of witnesses' expenses	7	9
Recoupment of salaries	—	3
Percentage charge to insurance companies for collection of insurance premia	87	88
Taxi licence fees	192	159
Road Traffic Act - Section 41 charges	2,067	2,249
Fingerprint fees for employment and visa purposes	46	41
Garda masts	492	1,082
Carrier liability	485	357
Age cards	279	283
Unclassified items	647	1,317
	11,622	12,143

4.3 Extra receipts payable to the Exchequer

		2015	2014
	Estimate	Realised	Realised
	€000	€000	€000
Balance at 1 January		207	410
Receipts from Road Traffic Act fines	3,000	3,409	3,673
Transferred to Exchequer		(2,601)	(3,876)
Balance at 31 December		1,015	207

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Garda members	12,816	12,799
Student Gardaí	250	200
Civilians	2,007	2,054
	15,073	15,053

	2015 €000	2014 €000
Pay	638,386	634,793
Higher, special or additional duties allowance	339	231
Other allowances	202,600	196,179
Overtime	56,330	37,700
Employer's PRSI	65,661	62,515
Total Pay	**963,316**	**931,418**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	188	4	15,863	8,999
Overtime and extra attendance	12,282	1,628	62,996	43,564
Shift and roster allowances	12,909	8,387	33,571	28,282
Miscellaneous	13,370	794	75,421	73,998
Number of individuals who received extra remuneration in more than one category	12,868	11,988	82,036	73,998

5.2 An Garda Síochána Reward Fund

The purpose of the Fund is to pay awards for Garda bravery and an annual contribution for Garda chaplaincy services from monies received in relation to Garda disciplinary fines.

The following statement shows the total receipts proper to the Fund in the year, the amount of payments in the period and the balance of the Fund at year end.

	2015 €000	2014 €000
Balance brought forward on 1 January	379	373
Receipts for the year ended 31 December	82	56
	461	429
Less payments for the year ended 31 December	54	50
Balance on 31 December	407	379

5.3 Payroll overpayments

Overpayments at the year end were €1,161,648 (961 cases) (2014 €724,118 in 701 cases). Of this, €756,918 (659 cases) have recovery plans in place.

Pension overpayments at the year end were €484,698 (185 cases) (2014: €433,168 in 172 cases). Of this, €209,045 (32 cases) have recovery plans in place.

5.4 Other remuneration arrangements

Twenty retired civil servants in receipt of civil service pensions were re-engaged on various duties in 2015 at a total cost of €81,780.

6 Miscellaneous

6.1 Support for representative associations

Included in subhead A.1 is a total of €330,747 in respect of the remuneration of members of An Garda Síochána on special leave with pay to staff representative bodies or assigned to welfare organisations.

Grants of €58,000 each were made to both the Association of Garda Superintendents and the Association of Chief Superintendents.

Sums of €43,522 and €140,323 were charged in respect of postal and telecommunications services and accommodation availed of by staff representative bodies and welfare organisations.

6.2 Commissions and special inquiries

	Year of appointment	Cumulative expenditure to 31 December 2015	2015 Outturn	2014 Outturn
Fixed purpose commissions		**€000**	**€000**	**€000**
Ronan McLochlainn Commission of Investigation	2014	207	207	—
O'Higgins Commission of Investigation	2015	157	157	—

6.3 Write-offs

	2015	2014
	€000	**€000**
Overpayment of civilian staff member	—	25

6.4 Statement of losses (Garda Vehicles, etc.)

A total of 682 accidents involving Garda vehicles were reported in 2015 (2014: 613). Damage and other costs to official vehicles amounted to €922,736. Compensation totalling €126,213 was recovered.

6.5 Fraud and suspected fraud

	2015	2014
	€000	**€000**
Alleged misappropriation of monies	8	50

There were 25 detected/alleged fraud instances in 2015 which are currently under Garda investigation (2014: 34).

6.6 Compensation and legal costs

The account includes expenditure in relation to legal costs and compensation awards taken by members and employees of An Garda Síochána and by members of the public.

	Number of cases	Compensation awarded	Legal costs awarded	Other costs awarded[a]	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by members and employees of An Garda Síochána[b]						
Under Garda Síochána Compensation Acts 1941-1945	93	3,661	1,340	—	5,001	6,319
Through the State Claims Agency for injuries received while on duty	57[c]	504	319	41	864	497
Legal actions taken by Garda members	6	15	142	—	157	591
Ex gratia contributions towards Garda legal costs under Section 49 of the Garda Síochána Act 2005	2	—	4	—	4	—
Civil claims by members of the public						
Claims arising from actions of Gardaí in the performance of their duties	396[c]	768	4,740	27	5,535	3,870
Claims (including by Garda members) resulting from accidents involving Garda vehicles	202[c]	1,530	635	86	2,251	2,208

At 31 December 2015

- 1,038 claims outstanding under the Garda Síochána Compensation Acts (2014: 1,131)
- 196 civil claims outstanding relating to accidents involving Garda vehicles (2014: 186)
- 1,643 civil claims other than those involving Garda vehicles outstanding (2014: 926)

[a] Other costs awarded relate to agency fees, investigator fees, medical fees etc.

[b] Compensation payments amounting to €143,628 (2014: €108,503) were paid on foot of the Occupational Injuries Benefit Scheme which is administered through the Department of Social Protection. These payments are not included in the table above.

[c] These may include part payments over a number of years for individual cases.

Appropriation Account 2015

Vote 21

Prisons

Introduction

As Accounting Officer for Vote 21, 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 2015 for the salaries and expenses of the Prison Service, and other expenses in connection with prisons, including places of detention; for probation services; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.26 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 have been applied in the preparation of the account except for the following:

Land and buildings

The Minister for Justice and Equality owns 14 prisons and places of detention, as well as property at Irish Prison Service College, Portlaoise and property adjacent to the Headquarters building in Longford, and also three sites in Dublin: one adjacent to Cloverhill Prison and others in Kilmainham and Thornton.

Land was valued at existing use value or market value (if not in use) by the Valuation Office during 2014. Land at Thornton continues to be valued at historic cost, including investment in infrastructure and services, on the basis that it is a strategic State asset with potential future use value. This position will be kept under review on an annual basis.

The basis for valuing prison buildings – average replacement cost per cell – remains unchanged.

Prisons land and buildings will be revalued every 5 years – the next planned revaluation is 2019. Buildings are not depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition. With the exception of land and buildings, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

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 Irish Prison Service.

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

The Payroll Shared Services Centre (PSSC) provides payroll processing services to the Prison Service. The PSSC is a function managed by the National Shared Services Office in the Department of Public Expenditure and Reform.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Irish Prison Service.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 Prison Service.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Prison Service ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.
- In total 38 supply arrangements were reported under Circular 40/02 in 2015 with a total value of €7,956,042. These are broken down as follows:

    (a) Two urgent purchases with a total value of €86,653,
    (b) Fourteen proprietary purchases accounted for a total of €2,435,188,
    (c) Six existing supply contracts were extended/rolled over with a value of €1,370,839,
    (d) Two situations arose where there was a single suitable supplier available and the value of these contracts were €121,526,
    (e) Seven local arrangements/tenders were entered in to with a value of €506,136,
    (f) Seven other procurement scenarios are reflected in the 40/02 return with a value of €3,435,700. These situations have mainly arisen while the finalisation of centralised tenders in the Office of Government Procurement and Office of the Government Chief Information Officer are awaited.

Tenders have since been concluded in respect of thirteen of the items reported above with a total value of €4,664,404. These include the six supply contracts which were extended/rolled over. In three other cases, the tender process is well advanced.

The Prison Service paid €520,250 in 2015 in final settlement of a claim for additional works and site access delays during the construction phase of a building project at Wheatfield Prison. The final payment was correctly sanctioned by senior management in the Prison Service. However, the negotiation of the claim and the sanctioning of the commitment was not communicated through the appropriate Director and Oversight Board. The Prison Service is putting an improved process in place to ensure that the communication and sanctioning of commitments for material capital expenditure is managed more effectively.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of 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 the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Noel Waters
Accounting Officer
Department of Justice and Equality

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 21 Prisons

I have audited the appropriation account for Vote 21 Prisons for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration in the Prison Service and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 21 Prisons for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Prison Service. The appropriation account is in agreement with the accounting records.

Non Compliance with Procurement Rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Seamus McCarthy

Comptroller and Auditor General

16 August 2016

Vote 21 Prisons
Appropriation Account 2015

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison				
	Original	325,977			
	Supplementary	6,205			
			332,182	331,203	335,341
	Gross expenditure				
	Original	325,977			
	Supplementary	6,205	**332,182**	**331,203**	**335,341**
	Deduct				
B	**Appropriations-in-aid**				
	Original	15,734			
	Supplementary	(92)			
			15,642	**15,922**	**16,351**
	Net expenditure				
	Original	310,243			
	Supplementary	6,297			
			316,540	**315,281**	**318,990**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,259,379	1,204,687

Analysis of administration expenditure

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	230,600			
	Supplementary	5,000	235,600	235,013	236,926
ii	Travel and subsistence		1,816	1,894	1,861
iii	Training and development and incidental expenses				
	Original	3,860			
	Supplementary	(521)	3,339	2,795	2,344
iv	Postal and telecommunications services		2,900	2,935	3,402
v	Office equipment and external IT services				
	Original	4,480			
	Supplementary	530	5,010	5,672	4,341
vi	Consultancy services and value for money and policy reviews				
	Original	100			
	Supplementary	(100)	—	—	—
			248,665	248,309	248,874

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		82,894	86,467
Pay		235,013	236,926
Non pay		13,296	11,948
Gross expenditure		**331,203**	**335,341**
Deduct			
Appropriations-in-aid		**15,922**	**16,351**
Net expenditure		**315,281**	**318,990**
Changes in capital assets			
Purchases cash	(2,338)		
Depreciation	1,914		
Loss on disposal	5	(419)	(1,081)
Changes in assets under development			
Cash payments		(28,826)	(26,564)
Changes in net current assets			
Increase in closing accruals	1,503		
Decrease in stock	131	1,634	(2,897)
Direct expenditure		**287,670**	**288,448**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		44,387	41,523
Net programme cost		**332,057**	**329,971**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 21 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	270	135
Vote 12 Superannuation and Retired Allowances [a]	e	43,088	40,037
Vote 13 Office of Public Works	e	203	216
Vote 18 Shared Services	e	219	568
Vote 24 Justice and Equality - Financial Shared Services Centre	e	607	567
		44,387	41,523

"e" indicates that the number is an estimated value or an apportioned cost.

[a] The 2014 figure in respect of Vote 12 Superannuation and Retired Allowances has been revised to reflect the updated methodology used by the Department of Public Expenditure and Reform in arriving at the estimated amount for 2015.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	889,370	887,331
Capital assets under development	2.3	55,667	28,461
		945,037	**915,792**
Current assets			
Bank and cash	2.4	7,933	8,270
Stocks	2.5	1,039	1,170
Prepayments		380	450
Accrued income		91	52
Other debit balances	2.6	469	603
Total current assets		**9,912**	**10,545**
Less current liabilities			
Net liability to the Exchequer	2.8	259	48
Accrued expenses		4,174	2,702
Other credit balances	2.7	8,143	8,825
Total current liabilities		**12,576**	**11,575**
Net current liabilities		**(2,664)**	**(1,030)**
Net assets		**942,373**	**914,762**
Represented by:			
State funding account	2.1	**942,373**	**914,762**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			914,762	834,286
Land and buildings revaluation			—	50,735
Disbursements from the Vote				
Estimate provision	Account	316,540		
Surplus to be surrendered	Account	(1,259)		
Net vote			315,281	318,990
Expenditure (cash) borne elsewhere	1		44,387	41,523
Transfer from Department of Justice and Equality	2.2		—	(801)
Net programme cost	1		(332,057)	(329,971)
Balance at 31 December			**942,373**	**914,762**

2.2 Capital Assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2015	883,258	69,155	811	8,543	961,767
Additions	1,620	2,147	—	191	3,958
Disposals	—-	(136)	(1)	(35)	(172)
Cost or valuation at 31 December 2015	884,878	71,166	810	8,699	965,553
Accumulated depreciation					
Opening balance at 1 January 2015	—	65,979	678	7,779	74,436
Depreciation for the year	—	1,423	32	459	1,914
Depreciation on disposals	—	(136)	(1)	(30)	(167)
Cumulative depreciation at 31 December 2015	—	67,266	709	8,208	76,183
Net assets at 31 December 2015	**884,878**	**3,900**	**101**	**491**	**889,370**
Net assets at 31 December 2014	**883,258**	**3,176**	**133**	**764**	**887,331**

2.3 Capital Assets under Development

at 31 December	Construction Contracts	
	2015	2014
	€000	€000
Amounts brought forward at 1 January	28,461	3,956
Cash payments for the year	28,826	26,564
Transferred to asset register	(1,620)	(2,059)
	55,667	28,461

2.4 Bank and Cash	2015	2014
at 31 December	€000	€000
PMG balances and cash	7,821	8,011
Commercial bank accounts	112	259
	7,933	8,270

2.5 Stocks	2015	2014
at 31 December	€000	€000
Uniforms and clothing	916	1,035
Furniture and maintenance material	28	30
Miscellaneous	95	105
	1,039	1,170

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Imprests	150	120
Payroll suspense account (Paypath)	61	204
Other debit suspense items	258	279
	469	603

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	4,420	4,460
Pay Related Social Insurance	1,877	1,836
Retention Tax	239	141
Value Added Tax	930	1,510
Construction Tax	—	13
Tax deducted from pension contribution refunds	—	1
	7,466	7,961
Payroll deductions held in suspense	675	626
Other credit suspense items	2	238
	8,143	8,825

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,259	1,205
Exchequer grant undrawn	(1,000)	(1,157)
Net liability to the Exchequer	259	48
Represented by:		
Debtors		
Bank and cash	7,933	8,270
Debit balances: suspense	469	603
	8,402	8,873
Creditors		
Due to State	(7,466)	(7,961)
Credit balances: suspense	(677)	(864)
	(8,143)	(8,825)
	259	48

2.9 Commitments	2015	2014
at 31 December	€000	€000
(a) Global Commitments		
Total of legally enforceable commitments	4,657	2,187

(b) Multi-Annual Capital Commitments

	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
Cork Prison	22,262	22,241	782	45,285	42,431

The figure for subsequent years' expenditure represents commitments where formal contracts were entered into at 31 December 2015.

Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Description	Amount of increase €000	Explanation
Cork Prison	2,854	A number of change orders approved by the IPS Capital Projects Oversight Board during 2015 led to an increase in the total project cost.

2.10 Matured Liabilities

There were no matured liabilities undischarged at year end (2014: Nil).

3 Programme Expenditure by Subhead

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A	**Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison.**				
A.1	Administration – pay				
	Original	230,600			
	Supplementary	5,000	235,600	235,013	236,926
A.2	Administration – non pay				
	Original	13,156			
	Supplementary	(91)	13,065	13,296	11,948
A.3	Buildings and equipment				
	Original	45,188			
	Supplementary	1,992	47,180	47,099	49,503
A.4	Prisoner services				
	Original	28,976			
	Supplementary	(2,362)	26,614	26,524	28,335
A.5	Operational services				
	Original	3,730			
	Supplementary	1,020	4,750	4,945	4,004
A.6	Educational services				
	Original	1,265			
	Supplementary	(165)	1,100	1,123	1,101
A.7	Compensation				
	Original	2,873			
	Supplementary	1,000	3,873	3,014	3,524
A.8	Social disadvantage measures (Dormant accounts funded)				
	Original	189			
	Supplementary	(189)	—	189	—
			332,182	331,203	335,341

Significant variations

Overall, the gross expenditure in relation to the Programme was €0.98 million lower than provided. The significant variations were as follows:

Description	Less/(more) than provided	Explanation
	€000	
Administration - pay	587	While a saving of €587,000 arose, the original estimate was increased by €5 million in a supplementary estimate mainly because the number of serving personnel was greater than the number which had been projected under the Employment Control Framework (ECF). The estimated number serving under the ECF at the end of 2015 was 3,265 where as the actual serving number was 3,308. A further reason for the supplementary estimate included the payment of arrears relating to the reinstatement of a certain payroll environmental allowance following the outcome of an arbitration hearing. It has been possible to increase the budgetary allocation in this subhead for 2016.

Description	Less/(more) than provided €000	Explanation
Administration - non - pay	(231)	While there was an excess of €231,000, the original estimate was reduced by €91,000 as part of the supplementary estimate process. The subsequent excess was mainly due to increased ICT costs (€660,000) in relation to storage area network servers and pc's and travel and subsistence costs (€80,000). However, there were also offsetting savings which included the purchase of uniforms (€340,000) and other administrative costs (€169,000).
Buildings and equipment	81	While there was a saving of €81,000, the original estimate was increased by €1.992 million as part of the supplementary estimate. This was due to the requirement to carry out preliminary works in the Limerick Prison development project at an earlier date than originally planned. Also, it was necessary to provide funding for certain essential minor building maintenance works throughout the Prisons Estate which were carried out before the end of the year.
Prisoner services	90	While there was a saving of €90,000, the original estimate was reduced by €2.36 million as part of the supplementary estimate due to lower costs than expected in this subhead. The reduced requirement is directly related to a reduction in prisoner numbers – daily average number of prisoners in 2015 was 3,722 compared with 3,916 in 2014. There were also savings achieved in relation to cleaning supplies through the introduction of a new dispensing system.
Operational services	(195)	The original estimate was increased by €1.02 million as part of the supplementary estimate. The excess arose mainly due to increased expenditure on other operational services including certain legal costs (non-compensation related) falling due for payment.
Compensation	859	The original estimate was increased by €1 million as part of the supplementary estimate process to meet potential awards falling due for payment before the end of the year. The saving arose, as not all of the expected compensation awards were actually finalised before the end of the year. The precise timing and quantification of expenditure in relation to compensation payments can be difficult to predict.
Social disadvantage measures (Dormant Accounts Funded)	(189)	The original estimate was reduced in the supplementary estimate process as the expenditure from a project approved under the Dormant Accounts Scheme, had been initially brought to account in the Prisoner Services subhead (A.4). On subsequent review, it was determined that it was more appropriate to charge the expenditure under the Dormant Accounts heading and hence, the excess expenditure in this subhead. The project in question relates to a training programme for prisoners in respect of community based health and first aid which is run in conjunction with the Irish Red Cross.

4 Receipts

4.1 Appropriations-in-aid

			2015		2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
1.	Miscellaneous				
	Original	405			
	Supplementary	(205)	200	203	313
2.	Dormant account receipts				
	Original	189			
	Supplementary	(189)	—	189	—
3.	Receipts from pension - related deduction on public service remuneration				
	Original	15,140			
	Supplementary	302	15,442	15,530	16,038
	Total		15,642	15,922	16,351

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%

Description	Less/(more) than provided	Explanation
	€000	
Miscellaneous	(3)	The level of receipts under this heading can be difficult to predict (2014 - €313,000). The original estimate was adjusted as part of the supplementary estimate and the eventual receipts were broadly in line with the revised allocation.
Dormant account receipts	(189)	Receipts from the Dormant Accounts Fund are directly linked to expenditure under Subhead A.8. While the original estimate was reduced as part of the supplementary estimate, it subsequently transpired that there was expenditure under the Dormant Accounts Scheme arising in 2015. As a result, the corresponding receipts arose and gave rise to a surplus when compared with the revised allocation.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	3,308	3,381

	2015 €000	2014 €000
Pay	139,840	142,050
Higher, special or additional duties allowance	279	290
Other allowances	48,316	47,968
Extra attendance and overtime	30,897	31,048
Employer's PRSI	15,681	15,570
Total Pay	**235,013**	**236,926**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	59	3	12,004	11,560
Extra attendance and overtime	3,013	1,778	26,028	22,884
Shift and roster allowances	2,862	695	16,130	18,388
Miscellaneous	3,174	319	23,903	31,252
Number of individuals who received extra remuneration in more than one category	3,092	2,997	52,549	50,574

5.2 Other Remuneration Arrangements

A total of €120,339 was paid to fourteen retired civil servants in receipt of civil service pensions, ranging from €590 to €25,637, who were re-employed on various duties during 2015. A total of €31,465 was paid to five retired members of An Garda Síochána, who were employed by the Prison Service on specific duties during 2015. Appropriate procedures were in place with regard to payments to retired staff in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012

5.3 Payroll Overpayments

Overpayments at the year end were €625,952 (218 cases) (2014: €561,028, 186 cases). Of this, €460,979 (139 cases) have recovery plans in place, including 39 preserved pension cases.

6 Miscellaneous

6.1 Prison Population

The estimated daily average number of prisoners in 2015 was 3,722 (2014: 3,916)

6.2 Compensation and Legal Costs

The account includes expenditure in relation to compensation and legal costs made to prisoners, staff and members of the public. It also includes legal costs incurred by the Prison Service in relation to non-compensation cases. The table below shows a breakdown of these costs.

	Number of cases	Legal costs paid by the Prison Service	Compensation awarded	Legal costs awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by prison staff						
Civil claims for injuries received while on duty and other issues involving prison staff	78	—	811	245	1,056	1,217
Claims through the Criminal Injuries Compensation Tribunal arising out of injuries received by prison staff	49	—	575	4	579	983
Claims by prisoners						
Claims arising out of injuries and other actions involving prisoners	200	—	468	661	1,129	1,084
Non-compensation related legal costs	32	564	—	—	564	478
Claims by members of the public	35	—	167	66	233	234
		564	2,021	976	3,561	3,996

At 31 December 2015, the State Claims Agency recorded 1,622 claims as outstanding. (2014: 1,201 cases)

6.3 Prisoner Funeral Expenses

Ex gratia payments totalling €17,340 were made towards the funeral expenses of nine prisoners who died in prison.

6.4 Fraud and Suspected Fraud	2015 €000	2014 €000
Alleged misappropriation of stock/monies	1	10

There was one suspected fraud instance in 2015 (2014:2). The original sum of money misappropriated was €35,681, all but €1,000 has been returned.

6.5 Inventory Write-Off

A write-off of €93,154 in respect of obsolete clothing stock is included in the stock figure as at 31 December 2015.

6.6 Cash Losses

A cash bail of €10,000 was received in Limerick Prison but went missing prior to lodgement

The matter has been reported to An Garda Síochána. It appears that there is no prospect of recovering the money. Sanction has been received to reinstate the loss from the Prison Vote subject to controls being strengthened in this area to avoid similar cash losses in the future.

During a review of the cash records in Cork Prison shortfalls totalling €5,639 were identified. These dated back to the 2009/2010 period and were deemed non-recoverable. The appropriate sanction was obtained to write-off the amounts in question on the basis that new control procedures have been put in place to prevent similar losses in the future.

6.7 Contingent Liability

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

Appropriation Account 2015

Vote 22

Courts Service

Introduction

As Accounting Officer for Vote 22, 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 2015 for such of the salaries and expenses of the Courts Service and of the Supreme Court, the Court of Appeal, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain other minor services as are not charged to the Central Fund.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.14 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 have been applied in the preparation of the Account except for the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life, starting in the month placed in service.

Buildings are depreciated at a rate of 2% per annum on a straight line basis.

Court buildings are valued upon vesting in the Courts Service. The valuation used is based on market values of commercial properties in the area. In the absence of a valuation and where a building has been refurbished, such buildings are capitalised at cost, until such time that a valuation is carried out.

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 Courts Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

The Courts Service ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Courts Service is compliant with the exception of five contracts to the value of €524,585. These contracts were extended beyond the original contract date without competitive procurement and an independent review was not obtained in advance of expenditure as required under Circular 40/2002. The Courts Service will put in place contracts for a number of these services during 2016 and liaise with the Office of Government Procurement in order to utilise any frameworks/ contracts being put in place by them. In relation to certain services, the Courts Service relies on centralised frameworks to draw down from. During 2015, there was another item relating to a centralised framework with a value of €460,551 which was extended beyond the original contract due to a delay in the commencement of the centralised framework.

Audit Committee

I confirm that the Courts Service has an Audit Committee. The Committee is a sub-committee of the Courts Service Board. The role of the Committee is to oversee, advise and support the Board and the Chief Executive Officer/Accounting Officer by reviewing the comprehensiveness of assurances on a range of matters including the integrity of internal financial controls. The Audit Committee operates under a written charter and reports annually to the Courts Service Board. It also reviews and approves the Internal Audit annual work programme.

Internal Audit

I confirm that the Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the risks to which the Service is exposed, and its annual internal audit plans 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Courts Service and the Financial Shared Services Centre Killarney for the provision of financial shared services, and the National Shared Service Office for the provision of human resource services and payroll services.

I rely on a letter of assurance from the relevant Accounting Officers of those Votes that the appropriate controls are exercised in the provision of shared services to the Courts Service.

Brendan Ryan
Accounting Officer
Courts Service

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 22 Courts Service

I have audited the appropriation account for Vote 22 Courts Service for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration in the Court Service and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 22 Courts Service for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Courts Service. The appropriation account is in agreement with the accounting records.

Non Compliance with Procurement Rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Seamus McCarthy
Comptroller and Auditor General

16 August 2016

Vote 22 Courts Service

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the courts and support the judiciary	107,965	107,112	105,399
	Gross expenditure	**107,965**	**107,112**	**105,399**
	Deduct			
B	**Appropriations-in-aid**	**47,815**	**48,097**	**48,797**
	Net expenditure	**60,150**	**59,015**	**56,602**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,135,706	1,429,334

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	50,019	48,907	47,139
ii	Travel and subsistence	2,663	2,893	2,912
iii	Training and development and incidental expenses	6,106	5,631	5,761
iv	Postal and telecommunications services	2,291	2,680	2,275
v	Office equipment and external IT services	5,067	7,032	6,237
vi	Office premises expenses	14,676	15,003	13,681
vii	Consultancy services and value for money and policy reviews	100	69	76
		80,922	82,215	78,081

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	Note		2015	2014
		€000	€000	€000
Programme cost			24,896	27,318
Pay			48,907	47,139
Non pay			33,309	30,942
Gross expenditure			**107,112**	**105,399**
Deduct				
Appropriations-in-aid			**48,097**	**48,797**
Net expenditure			**59,015**	**56,602**
Changes in capital assets				
Purchases cash		(389)		
Depreciation		6,888		
			6,499	5,938
Changes in assets under development				
Cash payments			(1,780)	(2,038)
Changes in net current assets				
Increase in closing accruals		1,034		
Decrease in stock		11		
			1,045	586
Direct expenditure			**64,779**	**61,088**
Expenditure borne elsewhere				
Net allied services expenditure	1.1		41,641	38,260
Notional rents			3,365	3,342
Net programme cost			**109,785**	**102,690**

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 22 borne elsewhere.

		2015	2014
		€000	€000
Vote:			
Vote 9 Office of the Revenue Commissioners	e	180	150
Vote 12 Superannuation and Retired Allowances	e	8,108	7,495
Vote 13 Office of Public Works	e	1,094	1,003
Vote 18 Shared Services	e	78	—
Vote 20 Garda Síochána	e	178	187
Vote 24 Justice and Equality - Financial Shared Services Centre	e	293	460
Central Fund – Judicial salaries and pensions	e	31,710	28,965
		41,641	38,260

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	211,828	215,100
Capital assets under development	2.3	743	1,870
		212,571	**216,970**
Current assets			
Bank and cash	2.4	1,557	898
Stocks	2.5	213	224
Prepayments		1,730	2,213
Accrued income		2,500	1,787
Other debit balances	2.6	1,407	2,092
Total current assets		**7,407**	**7,214**
Less current liabilities			
Accrued expenses		3,749	2,164
Other credit balances	2.7	2,827	2,460
Net liability to the Exchequer	2.8	137	530
Total current liabilities		**6,713**	**5,154**
Net current assets		**694**	**2,060**
Net assets		**213,265**	**219,030**
Represented by:			
State funding account	2.1	**213,265**	**219,030**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			219,030	204,177
Disbursements from the Vote				
Estimate provision	Account	60,150		
Surplus to be surrendered	Account	(1,136)		
Net vote			59,014	56,602
Expenditure (cash) borne elsewhere	1		41,641	38,260
Non cash expenditure – notional rent	1		3,365	3,342
Other non-cash items			—	21,542
Capital assets under development			—	(2,203)
Net programme cost	1		(109,785)	(102,690)
Balance at 31 December			**213,265**	**219,030**

2.2 Capital Assets

	Land and buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross Assets				
Cost or valuation at 1 January 2015	249,998	40,210	31,982	322,190
Additions	2,098	1,157	361	3,616
Disposals	—	(101)	—	(101)
Cost or valuation at 31 December 2015	252,096	41,266	32,343	325,705
Accumulated depreciation				
Opening balance at 1 January 2015	39,800	37,868	29,422	107,090
Depreciation for the year	4,846	1,014	1,028	6,888
Depreciation on disposals	—	(101)	—	(101)
Cumulative depreciation at 31 December 2015	44,646	38,781	30,450	113,877
Net assets at 31 December 2015	**207,450**	**2,485**	**1,893**	**211,828**
Net assets at 31 December 2014	**210,198**	**2,342**	**2,560**	**215,100**

Included in land and buildings are five buildings in the following locations: Ballinamore, Birr, Borrisokane, Ballyhaunis and Swinford, with a total cost of €2.015 million. These buildings have been identified for disposal.

The land and buildings figure also includes three sites for future development with a net book value of €1.25 million, in addition to three courthouses currently not in use with a net book value of €2.795 million.

Section 26 of the Courts Service Act 1998 provides for the transfer to the Courts Service of legal title in respect of certain land and buildings. Mullingar Courthouse, which is now part of the Courts Service PPP Bundle, was vested in 2015 bringing the total number of vested buildings to 42. There were no buildings valued in 2015. There are currently six buildings awaiting valuation: Washington Street, Kilkenny, Clifden, Wicklow, Tullamore and Nenagh. In the absence of a valuation and where a building has been refurbished, such buildings are capitalised at cost, until such time that a valuation is carried out. The Courts Service has engaged the Valuations Office to carry out valuations of the above buildings.

2.3 Capital Assets under Development

	Construction projects	Computer applications	Total
	€000	€000	€000
Amounts brought forward at 1 January 2015	1,262	608	1,870
Cash payments for the year	845	935	1,780
Transferred to asset register	(2,098)	(809)	(2,907)
Balance at 31 December 2015	9	734	743

2.4 Bank and Cash	2015	2014
at 31 December	€000	€000
PMG balances and cash	586	(360)
Commercial bank accounts [a]	971	1,258
	1,557	898

[a] The disclosure for commercial bank accounts above represents the Exchequer related balances of the bank accounts held by the Courts Service at 31 December each year.
Not included in Note 2.4 above is the account balance of €7.9 million (€7.5 million in 2014) which principally consists of non Exchequer funding relating to maintenance lodgements under family law, bail money lodgements and poor box receipts.
The Circuit Court offices also maintain a number of bank accounts that are not included in Note 2.4. There was a balance on these accounts of €12,496 at the 31 December 2015. These accounts will be closed in 2016.

2.5 Stocks	2015	2014
at 31 December	€000	€000
Stationery	138	172
Consumables	39	32
Miscellaneous	36	20
	213	224

2.6 Other Debit Balances	2015	2014
at 31 December	€000	€000
Advances to OPW	942	1,115
Payroll suspense account (Paypath)	211	745
Recoupment of salaries	85	86
Other debit suspense items	157	137
Imprests	12	9
	1,407	2,092

2.7 Other Credit Balances	2015	2014
at 31 December	€000	€000
Amounts due to the State		
Income Tax	1,013	723
Professional Services Withholding Tax	30	21
Value Added Tax	21	51
Pay Related Social Insurance	380	283
Commercial bank accounts [a]	971	1,062
	2,415	2,140
Payroll deductions held in suspense	411	318
Other credit suspense items	1	2
	2,827	2,460

[a] See “a” above at Note 2.4

2.8 Net Liability to the Exchequer	**2015**	**2014**
At 31 December	**€000**	**€000**
Surplus to be surrendered	1,136	1,429
Exchequer grant undrawn	(999)	(899)
Net liability to the Exchequer	137	530
Represented by:		
Debtors		
Bank and cash	1,557	898
Debit balances: suspense	1,407	2,092
	2,964	2,990
Creditors		
Due to State	(2,415)	(2,140)
Credit balances: suspense	(412)	(320)
	(2,827)	(2,460)
	137	530

2.9 Commitments		**2015**	**2014**
at 31 December		**€000**	**€000**
(a) Global commitments			
A.2(v)	ICT	3,719	4,784
A.2(vi)	Leases	26,115	30,572
	Refurbishment loan for Washington Street courthouse [a]	3,355	3,906
		33,189	39,262

[a] The principle element of this loan is disclosed under note 2.9(b) – multi-annual capital commitments.

(b) Multi-annual capital commitments

Project	**Cumulative expenditure to 31 December 2014** **€000**	**Expenditure in 2015** **€000**	**Project commitments in subsequent years** **€000**	**Expected total spend lifetime of project 2015** **€000**	**Expected total spend lifetime of project 2014** **€000**
Refurbishment loan for Washington Street courthouse	10,285	1,072	13,643	25,000	25,000

(c) Capital cost of Public Private Partnership project

	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Legally enforceable commitments to be met in subsequent Years	Project total 2015	Project total 2014
	€000	€000	€000	€000	€000
Criminal Courts Complex	38,109	4,501	134,487	177,097	177,097

2.10 Matured Liabilities

There were no matured liabilities undischarged at year end, or in the previous year.

3 Programme Expenditure by Subhead

		Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000
A	**Manage the Courts and Support the Judiciary**			
A.1	Administration - pay	50,019	48,907	47,139
A.2	Administration - non pay	30,903	33,309	30,942
A.3	Courthouses (capital works)	4,880	4,602	4,456
A.4	PPP costs	22,163	20,294	22,862
		107,965	**107,112**	**105,399**

Significant variations

Overall, the gross expenditure in relation to the programme was €0.853m less than provided. This was mainly due to the following.

Description	Less/(more) than provided	Explanation
	€000	
Administration – pay	1,112	The underspend was due to the delay in receiving delegated sanction from the Department of Public Expenditure and Reform, which resulted in delays in the filling of vacant posts.
Administration – non pay	(2,406)	This variance was primarily driven by an overspend on ICT of €1.7 million. The 2015 allocation for ICT was €4.8 million. The overspend relates to a number of essential ICT projects undertaken in 2015 in relation to the Fines (Payments & Recovery) Act 2014, e-Licensing and the Court of Appeal, in addition to ICT contractual commitments.
Courthouse (capital works)	278	The underspend relates to the timing of payments of OPW invoices relating to the new PPP Bundle of seven courthouses entered into in December 2015.
PPP costs	1,869	PPP costs, in relation to the Criminal Courts of Justice building, are relatively fixed but there are a number of contractual provisions, which need to be evaluated before payment. As a result, the precise timing of payments can vary from year to year and this led to an underspend in 2015. A further reason for the underspend related to an insurance rebate which became due in 2015.

4 Receipts

4.1 Appropriations-in-aid

		2015 Estimated €000	2015 Realised €000	2014 Realised €000
1.	Fees	43,493	44,136	44,302
2.	Miscellaneous	1,742	1,288	1,869
3.	Receipts from pension-related deduction on public service remuneration	2,580	2,673	2,626
	Total	47,815	48,097	48,797

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than provided €000	Explanation
Miscellaneous	454	Year on year it is difficult to predict miscellaneous income as it is dependent on many variables and the timing of receipts. Furthermore in 2014 there was a large once-off receipt of €0.423 million in relation to the recovery of legal and other costs incurred by the Courts Service as a result of an arbitration case taken by the Service.

4.2 Extra receipts payable to the Exchequer

	2015 Estimated €000	2015 Realised €000	2014 Realised €000
Balance at 1 January	—	—	—
Road Traffic Act fines[a]	7,032	6,734	6,889
Other fines[a]	4,000	4,217	4,234
Other receipts[b]	—	94	158
Total transferred to Exchequer	(11,032)	(11,045)	(11,281)
Balance at 31 December	—	—	—

[a] Fines receipts are largely outside of the control of the Courts Service and are dependent on the imposition of fines by the Courts, and enforcement by An Garda Síochána.

[b] The Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are paid over to the Department of Finance. The 2015 receipts relate to funds lodged in 2008. The total balance of these funds held by the Office of the Accountant of the Courts of Justice at 31 December 2015 was €1.86 million.

4.3 Fines and fees collected on behalf of other Departments

Direct payments were made to the following government departments / agencies in respect of fines and fees collected by the Court Service on their behalf in 2015.

	2015 €000	2014 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines[a]	1,633	1,885
Excise Duty[b]	5,033	5,150
Department of Communications, Energy and Natural Resources	25	19
Department of Agriculture, Fisheries and Food	775	216
Total transferred	(7,466)	(7,270)
Balance at 31 December	—	—

[a] Monies collected relate to court fines imposed where the prosecutor is the Revenue Commissioner.

[b] Monies collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Court Service on behalf of the Revenue Commissioners.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	948	927

	2015 €000	2014 €000
Pay	44,938	43,328
Higher, special or additional duties allowance	39	32
Other allowances	1,000	1,045
Overtime	274	236
Employer's PRSI	2,656	2,498
Total pay	**48,907**	**47,139**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	23	—	7,041	4,200
Other allowances	272	10	19,585	19,585
Overtime	136	6	18,164	20,861
Number of individuals who received extra remuneration in more than one category	355	23	22,715	22,778

5.2 Other Remuneration Arrangements

A total of €26,836 was paid in 2015 to five retired civil servants in receipt of civil service pensions who were engaged for a short period of time during 2014 and 2015. This amount is made up of €21,086 payroll and €5,750 travel and subsistence. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.3 Recouped Costs

Salary costs of €812,178 were recouped from tribunals and government departments in respect of staff on secondment.

5.4 Salary Overpayments

Overpayments at the year end were €42,622 (37cases) (2014: €58,606, with 53 cases). Of this, €21,021 (19 cases) have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by members of the public	51	—	56	248	304	380
		—	56	248	304	380

Total payments in respect of third party legal costs and compensation costs amounted to €303,953. These included costs associated with judicial review proceedings where the Courts Service was a party to such proceedings, and payments in respect of actions dealt with by the State Claims Agency amounting to €63,623.

6.2 Courts Service PPP Bundle

In July 2012, the Government announced an investment package which includes seven courthouse projects, as follows: Wexford, Mullingar, Waterford, Limerick, Cork, Letterkenny and Drogheda. The Courts Service entered into a contract with the preferred bidder in December 2015.

6.3 Write-Offs and Provisions

During 2015, Vote 22 wrote off €52,949 in relation to administrative errors as follows

	Debts written off		Movement in provision	
	2015	2014	2015	2014
	€000	€000	€000	€000
Administrative errors	53	1	—	—
Total	53	1	—	—

€45,340 of the write off relates to a data migration error that occurred in 2003 whereby recurring payments were made in error to a Ward of Court. The Courts Service has made every effort to recover the money referred to above and has put procedures in place to ensure that this type of error does not reoccur.

Appropriation Account 2015

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Vote 23, 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 2015 for the salaries and expenses of the Property Registration Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.51 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 have been applied in the preparation of the account except for the following:

Statement of capital assets – depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

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 Authority.

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

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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 Authority
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Authority ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Authority complied with the guidelines with the exception of 7 contracts to the value of €3.6 million which were listed in my annual return in respect of Circular 40/2002. Of this amount, one contract in the amount of €3 million relates to payments to Ordnance Survey Ireland, the national mapping agency. Of the remainder, three contracts to the value of €370,000 relate to services available from one source only while a further three contracts to the value of €228,000 are in respect of extensions of existing contracts.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Level Agreement between this Office and the Department of Justice and Equality for the provision of Financial Shared Services. I rely on a letter of assurance from the Accounting Officer of the Department of Justice and Equality that the appropriate controls are exercised in the provision of shared services to this Office.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department.

Internal Audit and Audit Committee

I confirm that the Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Authority is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Frank Treacy
Chief Executive Officer
Property Registration Authority

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 Property Registration Authority

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration in the Authority and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 23 Property Registration Authority for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Property Registration Authority. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

4 July 2016

Vote 23 Property Registration Authority

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds	31,287	29,924	29,923
	Gross expenditure	**31,287**	**29,924**	**29,923**
	Deduct			
B	**Appropriations-in-aid**	**976**	**1,125**	**1,177**
	Net expenditure	**30,311**	**28,799**	**28,746**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	1,511,824	1,361,979

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,973	23,133	23,082
ii	Travel and subsistence	110	117	106
iii	Training and development and incidental expenses	4,100	3,956	4,079
iv	Postal and telecommunications services	800	668	654
v	Office equipment and external IT services	1,817	1,509	1,508
vi	Office premises expenses	462	531	469
vii	Consultancy services and value for money and policy reviews	25	10	25
		31,287	29,924	29,923

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Pay		23,133	23,082
Non pay		6,791	6,841
Gross expenditure		**29,924**	**29,923**
Deduct			
Appropriations-in-aid		**1,125**	**1,177**
Net expenditure		**28,799**	**28,746**
Changes in capital assets			
Purchases cash	(494)		
Depreciation	542		
Loss on disposals	3		
		51	588
Changes in net current assets			
Increase in closing accruals	77		
Decrease in stock	36		
		113	106
Direct expenditure		**28,963**	**29,440**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,770	4,728
Notional rents		2,732	2,637
Net programme cost		**36,465**	**36,805**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 23 borne elsewhere.

		2015	2014
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	3,899	3,624
Vote 13 Office of Public Works	e	713	788
Vote 18 Shared Services	e	35	—
Vote 24 Justice and Equality - Financial Shared Services Centre	e	123	316
		4,770	4,728

“e” indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	1,195	1,246
Current assets			
Bank and cash	2.3	1,770	1,598
Stocks	2.4	221	257
Prepayments		538	702
Accrued Income		32	—
Other debit balances	2.5	162	390
Net funding due from Exchequer	2.7	—	456
Total current assets		**2,723**	**3,403**
Less current liabilities			
Accrued expenses		129	184
Other credit balances	2.6	1,841	2,444
Net funding due to Exchequer	2.7	91	—
Total current liabilities		**2,061**	**2,628**
Net current assets		662	775
Net assets		**1,857**	**2,021**
Represented by:			
State funding account	2.1	**1,857**	**2,021**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			2,021	2,715
Disbursements from the Vote				
Estimate provision	Account	30,311		
Surplus to be surrendered	Account	(1,512)		
Net vote			28,799	28,746
Expenditure (cash) borne elsewhere	1		4,770	4,728
Non cash expenditure – notional rent	1		2,732	2,637
Net programme cost	1		(36,465)	(36,805)
Balance at 31 December			**1,857**	**2,021**

2.2 Capital Assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	35,465	3,640	39,105
Additions	435	59	494
Disposals	(296)	(32)	(328)
Write-off of software costs	(992)	—	(992)
Cost or valuation at 31 December 2015	34,612	3,667	38,279
Accumulated depreciation			
Opening depreciation as at 1 January 2015	34,410	3,449	37,859
Depreciation for the year	494	48	542
Depreciation on disposals	(295)	(30)	(325)
Depreciation on written-off software costs	(992)	—	(992)
Cumulative depreciation at 31 December 2015	33,617	3,467	37,084
Net assets at 31 December 2015	**995**	**200**	**1,195**
Net assets at 31 December 2014	**1,055**	**191**	**1,246**

2.3 Bank and Cash at 31 December	**2015** €000	**2014** €000
PMG balances and cash	682	(353)
Commercial bank accounts	1,088	1,951
	1,770	1,598

2.4 Stocks at 31 December	**2015** €000	**2014** €000
Stationery	121	140
Miscellaneous supplies	18	16
IT consumables	82	101
	221	257

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Payroll suspense account (Paypath)	96	355
Suspense	39	35
Advances to OPW	27	—
	162	390

a) Debt Write-Offs and Provisions

There were no bad debts written off in 2015.

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	414	305
Retention Tax	2	1
Pay Related Social Insurance	177	137
Value Added Tax	30	24
Extra receipts payable to the Exchequer	1,088	1,860
	1,711	2,327
Payroll deductions held in suspense	130	85
Owed to OPW	—	32
	1,841	2,444

2.7 Net funding due to Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	1,512	1,362
Exchequer grant undrawn	(1,421)	(1,818)
Net funding due to Exchequer	91	(456)
Represented by:		
Debtors		
Bank and cash	1,770	1,598
Debit balances: suspense	162	390
	1,932	1,988
Creditors		
Due to State	(1,711)	(2,327)
Credit balances: suspense	(130)	(117)
	(1,841)	(2,444)
	91	(456)

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	212	266

The Authority entered into an agreement in 2012 with Ordnance Survey Ireland, the national mapping agency, as a sole supplier for the provision of mapping data. Under the agreement, the Authority made payments of €3.4 million in 2012 and €3 million in both 2013 and 2014. In the context of the impending merger involving both organisations and Valuation Office (Note 6.4), the contract will be renewed on an annual basis pending the completion of the merger. As a result, no multi annual contractual commitment arises for this service at end December 2015.

2.9 Matured Liabilities

There were matured liabilities in the amount of €5,987 undischarged at the year-end 2015 (2014:Nil).

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Manage the Land Registry and the Registry of Deeds**			
A.1	Administration - pay	23,973	23,133	23,082
A.2	Administration - non pay	7,314	6,791	6,841
		31,287	29,924	29,923

Significant variations

Overall, the gross expenditure in relation to the programme was €1.5 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
A.1 Salaries, wages and allowances	840	Expenditure on salaries, wages and allowances was lower as a result of staff levels being consistently below ECF levels throughout the year.
A.2 Administration – non pay	523	Expenditure on a number of non-pay subheads reduced as a result of the achievement of efficiencies. Expenditure on post and telecoms is reduced as a result of ongoing refinement of postal and telecommunications arrangements. In addition, in 2015 €0.2 million of the ICT capital allocation was unused. The ability of the Authority to undertake ICT projects is dependent on the availability of a small number of key ICT personnel to implement projects.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from pension-related deductions on public service remuneration	976	1,125	1,177

Significant variations

Description	Less/(more) than provided	Explanation
	€000	
B. Appropriations- in- aid	149	This relates to pension levy which is difficult to predict.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Opening balance at 1 January	1,860	907
Land Registry fees	55,761	45,799
Registry of Deeds fees	1,520	1,206
Ground rent fees received	69	59
Paid over to Exchequer	(58,122)	(46,111)
Closing balance at 31 December	1,088	1,860

The increased level of fees received reflects increased activity in the property market, particularly in respect of transfer sales transactions. As a result, increased levels of applications for registration were lodged in the Land Registry in 2015.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	487	502

	2015 €000	2014 €000
Pay	21,527	21,628
Higher, special or additional duties allowance	23	14
Other allowances	78	81
Overtime	247	124
Employer's PRSI	1,258	1,235
Total Pay	**23,133**	**23,082**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	2	1	16,538	11,002
Other allowances	32	—	8,128	7,718
Overtime	161	—	7,457	8,908
Number of individuals who received extra remuneration in more than one category	11	1	12,150	13,601

5.2 Payroll overpayments

Overpayments at the year end were €235,000 (304 cases) (2014 €178,000, 145 cases) Of this, €128,176 (121 cases) have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

There were no personal injury claim payments, or related legal costs incurred in 2015.

6.2 Section 120 Compensation

All titles registered on the Land Register are guaranteed by the State. Section 120 of the Registration of Title Act 1964 provides for the payment of compensation to a person who suffers a loss through reliance on the Register where the loss is not caused or substantially contributed to by the act, neglect or default of himself or his agent. 27 Section 120 compensation payments (2014: 23) were paid in 2015, the total costs of which are set out below.

	2015	2014
	€000	€000
Section 120 compensation costs	94	108

6.3 Contingent Liability

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

6.4 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. As a result, a new organisation, to be called Tailte Éireann will be created. Tailte Éireann will have responsibility for several important functions, including the State property registration system, the State mapping and surveying infrastructure, the State property valuation service and the development and maintenance of State geospatial information.

The establishment of the new entity requires primary legislation. To that end, on 22 January 2015, the Minister for Justice and Equality published the heads and general scheme of the Tailte Éireann Bill, which provides for the merger.

The merger is not expected to have an impact on the carrying value of the Authority's assets or liabilities.

Appropriation Account 2015

Vote 24

Justice and Equality

Introduction

As Accounting Officer for Vote 24, 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 2015 for the salaries and expenses of the Office of the Minister for Justice and Equality, Probation Service staff and of certain other services, including payments under cash-limited schemes administered by that Office, and payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9.01 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.

Vote Structure

The Irish Human Rights and Equality Commission (formerly Subhead D.3) has been established as a separate Vote with effect from 1 January 2015.

The Policing Authority (Subhead A.11) is reflected as a new subhead in the Revised Estimate Volume for 2015 and has been established as a separate Vote with effect from 1 January 2016.

The subhead for the Office of the Commissioners of Charitable Donations and Bequests (formerly Subhead D.13) has been retired in 2015 following the dissolution of the office in October 2014 under the Charities Act 2009. The functions of the Commissioners were transferred to the Charities Regulatory Authority which is funded from Subhead D.11.

The Garda Complaints Board (Subhead A.5) was dissolved with effect from 30 June 2015.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset is placed in service. Buildings are depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life. Vehicles and equipment are depreciated at a rate of 20% per annum on a straight line basis over the estimated useful life.

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 Acting 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

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

I have provided a letter of assurance to Accounting Officers in receipt of financial shared services from the Departments Financial Shared Services (FSS) centre in Killarney regarding the controls in place.

Financial Control Environment

I confirm that a control environment containing 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.

Administrative Controls and Management Reporting

I confirm that 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.

Public Procurement

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

In this context, the Department operates a central supply agreement database and periodically reviews expenditure in the Financial Management System to ensure procurement compliance. Before payments are processed, a supply agreement reference must be present. This is to ensure that appropriate procurement arrangements are in place and that prior approval has been sought and received from the Procurement Officer where tendering is not possible. This can be due to the proprietary nature of the goods or services, situations where urgency is a factor or where it has been necessary to extend an agreement. The database is operated by the Procurement Division.

The database holds records in respect of long term support and maintenance arrangements for software such as Microsoft, Oracle and Core Pay and consumables for proprietary laboratory equipment where tendering is not possible. These arrangements have not, by agreement, been included under Circular 40/2002 for the last number of years.

A total of twenty two supply arrangements are being reported under Circular 40/2002 in 2015. These are broken down as follows.

- Thirteen existing supply arrangements, involving expenditure totalling €2,902,352, were extended beyond 2014, mostly in connection with the timing of procurement tenders in the Office of Government Procurement (OGP). Some of the OGP frameworks are taking longer than originally anticipated to come on stream. The Department is in regular contact with its key account manager in OGP to keep up to date with the relevant contracts, such as ICT and transport, with a view to migrating to the new contracts as they become available.
- Specialist knowledge, urgency or security considerations were in place for four arrangements involving expenditure totalling €722,354 covering location of victims remains and an emergency refurbishment project for a state owned Reception Integration Agency centre in Killarney, Co. Kerry.
- Direct sourcing - contract awarded by direct negotiation without a tendering process in five instances totalling €1,320,637 where internationally specified standards had to be met by INIS, for specialist legal services for Civil Law Reform, for forensic technical equipment for CAB and for an international expert to support a review by the Prisons Inspectorate

Tenders have since been completed in respect of three of the items reported above to the value of €657,356. In addition, a further three items have been concluded in respect of the specialist knowledge and direct sourcing categories with a value of €103,972.

It is the policy of my Department to avail of all centrally available frameworks as soon as they come on stream and to engage with the Office of Government Procurement where we have more specific requirements. Controls will remain in place to ensure compliance with this strategy.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of 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 the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Noel Waters
Accounting Officer
Department of Justice and Equality

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 24 Justice and Equality

I have audited the appropriation account for Vote 24 Justice and Equality for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 24 Justice and Equality for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Justice and Equality. The appropriation account is in agreement with the accounting records.

Non Compliance with Procurement Rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Reporting on matters arising from audit

Chapter 6 of my report on the accounts of the public services for 2015 refers to certain other matters relating to Vote 24 Department of Justice and Equality.

Seamus McCarthy

Comptroller and Auditor General

18 August 2016

Vote 24 Justice and Equality

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Maintain a Secure Ireland	149,140	152,169	146,347
B	Work for Safe Communities	53,983	51,353	49,380
C	Facilitate the Provision and Administration of Justice	126,568	124,856	128,274
D	Promote Equality and Integration	18,957	14,941	16,099
E	Represent Ireland's Justice Interests in International Fora	3,339	3,412	2,935
F	Contribute to Economic Recovery	21,105	19,605	20,241
	Gross expenditure	**373,092**	**366,336**	**363,276**
	Deduct			
G	**Appropriations-in-aid**	**61,966**	**64,225**	**63,068**
	Net expenditure	**311,126**	**302,111**	**300,208**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	9,014,861	24,388,295

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,382	19,786	19,441
ii	Travel and subsistence	340	362	264
iii	Training and development and incidental expenses	3,517	4,835	3,554
iv	Postal and telecommunications services	634	1,003	786
v	Office equipment and external IT services	5,236	9,758	5,631
vi	Office premises expenses	1,633	1,773	1,006
vii	Consultancy services and value for money and policy reviews	73	5	48
viii	Research	82	1	24
ix	Financial shared services	9,525	7,461	8,206
		41,422	44,984	38,960

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		321,352	324,316
Pay [a]		24,983	25,541
Non-pay		20,001	13,419
Gross expenditure		**366,336**	**363,276**
Deduct			
Appropriations-in-aid		**64,225**	**63,068**
Net expenditure		**302,111**	**300,208**
Changes in capital assets			
Purchases cash	(3,137)		
Depreciation	5,062		
Loss on disposals	73		
Disposals cash	1		
		1,999	1,845
Changes in assets under development			
Cash payments	(2,231)		
		(2,231)	(3,142)
Changes in net current assets			
Decrease in closing accruals	(3,514)		
Increase in stock	(54)		
		(3,568)	(2,392)
Direct expenditure		**298,311**	**296,519**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		30,482	28,027
Notional rents		4,581	4,725
Net programme cost		**333,374**	**329,271**

[a]The pay figure for 2015 includes salaries for the Financial Shared Services Centre amounting to €5,197,147 (2014: €6,099,767). This cost is charged to programme F – Contribute to Economic Recovery, sub-head F.1 Administration – pay.

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 24 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	166	91
Vote 12 Superannuation and Retired Allowances	e	23,190	21,791
Vote 13 Office of Public Works	e	12,322	11,977
Vote 18 Shared Services	e	169	39
Vote 20 Garda Síochána	e	185	182
Central Fund – Ministerial pensions		311	230
		36,343	34,310
Vote 24 Allied services – apportioned cost of Financial Shared Services Centre	e	(5,861)	(6,283)
		30,482	28,027

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	17,961	15,807
Capital assets under development	2.3	3,619	5,323
		21,580	**21,130**
Current assets			
Bank and cash	2.4	16,551	16,492
Stocks	2.5	1,593	1,539
Prepayments		6,405	4,154
Accrued income		7,859	7,065
Other debit balances	2.6	840	3,061
Total current assets		**33,248**	**32,311**
Less current liabilities			
Accrued expenses		5,810	6,249
Deferred income		115	145
Other credit balances	2.7	16,984	19,547
Net liability to the Exchequer	2.8	407	6
Total current liabilities		**23,316**	**25,947**
Net current assets		**9,932**	**6,364**
Net assets		**31,512**	**27,494**
Represented by:			
State funding account	2.1	**31,512**	**27,494**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			27,494	23,805
Disbursements from the Vote				
Estimate provision	Account	311,126		
Surplus to be surrendered	Account	(9,015)		
Net vote			302,111	300,208
Expenditure (cash) borne elsewhere	1.1		30,482	28,027
Non cash expenditure – notional rent	1		4,581	4,725
Net programme cost	1		(333,374)	(329,271)
Asset adjustments			218	—
Balance at 31 December			31,512	27,494

2.2 Capital Assets

	Land and buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2015	6,974	1,191	95,549	3,691	107,405
Additions	—	172	7,090	20	7,282
Adjustment [a]	—	—	18	—	18
Transfer in [b]	—	—	39	—	39
Disposals [a]	—	—	(5,313)	(1,052)	(6,365)
Cost or valuation at 31 December 2015	6,974	1,363	97,383	2,659	108,379
Accumulated depreciation					
Opening balance at 1 January 2015	904	867	86,937	2,890	91,598
Depreciation for the year	140	123	4,588	211	5,062
Adjustment [a]	—	—	10	—	10
Depreciation Transfer In	—	—	39	—	39
Depreciation on disposals	—	—	(5,293)	(998)	(6,291)
Cumulative depreciation at 31 December 2015	1,044	990	86,281	2,103	90,418
Net assets at 31 December 2015	**5,930**	**373**	**11,102**	**556**	**17,961**
Net assets at 31 December 2014	**6,070**	**324**	**8,612**	**801**	**15,807**

[a] Arising from a review of fixed assets which is ongoing, a number of assets with a date placed in service prior to 2015 were added to the asset register. The related accumulated depreciation is also included. In addition, the review identified assets with a net book value of nil which were not in place during an asset inventory. These were removed from the register in 2015. The removal of these assets from the asset register comprises the main part of the disposals figure in 2015.

[b] The assets transferred in referred to application licenses for the Oracle Financial Management System received from the Department of Environment, Community and Local Government.

2.3 Capital Assets under Development

	In-house computer applications	Buildings	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2015 [a]	4,255	1,068	5,323
Adjustment [b]	210	—	210
Cash payments for the year	2,231	—	2,231
Transferred to capital assets	(4,145)	—	(4,145)
Balance at 31 December 2015	2,551	1,068	3,619

Probation Services Premises

[a] The balance carried forward of €1.068 million in the buildings category reflects the fit out costs of leased premises in Dublin for use by the Probation Service. While work has been completed in relation to this building, it cannot be occupied due to issues in relation to planning permission. The status of the lease remains in dispute. Legal proceedings on behalf of the Department issued on 20 March 2013 and these proceedings are ongoing.

Adjustment

[b] The adjustment of €210,000 in 2015 refers to a prior year VAT adjustment of €7,000 on the EU/ERP Project and the inclusion of €203,000 in respect of prior year expenditure for the development of an online register for the Charities Regulatory Authority.

2.4 Bank and Cash at 31 December	2015 €000	2014 €000
PMG balances and cash	8,525	2,694
Commercial bank accounts	8,026	13,798
	16,551	16,492

2.5 Stocks at 31 December	2015 €000	2014 €000
Stationery	162	122
Forensic consumables	159	253
IT consumables	76	58
Immigration registration cards	1,133	1,046
Miscellaneous	18	23
Publications	23	20
Equipment/clothing	22	17
	1,593	1,539

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Advance to the Office of Public Works	(28)	396
Imprests	55	48
Recoupable salaries	—	213
Recoupment of travel pass scheme	409	317
Criminal Assets Bureau receivership	35	41
Payroll suspense account (Paypath)	345	1,889
Other	24	157
	840	3,061

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	2,590	1,934
Pay Related Social Insurance	1,184	866
Value Added Tax	193	197
Professional Service Withholding Tax	2,362	1,666
Justice bank accounts	8,026	13,507
	14,355	18,170
Payroll deductions held in suspense	906	702
ESF Advance Social Inclusion project funding 2014 – 2020	1,216	—
Emergency resettlement and Reach projects	(33)	199
Other	540	476
	16,984	19,547

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	9,015	24,388
Exchequer grant undrawn	(8,608)	(24,382)
Net liability to the Exchequer	407	6
Represented by:		
Debtors		
Bank and cash	16,551	16,492
Debit balances: suspense	840	3,061
	17,391	19,553
Creditors		
Due to State	(14,355)	(18,170)
Credit balances: suspense	(2,629)	(1,377)
	(16,984)	(19,547)
	407	6

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	3,407	3,470

2.10 Matured Liabilities

There were no matured liabilities un-discharged at year end 2015 or in the previous year.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Maintain a Secure Ireland**			
A.1	Administration – pay	6,857	7,133	6,559
A.2	Administration – non pay	3,586	6,551	3,743
A.3	Irish Naturalisation and Immigration Service (INIS)	50,895	46,994	48,880
A.4	Asylum seekers accommodation	51,936	57,025	53,217
A.5	Garda Complaints Board	—	—	175
A.6	Criminal Assets Bureau	7,073	6,678	6,654
A.7	Prisons Inspectorate	391	414	382
A.8	Garda Ombudsman Commission	9,212	8,648	8,310
A.9	Office of the Garda Inspectorate	1,282	1,061	1,111
A.10	Irish Youth Justice Service	17,408	17,426	17,316
A.11	Policing Authority	500	239	—
		149,140	152,169	146,347

Significant variations

Overall, the expenditure in relation to the Programme was €3.03 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(2,965)	The excess is primarily attributable to additional costs which have been apportioned across the various programmes. The additional costs were due to a number of once off payments related to the transition to a new 5 year ICT Managed Service provider which included the relocation to a new data centre. The excess is also accounted for by a relatively large payment in relation to a legal settlement.
Irish Naturalisation and Immigration Service	3,901	A saving of €1.7 million arose in payroll costs mainly due to the fact that the staff assigned to immigration controls at Dublin Airport did not come on stream as early in the year as anticipated. The saving of €2.2 million in non-payroll costs was mainly due to the demand led nature of many services provided from the subhead which can be difficult to predict. The total paid for legal services was lower than expected but this was due to the timing of the receipt of bills from the Chief State Solicitor's Cost Accounting Office. Also, the timing of ICT payments for large projects such as the EU Registration Permit and Eurodac meant that less expenditure was incurred in 2015 than originally expected.
Asylum Seekers Accommodation	(5,089)	The excess arose from the opening of three new accommodation centres to cope with an increase of 130% in those seeking asylum compared to 2014 and the transfer to Ireland of increased numbers of Programme Refugees.

Description	Less/ (more) than provided	Explanation
	€000	
Garda Ombudsman Commission	564	The saving arose primarily due to the fact that an additional €1 million provided in 2015 for an investigation into allegations of wrongful cancellation of Fixed Charge Notices was not expended. This was due to an unsuccessful outcome to an initial tender competition for suitable investigation support services in relation to the investigation. The saving was offset in part by additional legal costs incurred in relation to various matters in 2015.
Criminal Assets Bureau	395	The savings arose mainly due to less expenditure on legal costs than expected.
Office of the Garda Inspectorate	221	The savings arose due to reduced payroll costs arising from a recruitment time-lag to replace a member of the Inspectorate team of circa €45,000 and non payroll savings of €176,000. The non –payroll savings were mainly attributable to less expenditure on travel and subsistence expenses, consultancy and external support than expected.
Policing Authority	261	The savings arose due to the later than anticipated enactment of the enabling legislation for the establishment of the Policing Authority, with associated costs not materialising during 2015. It had been anticipated that the Authority would be established earlier in 2015. The legislation was passed in December 2015 and the Authority formally established on 1 January 2016.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Work for Safe Communities**			
B.1	Administration – pay	3,032	2,741	2,800
B.2	Administration – non pay	2,279	3,750	2,277
B.3	Office of the Data Protection Commissioner	3,647	2,963	2,275
B.4	Funding for services to victims of crime	1,212	1,212	1,212
B.5	Crime prevention measures	197	197	197
B.6	Private Security Authority	2,274	2,390	2,109
B.7	Irish Film Classification Office	687	627	661
B.8	Mental Health (Criminal Law) Review Board	399	390	355
B.9	Cosc - domestic, sexual and gender-based violence	1,930	1,582	1,388
B.10	Probation Service - salaries, wages and allowances	22,252	20,773	20,703
B.11	Probation Service - operating expenses	3,275	2,945	3,171
B.12	Probation Service - services to offenders	10,732	9,784	10,170
B.13	Community service order scheme	2,067	1,999	2,062
		53,983	51,353	49,380

Significant variations

Overall, the expenditure in relation to the Programme was €2.63 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(1,471)	The excess is primarily attributable to additional ICT costs which have been apportioned across the various programmes. The additional ICT costs were due to a number of once off payments related to the transition to a new 5 year ICT Managed Service provider which included the relocation to a new data centre.
Office of the Data Protection Commissioner	684	The saving arose due to actual payroll costs being less than expected in 2015. Additional funding was provided to facilitate an increase in staffing levels from twenty nine in 2014 to forty seven by the end of 2015. However, the staffing levels in 2015 increased on a phased basis throughout the year with some staff being assigned later than anticipated.
Private Security Authority	(116)	The excess arose due to four additional staff being assigned to the Private Security Authority from elsewhere in the Department thus giving rise to additional payroll costs. This was necessary due to the additional responsibilities and work undertaken by the Authority. It has been possible to increase the budget available in 2016.
Cosc - domestic, sexual and gender-based violence	348	There were savings across a range of activities including perpetrator programmes, communications and awareness raising grant activities and some research work which did not proceed as expected in 2015. In addition, certain projects in relation to the implementation of the national strategy did not progress as quickly as expected due to a delay in the finalisation of the implementation procedures prior to the end of 2015.
Probation Service - salaries, wages and allowances	1,479	The saving arose due to a combination of vacancies and slower than expected recruitment in 2015. A number of vacancies have now been filled and a recruitment process to fill 25 Probation Officer posts has commenced in early 2016.
Probation Service - operating expenses	330	The saving is largely due to reduced investment in ICT systems due to a planned move to the Department's managed ICT service during 2016.
Probation Service – services to offenders	948	The savings arose due to economies achieved in community based organisations as a result of streamlining cost structures and due to some developments not materialising as planned e.g. a new Quality and Policy Coordinator role was funded from existing funds and the cost of minor structural works in an organisation was less than the budgeted allocation.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Facilitate the Provision and Administration of Justice**			
C.1	Administration – pay	4,784	4,657	4,611
C.2	Administration – non pay	2,450	3,319	2,399
C.3	Commissions and special inquiries	7,104	10,257	2,891
C.4	Legal Aid - criminal (no. 12 of 1962)	47,552	50,879	49,890
C.5	Legal Aid – custody issues	3,750	2,749	3,230
C.6	Legal Aid Board	32,471	32,471	32,574
C.7	Free legal advice centres	98	98	98
C.8	Coroners Service	386	136	198
C.9	Parole Board	341	331	341
C.10	Forensic Science Laboratory	8,835	8,999	8,329
C.11	State Pathology	2,413	1,296	941
C.12	Compensation for personal injuries criminally inflicted	4,236	4,166	4,181
C.13	Central authorities (child abduction, child protection and maintenance debtors)	135	43	68
C.14	Legal services regulatory authority	501	—	—
C.15	Magdalen Fund	11,512	5,455	18,523
		126,568	124,856	128,274

Significant variations

Overall, the expenditure in relation to the Programme was €1.71 million lower than provided. The reasons for the technical supplementary estimate and lower than provided expenditure were mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(869)	The excess is primarily attributable to additional ICT costs which have been apportioned across the various programmes. The additional ICT costs were due to a number of once off payments related to the transition to a new 5 year ICT Managed Service provider which included the relocation to a new data centre.
Commissions and Special Inquiries	(3,153)	The excess mainly arose due to the amount of the third party legal costs, particularly in relation to the Smithwick Tribunal, falling due for payment in 2015. The expenditure in relation to the work of the Independent Commission on the Location of Victims Remains was also higher than expected. The activity and associated costs are largely dependent on the information made available to the Commission with regard to the victims whose remains it is seeking to locate.

Description	Less/ (more) than provided	Explanation
	€000	
Legal Aid Criminal	(3,327)	The excess arose due to the number and category of criminal matters coming before the Courts in which legal aid certificates were issued. Under the Criminal Justice (Legal Aid) Act 1962 the Judiciary are responsible for the granting of legal aid. This is a demand led scheme and the fees and expenses due to the legal practitioners are paid in accordance with the terms and conditions of the scheme.
Legal Aid – Custody Issues	1,001	The saving is due to the number of cases requiring legal representation being less than expected. The scheme is an administrative, non statutory arrangement covering certain types of cases not covered by the Civil Legal Aid or the Criminal Legal Aid Scheme.
Coroners Service	250	The savings arose due to less than anticipated expenditure on payroll (€86,000) and legal costs (€164,000). Implementation of Section 60 of the Coroners Act, 1962 as amended (provision of legal services to a family member of the deceased person in certain circumstances) is taking longer than expected, resulting in a delay in the drawdown of fees for legal representation at certain inquests.
State Pathology	1,117	The savings are mainly due to the fact that the Office of the State Pathologist (OSP) did not move to new accommodation by the end of 2015 as planned. The OSP is expected to relocate to the new premises on completion of the work in 2016.
Legal Services Regulatory Authority	501	The savings arose due to the non establishment of the Legal Services Regulatory Authority in 2015. The necessary legislation was not enacted until December 2015 and it is expected that the Authority will be established in 2016.
Magdalen Fund	6,057	A lesser number of new applications were received in 2015 than expected. A number of applications could not be processed as further investigation was necessary in order to make a determination on the cases. The Assisted Decision Making (Capacity) Act 2015 was not commenced in 2015 and as such payments could not be made in approximately 25 cases in respect of applicants with capacity issues. In all, there are approximately 60 other cases on hand which are at various stages of processing awaiting acceptance of offers, probate issues to be resolved, further investigation necessary before a determination can be made.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	**Promote Equality and Integration**			
D.1	Administration – pay	2,248	1,724	2,142
D.2	Administration – non pay	829	1,349	869
D.3	Social disadvantage measures (dormant accounts funded)	3,311	733	50
D.4	Grants to women's organisations	300	300	300
D.5	Traveller initiatives	855	738	274
D.6	Positive action for gender equality	1,000	163	873
D.7	Office for the Promotion of Migrant Integration	2,346	2,591	2,382
D.8	European Refugees Fund	1,500	1,045	688
D.9	Disability awareness initiatives	257	182	234
D.10	National Disability Authority	3,892	3,750	3,276
D.11	Charities regulation	1,419	1,366	280
D.12	Payments to the promoters of certain charitable lotteries (National Lottery funded)	1,000	1,000	2,000
	Irish Human Rights Equality Commission (grant-in-aid)	—	—	2,371
	Charitable Donations and Bequests Office	—	—	360
		18,957	14,941	16,099

Significant variations

Overall, the expenditure in relation to the Programme was €4.02 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(520)	The excess is primarily attributable to additional ICT costs which have been apportioned across the various programmes. The additional ICT costs were due to a number of once off payments related to the transition to a new 5 year ICT Managed Service provider which included the relocation to a new data centre.
Social disadvantage measure (dormant accounts funded)	2,578	The saving was mainly accounted for by projects in the Youth Justice Service area commencing later in the year than expected. The process in relation to the expansion of the Garda Youth Diversion Project network was not completed until late in the year and hence less funding than expected was required. This was due to the necessity to seek expressions of interest from potential service providers and to conduct a robust assessment process. The funded projects also experienced delays in recruiting additional workers. Proposals in relation to a Pilot Mentoring Service were not finalised until later in the year also. It is expected that there will be a larger draw-down of the Dormant Accounts funded budget in 2016.

Description	Less/ (more) than provided	Explanation
	€000	
Traveller initiatives	117	The saving arose due to the number of applications received under the Special Initiative for the Employment of Travellers scheme being less than anticipated and delays in the start up of new projects. There is an increased allocation for this subhead in 2016 following the transfer of funding from the Department of Environment Community and Local Government and a framework of support for traveller initiatives is being developed.
Positive actions for gender equality	837	The saving arose due to the delay in the commencement of the new measure - Women Returning to the Workforce and Women's Entrepreneurship - in the new phase of the European Social Fund (ESF). The Department is in the process of selecting a delegated body to complete the necessary steps to commence the programme such as advertising and assessment of applications for projects and the subsequent monitoring of these projects.
Office for the Promotion of Migrant Integration	(245)	The excess arose due to the increased resettlement of refugees arising from the international refugee crisis. There were 176 persons resettled compared with 96 in 2014.
European Refugee Fund	455	The saving arose due to a delay in the commencement of the Asylum, Migration and Integration Fund which is due to succeed the European Refugee Fund which operated from 2008 to mid 2015. The Department is in the process of selecting a delegated body to complete the necessary steps to commence expenditure from the fund including the advertising and assessment of applications for projects and the subsequent monitoring of these projects.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E	**Represent Ireland's Justice Interests in International Fora**			
E.1	Administration – pay	1,857	2,035	1,843
E.2	Administration – non pay	1,482	1,377	1,092
		3,339	3,412	2,935

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	**Contribute to Economic Recovery**			
F.1	Administration – pay	7,675	6,693	7,586
F.2	Administration – non pay	4,343	3,655	3,039
F.3	National Property Services Regulatory Authority (NPSRA)	1,779	1,341	1,235
F.4	Insolvency Service Ireland	7,308	7,916	8,381
		21,105	19,605	20,241

Significant variations

Overall, the expenditure in relation to the Programme was €1.5 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
National Property Services Regulatory Authority	438	The saving mainly arose due to an under spend on non-payroll expenditure as a result of a delay in the introduction of the outsourcing of certain inspections due to industrial relations issues.
Insolvency Service Ireland	(608)	The excess mainly arose due to increased expenditure on a public information campaign, ICT support costs and legal fees. The total overrun accounted for by this expenditure was in the region of €687,000. This was offset by a small saving in payroll costs of €79,000 due to a reduction in staff numbers during the course of the year.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Film censorship fees	1,703	1,581	1,700
2.	Data protection fees	550	931	414
3.	EU receipts	3,350	2,438	1,665
4.	Miscellaneous receipts	583	350	413
5.	Immigration registration fees	20,000	27,792	19,763
6.	Visa fees	3,500	6,322	6,356
7.	Dormant accounts receipts	3,311	733	50
8.	Private Security Authority fees	2,364	2,386	2,891
9.	Nationality and citizenship certificates fees	17,200	11,743	20,605
10.	Legal Services Regulatory Authority – levy on professional bodies	1	—	—
11.	Property Services Regulatory Authority fees	2,300	2,240	2,250
12.	Insolvency Service Ireland fees	855	654	615
13.	Receipts from pension-related deductions on public service remuneration	6,249	7,055	6,346
		61,966	64,225	63,068

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Film censorship fees	122	It is difficult to predict the level of receipts each year due to the changes in the numbers of DVD applications being submitted for classification.
Data protection fees	(381)	The surplus mainly arose due to the timing of receipts in late 2014 and early 2015. It can be difficult to predict the amount of fees which are likely to be collected in any year due to organisations renewing their registration at different intervals throughout the year.
EU receipts	912	The shortfall arose due to the difficulty in predicting the amount and timing of receipts under the various programmes. The programmes in question include youth diversion, refugee and integration projects.
Miscellaneous receipts	233	The shortfall is due to the difficulty in predicting the precise amount of receipts under this category which can vary from year to year.

Description	Less/ (more) than provided	Explanation
	€000	
Immigration registration fees	(7,792)	The surplus in fee income is due an increase in the number of non-European Economic Area (EEA) nationals registered over the course of the year. This number is unpredictable as it can be impacted by a number of variables including the economic environment.
Visa fees	(2,822)	The surplus was due to initiatives such as the introduction of the British Irish Visa Scheme in China and India which has led to a significant increase in short-term visas from these countries for both tourism and business purposes. The level of fees from re-entry visas was also higher than expected. This may be attributed to the granting of permissions to certain categories of long term students who could apply for such visas to return home for visits and return to Ireland without the need to re-apply for a visa from abroad.
Dormant account receipts	2,578	The receipts in this case match expenditure from subhead D.3. As the drawdown in funding to projects such as the expansion of the Garda Youth Diversion Project Network was less than expected, there was a shortfall in receipts to correspond with the expenditure saving in D.3.
Nationality and citizenship certificates fees	5,457	The income which is generated by nationality and citizen certificate fees is directly attributable to the number of applications received during the year which are difficult to predict. The number of naturalisation applications received during 2015 was lower than expected and shows a continuing downward trend in the last two years. As a result, both application and certification fee receipts were lower than expected.
Insolvency Services Ireland fees	201	The shortfall relates to bankruptcy realisation fees which could not be distributed from bankruptcy estates pending the resolution of legal issues.
Receipts from pension-related deductions on public service remuneration	(806)	The surplus is mainly due to the fact that the intake of pension related deductions from the Legal Aid Board payroll was greater in 2015 than 2014 by approximately €800,000. This was due to the fact that some deductions from the latter part of 2014 were not reflected as an appropriation-in-aid until 2015, in part due to revised processes following a change to a new payroll service provider.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	2,233	2,246

	2015 €000	2014 €000
Pay	115,801	116,747
Higher, special or additional duties allowance	283	214
Other allowances	3,092	2,426
Overtime and extra attendance	1,745	1,401
Employer's PRSI	6,709	6,551
Total Pay	**127,630**	**127,339**

The total pay figure included elements of pay from the following subheads: A1, A3, A6, A7, A8, A9, A10, B1, B3, B6, B7, B8, B9, B10, B13, C1, C3, C6, C8, C9, C10, C11, C12, C15, D1, D7, D10, D11, E1, F1, F3 and F4.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	56	6	55,033	52,906
Overtime and extra attendance	385	22	25,350	25,914
Shift and roster allowances	91	—	9,736	4,248
Miscellaneous	276	38	21,406	26,308
Number of individuals who received extra remuneration in more than one category	147	28	30,043	30,607

5.2 Other Remuneration Arrangements

A total amount of €292,742 was paid to thirty one retired civil servants who were in receipt of civil service pensions in 2015. In addition, an amount of €31,745 was paid to seven former public servants and €317,170 to seven former judiciary members who were engaged in various roles in 2015. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and other provisions) Act 2012.

A total amount of €1,201,879 was paid through payroll to 119 individuals in respect of duties performed in relation to various boards, committees and commissions, etc.

5.3 Payroll Overpayments

Overpayments at the year end were €655,617 (216 employees) (2014: €356,267, 141 employees). Of this, €478,666 (105 employees) have recovery plans in place.

6 Miscellaneous

6.1 National Lottery Funding

		2015		2014
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead	Description			
D.12	Payments to promoters of certain charitable lotteries (part funded by the National Lottery)	1,000	1,000	2,000

Details are available on the Department of Justice and Equality website www.justice.ie/en/JELR/Pages/Charities

6.2 EU Funding

The outturns in Subheads A.3, A.10, D.6, D.7, D.8 and D.10 include expenditure in respect of activities co-funded by the European Union. In addition, funding for an EU funded programme called the Safety Internet Plus Programme is administered through a suspense account by the Office for Internet Safety. The Office for Internet Safety is an executive office of the Department of Justice and Equality. It has been established by the Government to take a lead responsibility for internet safety in Ireland, particularly as it relates to children.

The Department also received funding in 2015 for a number of EU funded projects that are administered through a suspense account. This includes a number of projects in the Probation Service and other advance ESF funding for social inclusion projects.

		2015		2014
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead	Description			
A.3	European Return Fund	370	—	308
A.10	ESF- Garda Youth Diversion additional skills and employees	2,980	1,821	1,207
D.6	Positive action for Gender Equality	—	—	135
D.8	Vulnerable Migrants Project	164	—	—
D.7/ D.8	European Refugees Fund and Integration Fund	90	617	—
D.10	National Disability Authority	—	—	15
		3,604	2,438	1,665

6.3 Commissions and Inquiries

	Year of appointment	2014	2015	Cumulative expenditure to 31 December 2015
		€000	€000	€000
Permanent Commissions				
Criminal Injuries Compensation Tribunal	1974	37	95	—
Fixed Purpose Commissions				
Morris Tribunal	2002	51	1,003	67,352
Smithwick Tribunal	2005	1,679	5,217	19,429
Dublin Archdiocese and Diocese of Cloyne Commission	2006	6	—	8,797
Location of Victims Remains	2007	229	1,043	6,209
Gary Douch Commission of Investigation*	2007	523	—	2,783
Inquiry under Section 42 of the Garda Síochána Act 2005 in relation to the removal of two Roma children from their families *	2013	80	—	80
Ronan MacLochlainn Commission of Investigation	2014	104	492	596
Independent Review Mechanism – certain allegations in relation to Garda Síochána	2014	171	200	371
Cooke Inquiry*	2014	11	—	11
Inquiry under section 109 of the Garda Síochána Act 2005 into the conduct of a GSOC investigation	2015	—	63	63
Commission of Investigation Cavan/Monaghan Garda Division (O'Higgins)	2015	—	952	952
Referendum Commission - (Marriage Equality)	2015	—	1,192	1,192
		2,891	10,257	107,835

*The Commissions and Inquiries in these cases have concluded and there will be no further expenditure incurred. Similarly, the costs of the Marriage Referendum Commission have been expended in full in 2015 and no further costs will arise.

6.4 Contingent Liability

The costs in relation to the Criminal Injuries Compensation Tribunal will continue as the work of the Tribunal is ongoing.

There will be further payments associated with the Morris Tribunal, Smithwick Tribunal, Dublin Archdiocese and Diocese of Cloyne Commission, Independent Commission for the Location of Victims Remains, Ronan MacLochlainn Commission of Investigation, the Independent Review Mechanism into Garda allegations, the Inquiry under Section 109 of the Garda Síochána Act 2005 into the conduct of a GSOC investigation and the Commission of Investigation Cavan/Monaghan Garda Division.

The Morris Tribunal concluded its work in 2008. The only remaining costs relate to third party legal fees. The estimated final cost of the Tribunal is in the region of €70 million but this is a tentative provision pending the quantification of outstanding legal costs.

The Smithwick Tribunal concluded at the end of 2013. There are remaining costs with regard to the discharge of two third party costs orders and as certain of the Tribunal's findings have been challenged in the High Court some additional costs will arise in this regard. It is anticipated that, overall, these costs will be in the order of €1.5 million and will be discharged before the end of 2016.

The work of the Dublin Archdiocese and Diocese of Cloyne Commission has also concluded. As far as can be ascertained, the only remaining cost likely to occur relates to costs associated with a number of court hearings concerning the publication of certain sections of the Commission's reports in respect of which the fees have yet to be settled. The remaining costs are unlikely to be significant

The work of the Independent Commission for the Location of Victims Remains is ongoing and its activity and associated costs are largely dependent on the information made available to it with regard to the victims whose remains it is seeking to locate.

The MacLochlainn Commission was established by Government Order on 23 July 2014 following the shooting dead of Ronan MacLochlainn on 1 May 1998 by members of An Garda Síochána. It was originally required to report to the Minister within 6 months and this time frame has now been extended until May 2016. Total estimated expenditure is in the region of €850,000 but does not include any third party costs which have yet to be approved by the Commission.

In May 2014, following publication of the Guerin report, an Independent Review Mechanism was set up to review certain allegations of Garda misconduct or inadequacies in the investigation of the allegations with a view to determining to what extent and in what manner further action may be required in each case. While it was originally anticipated that its work would be concluded in a short period, the complexity of some of the cases together with the fact that new cases were admitted to the review led to a much longer timeframe. It is estimated that further costs of approximately €25,000 will arise in 2016 bringing total expected expenditure to circa €396,000. This does not include costs arising from the next phase of the review. This will involve the implementation of actions recommended by the original review mechanism including a number of statutory and non statutory inquiries.

An inquiry was established under Section 109 of the Garda Siochana Act in June 2015 in relation to the conduct of an investigation by the Garda Síochána Ombudsman Commission (GSOC). It is expected to be concluded in 2016 at a total cost of approximately €100,000. This does not include third party legal costs which are yet to be determined.

The Commission of Investigation in relation to the Cavan/Monaghan Garda Division commenced its work in February 2015 and reported in May 2016.The total estimated cost of the Commission is €1.4 million but does not include third party costs which have yet to be determined by the Commission.

6.5 Ex-gratia payments

Ex-gratia payments amounting to €177,835 (2014: €327,152) were made in respect of the non-statutory Legal Aid Scheme for CAB-type actions. This scheme is applicable to persons who are respondents and/or defendants in any court proceedings brought by, or in the name of, the Criminal Assets Bureau, including court proceedings under the Proceeds of Crime Act 1996, the Revenue Acts and the Social Welfare Acts and applications made by the Director of Public Prosecutions under Section 39 of the Criminal Justice Act 1994.

Ex-gratia payments amounting to €1,443,647 (2014: €1,009,896) were made in respect of the non-statutory Garda Station Legal Aid Advice Scheme. This scheme provides that where a person is detained in a Garda station for the purpose of the investigation of an offence and s/he has a legal entitlement to consult with a solicitor and the person's means are insufficient to enable him/her to pay for such consultation, that consultations with solicitors will be paid for by the State.

Ex-gratia payments totalling €8,473 (2014: €41,664) were made in a number of cases in relation to the Coroners' service. The payments in question relate to the cost of legal representation at inquests into the deaths of persons in State custody.

Ex-gratia payments amounting to €50,720 were made in respect of two other cases related to the provision of legal aid in criminal proceedings.

6.6 Drugs Initiative Fund

An amount of €282,487 (2014: €239,326) was received from the Drugs Initiative Fund and is accounted for through a suspense account. The funding is provided under the National Drugs Strategy 2009 – 2016 and relates to a number of Local Drug Task Force owned projects which are Probation Service supported initiatives.

6.7 Legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by members of the public	403	1,286	5,491	560	7,337	7,693

Of the total of €7,337,000 in legal costs €4,662,000 (63%) relates to the Irish Naturalisation and Immigration Service (INIS). The remaining legal costs were incurred across a number of areas of the Department including the Department's Courts Division, the Office of the Data Protection Commissioner, the Garda Síochána Ombudsman Commission, the Private Security Authority, the Mental Health Review Board and the Property Services Regulatory Authority.

6.8 Prompt Payment of Account Interest

The amount of prompt payment interest incurred by the Department in 2015 was €4,700 (2014: €12,614).

Appropriation Account 2015

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required 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 2015 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.46 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.

Establishment of the Vote

The Irish Human Rights and Equality Commission (IHREC) was established on 1 November 2014 from the merger of the Equality Authority and the Irish Human Rights Commission. Both of these bodies were grant-in-aid funded by the Department of Justice.

In 2014 the Department of Justice Subhead D.3. provided grant-in-aid funding of all core pay and non-pay administrative costs involved in the operation of the Equality Authority and the Human Rights Commission up to 31 October 2014, and of the Irish Human Rights and Equality Commission (IHREC) from 1 November 2014 to 31 December 2014.

2015 is the first year the Irish Human Rights and Equality Commission (IHREC) has been a separate Vote. 2015 also represents the first full year of operation for IHREC and prior year comparative figures are not included.

Under the founding legislation, the Irish Human Rights and Equality Act 2014, IHREC must carry out its functions in a way that supports the development of a society in which:

- there is respect for, and protection of, everyone's human rights;
- there is respect for the dignity and worth of each person;
- a person's ability to achieve their potential is not limited by prejudice, discrimination, or neglect;
- everyone has a fair and equal opportunity to take part in the economic, political, social or cultural life of the State; and
- people respect each other, respect equality and human rights, and understand the value of diversity within society.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Depreciation

Leasehold premises are depreciated at a rate of 5% per annum on a straight line basis.

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 Commission.

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

Payroll and human resource services are provided to the Commission on a shared service basis by the National Shared Service Office. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Service Office for the provision of HR and payroll shared service.

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

Financial control environment

I confirm that a control environment containing 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 and Risk Committee to advise me in discharging my responsibilities for the internal financial control system
- there is a Finance Committee which assists the Commission in fulfilling its responsibilities by providing oversight of the financial implications of the activities of the Commission

Administrative controls and management reporting

I confirm that 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 budgets
- a risk management system operates within the Commission
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal Audit, Audit and Risk Committee

I confirm that the Commission has an internal audit function (currently outsourced) with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Commission is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit & Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Sinéad Gibney

Accounting Officer
Irish Human Rights and Equality Commission

26 September 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 25 Irish Human Rights and Equality Commission

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration in the Commission and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Irish Human Rights and Equality Commission. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

27 September 2016

Vote 25 Irish Human Rights and Equality Commission Appropriation Account 2015

		2015	
		Estimate provision	Outturn
		€000	€000
Programme expenditure			
A	Irish Human Rights and Equality Commission Function	6,334	3,954
	Gross expenditure	**6,334**	**3,954**
	Deduct		
B	**Appropriations-in-aid**	**144**	**222**
	Net expenditure	**6,190**	**3,732**

Surplus for surrender

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

	2015
	€
Surplus to be surrendered	2,457,959

Analysis of administration expenditure

		2015	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	3,241	1,763
ii	Travel and subsistence	80	68
iii	Training and development and incidental expenses	1,527	1,033
iv	Postal and telecommunications services	122	36
v	Office equipment and external IT services	165	196
vi	Office premises expenses	1,100	696
vii	Consultancy services and value for money and policy review	99	162
		6,334	3,954

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015
	€000	€000
Programme cost		
Pay		1,763
Non pay		2,191
Gross expenditure		**3,954**
Deduct		
Appropriations-in-aid		**222**
Net expenditure		**3,732**
Changes in capital assets		
Purchases cash	(252)	
Disposals	475	
Depreciation	22	
		245
Changes in net current assets		**53**
Direct expenditure		**4,030**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		34
Net programme cost		**4,064**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

	2015
	€000
Vote 13 Office of Public Works	33
Vote 18 Shared Services	1
	34

2 Balance Sheet as at 31 December 2015

	Note	2015 €000
Capital assets	2.2	255
Current assets		
Bank and cash	2.3	241
Accrued income		374
Prepayments		150
Other debit balances		9
Net funding due from the Exchequer	2.6	325
Total current assets		**1,099**
Less current liabilities		
Accrued expenses		347
Deferred income		342
Other credit balances	2.5	113
Total current liabilities		**802**
Net current assets		**297**
Net assets		**552**
Represented by:		
State funding account	2.1	**552**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**
Net assets transferred at 1 January	2.4		850
Disbursements from the Vote			
Estimate provision	Account	6,190	
Surplus to be surrendered	Account	(2,458)	
Net vote			3,732
Expenditure (cash) borne elsewhere	1		34
Net programme cost			(4,064)
Balance at 31 December			**552**

2.2 Capital Assets

	Leasehold premises	Furniture and fittings	IT & Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	737	144	90	971
Additions	222	4	26	252
Disposal	(737)	(144)	(40)	(921)
Cost or valuation at 31 December 2015	**222**	**4**	**76**	**302**
Accumulated Depreciation				
Opening balance at 1 January 2015	280	132	59	471
Disposal	(280)	(132)	(34)	(446)
Depreciation for the year	11	1	10	22
Cumulative depreciation at 31 December 2015	**11**	**1**	**35**	**47**
Net assets at 31 December 2015	**211**	**3**	**41**	**255**
Net assets at 31 December 2014	**457**	**12**	**31**	**500**

2.3 Bank and cash	**2015**
	€000
PMG balances and cash	(190)
Commercial bank accounts	431
	241

2.4 Net assets transferred at 1 January 2015

Fixed assets	500
Bank and cash	614
Prepayments and accrued income	452
Creditors and deferred income	(716)
Pre- vote balance	850

2.5 Other Credit Balances	**2015**
At 31 December	**€000**
Amounts due to the State	
Income Tax	36
Pay Related Social Insurance	31
Professional Services Withholding Tax	29
Pension contributions	(4)
Universal Social Charge	12
Value Added Tax	3
Relevant Contracts Tax	4
	111
Payroll deductions held in suspense	1
Other credit suspense items	1
	113

2.6 Net funding due from the Exchequer	**2015**
at 31 December	**€000**
Exchequer grant undrawn	(2,783)
Surplus to be surrendered	2,458
Net funding due from the Exchequer	**(325)**
Represented by:	
Debtors	
PMG (overdrawn)	(190)
Debit balances	9
	(181)
Creditors	
Due to State	(111)
Credit balances	(2)
Due to project funding [a]	(31)
	(144)
	(325)

[a] The prior years financial statements were prepared on an accruals basis. The Commission continues to maintain its accounting system on an accruals basis. The Vote transactions and balances are extracted from this system. An unreconciled difference of €31,000 arose from the exercise and is being investigated by the Commission.

2.7 Commitments

Global commitments	**2015**
at 31 December	**€000**
Total of legally enforceable commitments*	2,124

*Being Green Street lease commitment €236,000 per year up to 2024.

2.8 Matured Liabilities	**2015**
at 31 December	**€000**
Estimate of matured liabilities not discharged at year end	36

3 Programme Expenditure by Subhead

		2015	
		Estimate provision	Outturn
		€000	€000
A			
A.1	Administration – pay	3,241	1,763
A.2	Administration – non pay	3,093	2,191
		6,334	3,954

Significant variations

Overall, the expenditure in relation to Programme A was € 2.4 million lower than provided. This was mainly due to the following:

Description	Less than provided	Explanation
	€000	
Administration – pay	1,478	2015 was IHREC's first full year in operation and it did not reach its full employment control framework number. In 2016 there will be recruitment campaigns which will increase the number of employees.
Administration – non pay	902	IHREC did not have its full employment control framework number in 2015 and therefore did not have the capacity to achieve all of its intended aims. This situation is expected to be rectified in 2016 when additional staff will be recruited.

4 Receipts

4.1 Appropriations-in-aid

		2015	
		Estimated	Realised
		€000	€000
1.	Receipts from pension-related deduction on public service remuneration	144	106
2.	External funding	—	114
3.	Other	—	2
	Total	**144**	**222**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
External funding	(114)	At the time of submission of figures as part of the estimates process for 2015, there was uncertainty regarding the treatment of funding from external bodies arising from arrangements in place with the legacy bodies. This was subsequently clarified and external funding of €114,000 has been received and recognised.

5 Employee Numbers and Pay

	2015
Number of staff at year end (full time equivalents)	33

	2015 €000
Pay	1,591
Other allowances	12
Overtime	—
Employer's PRSI	160
Total Pay	**1,763**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €
Other allowances	2	—	8,497

5.2 Payroll Overpayments

There were nil payroll overpayments for 2015.

6 Miscellaneous

6.1 Legal costs

Currently a case is under appeal to the Supreme Court which The Irish Human Rights and Equality Commission are funding the full cost of. A provision has been made in the Financial Statements in respect of the legal costs of the IHREC which are expected to be payable. A provision has not been made in respect of the legal costs of the other party.

Appropriation Account 2015

Vote 26

Education and Skills

Introduction

As Accounting Officer for Vote 26, 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 2015 for the salaries and expenses of the Office of the Minister for Education and Skills, for certain services administered by the Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9.23 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.

Appropriation Account Structure

Expenditure on education services in 2015 is accounted for under Vote 26 across four main subhead headings corresponding to the high level goals contained in the Department's Statement of Strategy 2015 – 2017 and covers both current and capital expenditure.

Administration costs are also identified under individual headings as well as being apportioned across the four expenditure headings, in conformance with the performance budgeting approach introduced for all Government departments. The four programmes are as follows:

- Programme A – which caters for first, second and early years education
- Programme B – which caters for skills development
- Programme C – which caters for higher education
- Programme D – which caters for capital services.

The Department's gross expenditure is offset by appropriations-in-aid which are brought to account in the range of subheads E.1 to E.5.

Public Sector Reform

In response to the mandate provided in the Government's Public Service Reform Plan, published in November 2011 and reiterated in the Public Service Reform Plan for 2014 - 2016, the Department developed and published a Shared Services Plan for 2014 - 2016. The plan proposes not only to actively participate in the roll out of traditional shared services within the Department, but also to investigate all possible opportunities for shared services initiatives across the entire education and training sector. These opportunities will be individually evaluated using a standard methodology and should there prove to be a sound business case, the initiatives will be rolled out for the relevant areas of the sector. The Department also intends to investigate current diverse shared services initiatives which exist within the education and training sector and should a strong business case exist, these services may be rolled out to wider groups within the sector.

The key projects which have been progressed during 2015 are:

- Payroll Shared Services for ETB sector – advanced to detailed design in 2015, commencing implementation during 2016
- Financial Shared Services for ETB sector – completed business case 2015, commenced detailed requirements and design 2016
- Payroll Shared Services for Higher Education sector – completed business case 2015, commencing detailed requirements and design 2016.

Reform of Education and Training Boards/SOLAS

The extensive reconfiguration of the Education and Training Boards (ETB) continued throughout 2015. A new organisational structure for the ETBs was agreed and implementation commenced, the shared services projects for payroll and finance are ongoing and the transfer of training functions to the ETBs is almost complete.

The ETB/SOLAS Reform Programme, which consists of 19 individual projects, is supported and governed by a programme board. This board is chaired by me in my capacity as Secretary General and its membership includes members of the Department's Management Board along with the General Secretary of Education and Training Boards Ireland, the Director General of SOLAS and the Chief Executives of two ETBs.

The annual accounts of the ETBs and of SOLAS are audited by the Comptroller and Auditor General.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Multi-annual capital commitments

Legally enforceable capital commitments are reported on at the threshold of €12.7 million (S14/03/06).

Assets not under the direct control of the Department

Assets which are not under the direct control of the Department are not included as assets for the purposes of the statement of capital assets but are referenced by way of note to the account (F7/11/94).

Statement on Internal Financial Control

Along with the account, I have submitted a statement in the standard format on the system of internal financial control (SIFC) that operates in the Department of Education and Skills.

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 control is a continuous process and the system and its effectiveness are kept under ongoing review.

Financial control environment

I confirm that a control environment containing 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.

Internal Audit, European Social Fund Audit and Audit Committee

Annual audit programmes are prepared under the auspices of the Department's Audit Committee and both the Internal Audit Unit and the European Social Fund (ESF) Audit Authority (which ensures compliance with the regulatory requirements of the European Union in relation to the management, control and audit of such functions in Ireland) report to the Committee on the conduct of these programmes and the finalisation of audit reports. During 2015, a total of eight audit reports – five internal and three ESF – were finalised. Progress on the implementation of recommendations arising from the audit reports is tracked, by both units on a quarterly basis.

The Audit Committee, the Internal Audit Unit and the ESF Audit Authority operate under separate written charters.

Administrative controls and management reporting

I confirm that 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.

Public procurement

The Department seeks to ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place for compliance with all relevant guidelines. The Department is compliant with all relevant guidelines regarding procurement with the exception of procurement totaling €1.64 million, which is made up of the following:

- twelve services and purchases with a total contract value of €87,587 were undertaken in 2015 without recourse to an appropriate procurement process;
- two contracts in the value range €35,000 to €100,000, two contracts in the value range €100,000 to €200,000 per annum, three contracts in the value range €200,000 to €300,000 per annum and one contract over €500,000 per annum were undertaken without a competitive process and details were provided to the Comptroller and Auditor General and the Department of Public Expenditure and Reform in the Circular 40/2002 return.

These exceptions occurred for several reasons including contract extensions pending the establishment of centralised public service arrangements, sole/limited supplier availability and business continuity. All cases are being kept under active review and action is being taken where feasible. Additionally, the Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

Shared services

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

I have received a letter of assurance from the Accounting Officer for the Vote for Shared Services that the appropriate level of controls are exercised in the provision of shared HR and payroll services to this Department.

Significant financial risks

The Department continues to have regard to significant financial and other risks via the mechanism of the Departmental Risk Register. The Register is a living document and is updated to take account of new risks identified or of changes to existing risks. It is used by the Internal Audit Unit in the assessment of risk within the Department's audit universe to assist in focusing its resources on the auditing of the Department's highest risks.

Governance

During 2015 the Department of Education and Skills continued to work to enhance the Department's governance capacity. In conjunction with the November 2015 publication by D/PER of the Corporate Governance Standard for the Civil Service, the Department commenced work to develop a corporate governance framework. The DES's framework describes the key details of the Department's governance processes structures and procedures. It is expected that this framework document will be published by end March 2016.

The Department continues to work on advancing the development of robust reporting arrangements with its bodies and agencies in order to manage their performance and governance. In so doing, the Department is adopting an approach that focuses on outputs and outcomes, and includes meaningful performance indicators. In this regard performance delivery frameworks and/or relevant service agreements have been put in place with a number of bodies and agencies. Work on agreeing relevant governance oversight procedures is progressing with other bodies. The purpose of performance delivery frameworks is to ensure that resources are used in both an efficient and cost effective manner to deliver quality services to the public.

Arising from work commenced in 2014, during 2015 the Department strengthened its approach to managing governance across the Department with the establishment of both a Management Board on Sectoral Governance and Accountability and a Principal Officer Network on Sectoral Governance and Accountability to agree approaches to enhancing the Department oversight role in regard to its bodies. In conjunction with the establishment of the senior governance oversight committees, the Department established a Sectoral Governance Compliance Unit in September 2015 to commence a work programme to consider strategies to enhance corporate governance oversight. The Unit commenced the first phase of its work programme with a series of governance compliance checks in December 2015, with responses received by early February 2016. Work on phase one of the review process is expected to be completed by December 2016.

Regulation of Lobbying Act 2015

The Regulation of Lobbying Act 2015, which came into force on 1 September 2015, requires all Government departments to designate certain departmental officers as Designated Public Officials (DPO) under the Act to allow key officers of the Department interact with persons who may be defined as a lobbyist.

The Department's guidelines identify for the DES that within the first twelve months of the operation of the Act, Principal Officers will be prescribed as Designated Public officials for the purposes of the Act.

Risk Management

The Department has established a Risk Committee in Q1 2016 which is a sub-committee of the Management Board. The role of the Risk Committee is to advise the Management Board on risk management strategy and on the development of an appropriate framework of policies, procedures and systems to support the management of risk in the Department.

Seán Ó Foghlú
Accounting Officer
Department of Education and Skills

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 26 Education and Skills

I have audited the appropriation account for Vote 26 Education and Skills for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 26 Education and Skills for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Education and Skills. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

31 August 2016

Vote 26 Education and Skills

Appropriation Account 2015

			2015		2014
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A	First, Second and Early Years Education				
		Original	6,220,090		
		Supplementary	36,000	6,256,090	6,220,665	6,055,463
B	Skills Development				
		Original	346,987		
		Supplementary	(11,000)	335,987	329,636	342,192
C	Higher Education				
		Original	1,424,982		
		Supplementary	88,000	1,512,982	1,521,826	1,478,397
D	Capital Services				
		Original	593,218		
		Supplementary	50,000	643,218	654,585	624,030
Gross expenditure					
		Original	8,585,277		
		Supplementary	163,000	**8,748,277**	**8,726,712**	**8,500,082**
Deduct					
E	**Appropriations-in-aid**				
		Original	573,152		
		Supplementary	(12,000)	**561,152**	**548,816**	**558,928**
Net expenditure					
		Original	8,012,125		
		Supplementary	175,000		
				8,187,125	**8,177,896**	**7,941,154**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	9,228,648	10,390,347

Analysis of administration expenditure [a]

		2015		2014
		Estimate provision	**Outturn**	**Outturn**
		€000	**€000**	**€000**
i	Salaries, wages and allowances	58,882	56,436	56,020
ii	Travel and subsistence	1,520	1,470	1,464
iii	Training and development and incidental expenses	2,355	2,381	966
iv	Postal and telecommunications services	1,820	1,930	1,757
v	Office equipment and external IT services	5,515	4,850	4,036
vi	Office premises expenses	1,609	1,376	1,509
vii	Consultancy and other services	130	151	154
viii	National Educational Psychological Service	18,075	17,250	17,037
		89,906	85,844	82,943

[a] *The Department's administrative expenditure was brought to account under the subheads X.1 to X.8 in 2015.*

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Expenditure on administration		85,844	82,943
Expenditure on services and programmes		8,640,868	8,417,139
Gross expenditure		**8,726,712**	**8,500,082**
Deduct			
Appropriations-in-aid		**548,816**	**558,928**
Net expenditure		**8,177,896**	**7,941,154**
Changes in capital assets			
Purchases cash	(8,132)		
Depreciation	605		
Loss on disposals	—	(7,527)	(13,900)
Changes in assets under development			
Cash payments		(84,046)	(65,390)
Changes in net current assets			
Increase in closing accruals	1,304		
Increase in stock	(13)		
		1,291	21,005
Direct expenditure		**8,087,614**	**7,882,869**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		25,829	23,330
Notional rents		3,898	3,662
Net programme cost		**8,117,341**	**7,909,861**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 26 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	—	398
Vote 9 Office of the Revenue Commissioners	243	406
Vote 12 Superannuation	19,405	17,071
Vote 13 Office of Public Works	5,021	5,174
Vote 18 Shared Services	809	—
Central Fund – Ministerial pensions	351	281
	25,829	**23,330**

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	71,357	99,801
Capital assets under development	2.3	82,364	90,627
		153,721	**190,428**
Current assets			
Stocks	2.5	121	108
Prepayments[a]		1,014	2,822
Overpayments for recoupment		6,825	6,216
Recoupment of secondment costs		141	259
Accrued income		—	600
Amounts due from the EU		15	15
Other debit balances	2.6	3,573	81,047
Bank and cash	2.4	72,520	—
Total current assets		**84,209**	**91,067**
Less current liabilities			
Supply account advances	2.4	—	75,468
Revenue Commissioners		—	1,359
Accrued expenses		10,924	10,418
Deferred income		13	29
Salary recoupment to other departments and agencies		—	2
Advances received from EU		46,279	2,418
Other credit balances	2.7	26,448	912
Net liability to the Exchequer	2.8	3,381	2,264
Total current liabilities		**87,045**	**92,870**
Net current liabilities		**(2,836)**	**(1,803)**
Net assets		**150,885**	**188,625**
Represented by:			
State funding account	2.1	**150,885**	**188,625**

[a] Prepayments are based on information available as at 31 March 2016. In May 2016, Bus Éireann issued its 2015 Statement of Account to the Department, which indicated that it had not spent €1.3 million of advances made by the Department during 2015 and this balance is not included in prepayments. This balance was offset in the drawdown of funds by Bus Éireann during 2016. The corresponding figures for 2014 and 2013 were €1.8 million and €2.2 million respectively.

2.1 State Funding Account	Note		2015	2014
		€000	€000	€000
Balance at 1 January			188,625	145,322
Disbursements from the Vote				
Estimate provision	Account	8,187,125		
Surplus to be surrendered	Account	(9,229)		
Net vote			8,177,896	7,941,154
Expenditure (cash) borne elsewhere	1		25,829	23,330
Non-cash expenditure – notional rent	1		3,898	3,662
Other non-cash items[a]	2.2		(128,022)	(14,982)
Net programme cost	1		(8,117,341)	(7,909,861)
Balance at 31 December			**150,885**	**188,625**

[a] The non-cash items relate to the accounting treatment for the transfer of the Department's construction assets.

2.2 Capital Assets

	Land and buildings	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	97,935	7,445	17,904	123,284
Additions	99,813	21	349	100,183
Disposals[a]	(128,022)	(1)	(472)	(128,495)
Cost or valuation at 31 December 2015	69,726	7,465	17,781	94,972
Accumulated depreciation				
Opening balance at 1 January 2015	—	7,131	16,352	23,483
Depreciation for the year	—	62	543	605
Depreciation on disposals	—	(1)	(472)	(473)
Cumulative depreciation at 31 December 2015	—	7,192	16,423	23,615
Net assets at 31 December 2015	**69,726**	**273**	**1,358**	**71,357**
Net assets at 31 December 2014	**97,935**	**314**	**1,552**	**99,801**

[a] The Department treats the transfer of the control of an asset, as distinct from the ownership, to a school authority as a disposal for accounting purposes in the annual appropriation account. The schools transferred during 2015 were as follows:

Name of school	Valuation
	€
Blennerville, County Kerry	2,333,271
Harold School, Glasthule, County Dublin,	7,000,000
Holy Trinity National School, Sandyford, Dublin	8,429,213
St. Mary's Edgeworthstown (Redress), Longford	6,450,849
Waterford Educate Together & Gaelscoil na Deise, Carrickphierish, Waterford	13,349,226
Scoil Bhride NS and Gaelscoil, Eadan Doire, County Offaly	8,728,245
GS Caladh an Treoigh, Co. Luimnigh	3,494,428
Gaelscoil de hIde, Oranmore, Co. Galway	5,069,384
Navan Educate Together, Navan, Co. Meath	4,446,843
Gaelscoil Sliabh Rua, Ballyogen Road, Stepaside, Dublin	6,198,682
St. Andrew's National School, Lucan, Dublin	4,223,934
St. Finian's National School, Newcastle, Dublin	8,489,572
Lusk Community College, Lusk, County Dublin	7,959,670
Templecarrig Secondary School, Greystones, County Wicklow	22,355,838
Lucan Post Primary, Clonburris, Balgaddy, County Dublin	19,492,895
Total	128,022,050

General Information Note

1. First Level

1.1 The total number of national schools in operation on 31 December 2015 was 3,276. With the exception of 1.3 (i) to 1.3 (iii) below, the majority of these schools are denominational and owned by the relevant diocesan authority.

1.2 51 first-level sites are owned and controlled/managed by the Minister for Education and Skills.

1.3 (i) 70 Gaelscoileanna and 31 multi-denominational schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and are controlled/managed by boards of management. Three community national schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and are controlled/managed by a single manager appointed by the Minister for Education and Skills.

1.3 (ii) Four multi-denominational sites and one Catholic school site and/or buildings are held by the Minister for Education and Skills under long term lease agreements but are controlled/managed by boards of management.

1.3 (iii) Nine model schools, owned/leased by the State, are controlled/managed by boards of management.

1.4 Following the enactment of the Children's Act 2001, one children's detention school remained vested in the Minister for Education and Skills at the end of 2015. The process of transferring this school to the Child and Family Agency (Tusla) was ongoing during 2015 and a memorandum of understanding was signed between the Department and Tusla in April 2016. The school is managed by a board of management.

1.5 The Minister is one of two guarantors of Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh, which is used for the Middletown Centre for Autism.

2. Second Level

2.1 23 sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.

2.2(i) 14 comprehensive schools, 81 community schools and 4 secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.

2.2(ii) 265 vocational schools are vested in Education and Training Boards under the Education and Training Board Act 2013.

2.2(iii) 371 secondary schools are privately owned.

2.3 Capital Assets under Development

	Construction contracts	In-house computer applications	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2015	89,577	1,050	90,627
Cash payments for the year	83,416	630	84,046
Transferred to asset register	(92,188)	(121)	(92,309)
Balance at 31 December 2015	80,805	1,559	82,364

2.4 Bank and Cash

at 31 December	2015	2014
	€000	€000
PMG balances and cash/(Supply account advances)	72,278	(76,243)
Commercial banks	239	771
Petty cash	3	4
	72,520	(75,468)

2.5 Stocks

at 31 December	2015	2014
	€000	€000
Stationery	63	58
IT consumables	58	50
	121	108

2.6 Other Debit Balances

at 31 December	2015 €000	2014 €000
Agency payments to OPW	121	54
Marriage, retirement and death gratuities	3	2
Salaries recoupable	214	160
Schools Broadband Programme	1,440	2,160
Travel passes	247	197
Due from the State - suspense	2	45
Shared offices' costs recoupment	99	131
Cycle to Work Scheme	56	54
Miscellaneous	231	19
Payroll suspense	180	77,961
Travel and subsistence advances	82	99
Redress Board	898	165
	3,573	81,047

a) Debt Write-Offs and Provisions

During 2015, Vote 26 had no specific provision for write off of bad debts.

	Debts written off		Movement in provision	
	2015 €000	2014 €000	2015 €000	2014 €000
Overpayments in relation to payroll/pensions	26	—	—	—
Total	26	—	—	—

2.7 Other Credit Balances

at 31 December	2015 €000	2014 €000
Due to the State	25,933	2
Pension refund	58	55
Energy building programme	394	394
Exchequer extra receipts	—	50
Central Bank	19	11
2014/2015 remittances	—	370
Cycle to work	2	—
Other creditor	—	12
Miscellaneous	42	18
	26,448	912

2.8 Net Liability to the Exchequer

at 31 December	2015 €000	2014 €000
Surplus to be surrendered	9,229	10,390
Exchequer grant undrawn	(5,848)	(8,126)
Net liability to the Exchequer	3,381	2,264
Represented by:		
Debtors		
Bank and cash	72,520	—
Debit balances – suspense	3,571	81,002
Due from the State – suspense	2	45
EU funds suspense	15	15
	76,108	81,062
Creditors		
Supply account advances	—	(75,468)
Due to the State – suspense	(25,933)	(2)
EU funds – suspense	(46,279)	(2,418)
Credit balances – suspense	(515)	(910)
	(72,727)	(78,798)
	3,381	2,264

2.9 Commitments

at 31 December	2015 €000	2014 €000
(a) Global Commitments		
Commitments likely to materialise in subsequent years for:		
Procurement subheads	30	42
Grant subheads	16,610	13,128

Note Procurement subheads include commitments where contracts had been entered into before the end of 2015 where no goods or services had been delivered.

(b) Multi-Annual Capital Commitments

Expenditure in 2015 [a]	625,454	548,822
Commitments to be met in subsequent years [b]	1,987,403	1,897,460

[a] Expenditure in 2015 includes €66 million (2014: €28 million) in respect of capital payments made under public private partnership (PPP) projects.

[b] Commitments to be met in subsequent years include €1.344 billion (2014: €1.407 billion) on PPP projects in respect of capital obligations and non-capital obligations such as, financing, operation and maintenance.

Note 2.9 (c) provides details of the capital expenditure and commitments on PPP projects.

Capital projects involving total expenditure of €12,697,380 or more

	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
Subhead D.3.[a]					
1. Hansfield Educate Together Secondary School, Dublin 15	1,617	9,770	5,051	16,438	15,419
2. Carrickphierish Campus, Waterford	8,890	5,610	247	14,747	12,350
3. St Colmcille's, Dublin 16	15,591	647	589	16,827	—
4. Ardgillan Community College, Balbriggan, Co Dublin	10,654	2,687	248	13,589	—
5. Temple Carrig Secondary School, Wicklow	3,775	8,821	210	12,806	—
6. Colaiste Ghlór na Mara, Balbriggan, Co Dublin	430	1,184	14,758	16,372	—
7. St John's Primary School, Drogheda, Co Louth	385	2,295	11,599	14,279	—
8. Le Chéile Secondary School, Mulhuddart, Dublin 15	289	399	15,594	16,282	—
Subtotal	**41,631**	**31,413**	**48,296**	**121,340**	**27,769**
Subhead D.4.					
9. St. Patricks Drumcondra – campus development	38,787	949	—	39,736	39,736
10. Grangegorman campus – site infrastructure and public realm	29,182	891	5	30,078	30,000
Subtotal	**67,969**	**1,840**	**5**	**69,814**	**69,736**
Total	**109,600**	**33,253**	**48,301**	**191,154**	**97,505**

[a] Arising out of a review of project costs, expenditure reported at the end of 2014 has been increased by €34 million over that reported in the 2014 appropriation account in respect of projects under the D.3 Subhead due to:

- fees expenditure of €2.6 million that had not previously been included in respect of the Handsfield Educate Together Secondary School and Carrickpherish Campus projects.
- One project – St Colmcille's – was inadvertently excluded in the 2014 account resulting in a restatement of €15.6 million. At the end of 2014, €14.2 million had been spent in respect of the construction contract and €1.4 million in respect of fees.
- In the remaining five cases, total expenditure of €15.5 million was not reported in the 2014 account as the project totals had not met the threshold for reporting (i.e. total project cost of €12,697,380 or more) until 2015.

Significant Variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Total cost increase in 2015	Explanation
	€000	
1. Hansfield Educate Together Secondary School, Dublin 15	1,019	The increase in commitments from €15.4 million to €16.4 million arises due to fees expenditure incurred and commited in the total cost which had not previously been included.
2. Carrickphierish Campus, Waterford	2,397	The increase in commitments from €12.3 million to €14.7 million arises due to fees expenditure incurred and commited in the total cost which had not previously been included.
3. St Colmcille's, Dublin 16	16,827	The omission of St Colmcille's in the 2014 accounts gives rise to a variation in the total project cost of €16.8 million between 2014 and 2015. At the end of 2015, the total expected expenditure for the project is €14.8 million in respect of the construction contract and €2 million in respect of fees.
4. Ardgillan Community College, Balbriggan, Co Dublin	13,589	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to approving additional works.
5. Temple Carrig Secondary School, Wicklow	12,806	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to the inclusion of fee costs of €0.5 million.
6. Colaiste Ghlór na Mara, Balbriggan, Co Dublin	16,372	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 when the letter of acceptance was issued in November 2015.
7. St John's Primary School, Drogheda, Co Louth	14,279	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 due to inclusion of fee costs of €1.7 million.
8. Le Chéile Secondary School, Mulhuddart, Dublin 15	16,282	Expenditure and commitments were not reported previously as the criteria for reporting (i.e. total project cost of €12,697,380 or more) was not reached until 2015. The criteria was met in 2015 when the letter of acceptance of issued in November 2015.

(c) Capital Costs of Public Private Partnership Projects

	Expenditure to 31 December 2014	Expenditure in 2015	Legally enforceable commitments to be met in subsequent years	Project total 2015	Project total 2014
	€000	€000	€000	€000	€000
1. National Maritime College of Ireland PPP	40,490	3,446	23,143	67,079	67,079
2. Five Pilot Schools Bundle	40,598	3,443	53,186	97,227	97,227
3. Cork School of Music[a]	23,809	2,490	54,617	80,916	80,916
4. 1st Bundle PPP Schools[a]	16,103	1,910	66,723	84,736	84,720
5. 2nd Bundle PPP Schools[a]	18,839	3,137	88,587	110,563	110,518
6. 3rd Bundle PPP Schools[b]	15,480	2,982	112,262	130,724	130,602
7. 4th Bundle PPP Schools	—	—	79,817	79,817	77,944
Totals	**155,319**	**17,408**	**478,335**	**651,062**	**649,006**

[a] Following a review carried out by the NDFA, expenditure amounts reported in the 2014 Appropriation Account were restated as there were small differences due to rounding in relation to the Cork School of Music and a change in the treatment of construction insurances in the accounts to ensure consistency with the unitary charge financial model in relation to PPP Bundles 1 and 2. The total project cost in relation to Bundle 1 has been restated to also exclude €12,000 that could not be reconciled with the financial model.

[b] Expenditure in relation to Bundle 3 has been restated due to i) a change in the treatment of fixed furniture and equipment in the accounts to align with the financial model and ii) a small correction in relation to a timing issue (i.e. the timing of when the capital expenditure in question first arose).

Significant Variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Total cost increase in 2015	Explanation
	€000	
4th Bundle PPP Schools	1,873	There was no expenditure in 2015 as the first school did not open until February 2016. Total project expenditure has been restated by including a lump sum payment for Bundle 4 in order to remain consistent with the treatment of capital costs on the other bundles.

Note on PPPs

The Department has to date entered into seven separate contracts to design, build, finance maintain and operate educational accommodation under the Public Private Partnership (PPP) model.

There are two third level PPP projects – the National Maritime College, Cork and the Cork School of Music – and five schools PPP projects, (five pilot schools and school bundles 1, 2, 3 and 4). All seven contracts are for twenty five years. The buildings will remain in State ownership for the duration of the contract, with the PPP company granted a licence to build the facilities and maintain them for a period of twenty five years.

National Maritime College

The National Maritime College of Ireland (NMCI) PPP project was completed in October 2004 with Focus Education Ireland as the private sector partner. NMCI was the first third level PPP to be completed and operating in Ireland. The college provides state of the art education and training facilities to service the needs of the Cork Institute of Technology and the non-military needs of the Irish Naval Service.

Five Pilot Schools PPP

The five post-primary schools are located in Dunmanway and Ballincollig, Co. Cork, Tubbercurry, Co. Sligo, Clones, Co. Monaghan, and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects Ltd. in November 2001. The operational phase of the schools commenced in January 2003.

Cork School of Music

A contract for the design, build, financing and operation of the Cork School of Music was signed with Hochtief in September 2005. The Cork School of Music was completed in July 2007.

1st Bundle PPP Schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools), Banagher and Ferbane (both in Co. Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

2nd Bundle PPP Schools

A contract for the design, build, financing and operation of five post-primary schools and one primary school in Wicklow, Co. Wicklow, Athboy, Co. Meath, Kildare, Co. Kildare, Abbeyfeale, Co. Limerick and Bantry, Co. Cork (two schools) was signed with Maquarie Partnerships for Ireland in June 2010. All six schools became operational in late 2011.

3rd Bundle PPP Schools

There are seven post-primary schools and one primary school in the 3rd Bundle PPP Project. They are located in Ballinamore, Co Leitrim, Letterkenny, Co Donegal, Gorey, Co Wexford, Doughiska, Co Galway (2 schools), Doon, Co Limerick, Tramore, Co Waterford and Athlone, Co Westmeath. The contract for the design, build, financing, operation and maintenance of the schools was signed with BAM PPP in November 2012. All 8 schools became operational between November 2013 and May 2014.

4th Bundle PPP Schools

There are four post primary schools in the 4th Bundle PPP Project. They are located in Tulla, Co Clare, Skibbereen, Co Cork, Dundalk, Co Louth and Carrick-on-Suir, Co Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. The four schools are currently under construction and are expected to be completed and ready for handover by end of Q2 2016.

2.10 Matured Liabilities

at 31 December	**2015**	**2014**
	€000	**€000**
Estimate of matured liabilities not discharged at year end	99	76

3 Programme Expenditure by Subhead

In compliance with Public Financial Procedures and with the sanction of the Department of Public Expenditure and Reform, the Department of Education and Skills used a financial process known as virement in 2015, as in other years. The virement process allowed for savings on one or more subheads to be used to meet excesses on other subheads in Vote 26. Please refer to the Public Financial Procedures Sections B.1.1.11 and C.2 (6-13). As a result of ongoing monitoring of expenditure trends within the Department, virement was used on certain subheads where, for example, schemes/projects progressed more rapidly than originally forecast or demand/costs were higher in 2015 than originally anticipated.

				2015	2014
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A	**First, Second and Early Years Education**				
A.1	Administration – pay		57,665	55,210	54,687
A.2	Administration – non pay		11,116	10,462	8,892
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers		2,170,851	2,150,935	2,036,340
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers		1,106,440	1,098,989	1,099,355
A.5	Grants to Education and Training Boards in respect of teachers' salaries		565,280	571,039	569,479
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools				
	Original	406,678			
	Supplementary	6,000	412,678	413,093	374,922
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)		100,305	102,546	100,149
A.8	Superannuation payments in respect of teaching and non-teaching staff in the primary and post primary sectors				
	Original	1,056,438			
	Supplementary	30,000	1,086,438	1,083,573	1,059,361
A.9	School transport services		175,000	172,955	172,081
A.10	Grants (including capitation) payable to primary and post primary schools, Education Training Boards and other educational organisations and institutions		413,179	417,719	409,103
A.11	Grants to education bodies working in the primary and post primary sectors		80,342	80,916	68,819
A.12	Teacher education		25,100	22,803	23,404
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission		14,105	13,806	55,142
A.14	Miscellaneous grants and services		37,591	26,619	23,729
			6,256,090	6,220,665	6,055,463

Significant variations

Overall, the expenditure in relation to the Programme A was €35.4 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subhead A.6 and Subhead A.8 which received an increasing supplementary.

Description	Less/ (more) than orginally provided	Explanation
	€000	
Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	(6,415)	The original estimate of €406,678,000 was increased by a supplementary estimate of €6 million to €412,678,000. The additional allocation of €6 million required on this subhead was due mainly to the costs associated with an increase in the number of SNA's and the implementation of the revised salary scales of 2011. The final outturn of €413 million is 0.1% more than the final allocation.
Superannuation payments in respect of teaching and non-teaching staff in primary and post-primary schools	(27,135)	The original estimate of €1,056,438,000 was increased by a supplementary estimate of €30 million to €1,086,438,000. €26 million additional funding was required to fund the costs of lump sums and gratuities as a result of about 500 more retirements than originally anticipated across the first and second level education sector. Further funding of €4 million net was required to meet the additional costs of ongoing pension payments across the first and second level sector – after taking account of a reduction of €3 million in respect of IoT pensioners' costs which were incurred in Subhead C10 in Goal C. The final outturn of €1,084 million is 0.3% less than the final allocation.
Teacher education	2,297	The savings of €2.3 million on teacher education arose principally due to a slower than anticipated roll out of miscellaneous initiatives relating to the Junior Cycle reform, Primary Language Curriculum and Post Graduate for Mathematics programme, and reduced uptake in seminars / support schemes in Special Education Support Service.
Miscellaneous grants and services	10,972	The saving of €10.972 million is due to a number of variables. €6 million of the net savings is attributed to slower than anticipated progress on the implementation of the Finance Shared Services for Education and Training Boards. A further €2.6 million of savings arose from the deferral to 2016 of certain ICT activities. Savings of €0.5 million arose due to the action plan associated with the Dormant Accounts disbursement plan not becoming operational in 2015. Smaller scale net savings arose on a number of other projects and initiatives.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
B	**Skills Development**				
B.1	Administration – pay		3,749	3,568	3,571
B.2	Administration – non pay		825	773	630
B.3	Grants to SOLAS in respect of administration and general expenses		23,588	23,588	79,916
B.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports		825	480	521
B.5	Grants to SOLAS in respect of further education and training activities				
	Original	280,155			
	Supplementary	(11,000)	269,155	265,999	218,659
B.6	Grant to Quality and Qualifications Ireland (QQI)		5,794	3,600	5,500
B.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (ANCO)		32,026	31,626	33,373
B.8	Miscellaneous grants and services		25	2	22
			335,987	329,636	342,192

Significant variations

Overall, the expenditure in relation to the Programme B was €6.4 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subhead B.5 which received a decreasing supplementary allocation.

Description	Less/ (more) than originally provided €000	Explanation
European Social Fund (ESF) and European Globalisation Adjustment Fund (EGF) supports	345	Savings on ESF supports arose due to delays in final approval of the new operational programmes and to timing issues on transnational activity such as the Learning Network on Transnational Mobility Measures for Disadvantaged Youth.
Grants to SOLAS in respect of further education and training activities	14,156	The original estimate of €280,155,000 was decreased by a supplementary estimate of €11million to €269,155,000. A gross reduction of €14 million on this subhead estimate was required due to the recovery of funds in 2015 of unspent moneys by ETBs on VTOS, Youthreach and Training Centre schemes in 2013 and 2014. The recovery was effected by reducing the payments to ETBs in 2015. The gross reduction was offset by an increase of €3 million required to meet the cost of the Christmas Bonus for long-term unemployed persons provided for in the Budget. The final outturn of €266 million is 1% less than the final allocation.
Quality and Qualifications Ireland	2,194	A saving of approximately €1.4 million arose due to an internal restructuring process which was undertaken by the agency in 2015 which delayed the roll-out of some of QQIs activities. A saving of approximately €0.7 million arose due to the delays in ICT expenditure. Further savings of €0.2 million arose due to a higher level of QQI own resources leading to a lower than anticipated draw down.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
C	**Higher Education**				
C.1	Administration – pay		4,085	3,898	3,850
C.2	Administration – non pay		898	845	679
C.3	Grant-in-aid for general expenses of Higher Education Authority		5,394	5,394	5,424
C.4	General current grants to universities, institutes and other designated institutions of higher education (grant-in-aid)		922,849	922,849	938,943
C.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		8,564	7,984	7,165
C.6	Dublin Dental Hospital (grant-in-aid)		10,471	10,471	10,582
C.7	Dublin Institute for Advanced Studies (grant-in-aid)		6,136	6,136	6,201
C.8	Royal Irish Academy of Music (grant-in-aid)		2,955	2,955	2,988
C.9	Grants to certain third level institutions		10,180	8,971	10,402
C.10	Superannuation etc payable to former staff of universities and institutes of technology				
	Original	75,814			
	Supplementary	10,000	85,814	93,163	74,890
C.11	Student support and related expenses				
	Original	331,752			
	Supplementary	78,000	409,752	414,000	372,211
C.12	Research activities		37,600	37,600	37,600
C.13	EU, international and north south activities		5,189	4,510	4,667
C.14	Grangegorman Development Agency		2,895	2,881	2,481
C.15	Miscellaneous grants and services		200	169	314
			1,512,982	1,521,826	1,478,397

Significant variations

Overall, the expenditure in relation to the Programme C was €8.8 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subheads C.10 and C.11 which received an increasing supplementary.

Description	Less/ (more) than originally provided	Explanation
	€000	
Training colleges for primary teachers – excluding those funded through the Higher Education Authority	580	Savings of approximately €0.4 million arose primarily due to a slower than anticipated implementation of certain initiatives. A further saving of approximately €0.17 million of savings arose from a reduced drawdown by the Church of Ireland College of Education and Marino Institute of Education.
Grants to certain third level institutions	1,209	Due to fluctuations in demand, it is difficult to project the expenditure on this subhead. The main reasons for savings were due to the incorporation of Shannon College with NUI Galway. Also, the number of students who were were eligible for free fees funding in non-HEA institutions was less than anticipated.

Description	Less/ (more) than originally provided €000	Explanation
Superannuation etc payable to former staff of universities and institutes of technology	(17,349)	The original estimate of €75,814,000 was increased by a supplementary estimate of €10 million to €85,814,000. Arising from an increase in the average annual pension cost, a greater number of IoT pensions, and the transfer of pension costs from the ETB pension's subhead to the IoT pension's subhead on foot of a reclassification of historical pension data, there was a requirement for this supplementary. The final outturn of €93 million is 9% (€7.3 million) more than the final allocation. While the average annual cost per pension payable when the supplementary was sought was approximately €22,190, the year-end position was that the average annual cost per pension payable had risen to approximately €23,785, which led to a consequential increase in overall expenditure.
Student support and related expenses	(82,248)	The original allocation of €331,752,000 was increased by a supplementary estimate of €78 million to €409,752,000. This arose mainly due to the changes introduced as a result of Budget 2015, rising demographics and efficiencies achieved in processing and payment of student grants in the 2015/16 academic year. The final outturn of €414 million is 1% more than the final allocation.
EU, international and north south activities	679	Savings arose principally due to lower drawdown of matched funding from the US-Ireland Alliance for the George Mitchell Scholarship fund in 2015, than had been envisaged when the estimate was set.

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D	**Capital Services**				
D.1	Administration – pay		9,483	9,113	9,039
D.2	Administration – non pay		2,085	1,975	1,595
D.3	Building equipment and furnishings of primary and post primary schools				
	Original	468,000			
	Supplementary	50,000	518,000	524,503	454,835
D.4	Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education		46,000	52,639	79,094
D.5	Public private partnership costs		67,650	66,355	79,467
			643,218	654,585	624,030

Significant variations

Overall, the expenditure in relation to the Programme D was €11.4 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.An explanation is provided in relation to Subhead D.3 which received an increasing supplementary.

Description	Less/ (more) than originally provided	Explanation
	€000	
Building equipment and furnishings of primary and post primary schools.	(56,503)	The original estimation of €468,000,000 was increased by a supplementary estimate of €50 million to €518,000,000. The supplementary allocation was used to fund summer works projects not originally anticipated under the Summer Works Scheme. The final outturn of €524 million was 1% more than the final allocation.
Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education	(6,639)	Key third level capital infrastructure projects had been identified for which funding would be provided by the Department if it was available. As the capital allocation was fully committed and there were some savings in current expenditure, the Department of Public Expenditure and Reform provided sanction to use €6.7 million of unspent 2015 current allocations for these projects.

4 Receipts

4.1 E Appropriations-in-aid

				2015	2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
E.1.	Superannuation contributions				
	Original	189,514			
	Supplementary	(12,000)	177,514	170,789	183,209
E.2.	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts		27,720	27,379	23,465
E.3.	Receipts from pension-related deductions n public service remuneration		345,196	341,735	341,183
E.4.	Secondments/ overpayments		4,600	4,198	5,056
E.5.	Miscellaneous		6,122	4,715	6,015
			561,152	548,816	558,928

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

An explanation is also provided in relation to subhead E.1 which received a reducing supplementary.

Description	Less/ (more) than originally provided €000	Explanation
Superannuation contributions	18,725	The original estimate of €189,514,000 for the collection of receipts was reduced by €12 million to €177,514,000, via the supplementary estimates process. The supplementary estimate of €12 million results from a projected shortfall in pension contribution receipts. This shortfall is in part due to overestimation of the receipts paid by deduction from ongoing salary for 2015 and in part from a lower level of one-off payments from teachers at retirement. Some pension contribution refunds are also made to teachers from this subhead and the number made in 2015 was higher than estimated. There was a shortfall of 4% between the final allocation and the receipts realised.
Secondments/overpayments	402	It is difficult to predict the level of receipts from year to year with complete accuracy as recoupment of over-payments may be on a once-off basis or on a phased basis and may cross over a financial year(s). The recoupment of salary in respect of secondments may also cross over into the next financial year.
Miscellaneous	1,407	This subhead caters for receipts of an ad hoc nature and it is difficult to predict the level of receipts throughout the year. The shortfall mainly arose in respect of a reduction in repeat leaving cert fees, Educational Disadvantage (Dormant Accounts Funding) receipts and other miscellaneous receipts.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	50	—
Recoupment of unspent funding disbursed in prior years to the HEA	2,673	615
Receipts from sale of assets by FÁS/SOLAS	1	115
Receipts from legal settlements	2	80
Receipts from conscience money	8	3
Transferred to Exchequer[a]	(2,734)	(763)
Balance at 31 December	—	50

[a] During 2015, €2,672,618 of the Exchequer extra receipts that were surrendered to the Department of Finance arose from the recoupment of funds from the HEA in respect of grants made by the Irish Research Council in prior years which remained unspent.

€52,500 arose from final payment of a settlement agreed by the former Department of Enterprise, Trade and Employment in respect of the EU DAWN Equal project – €50,000 of which was received at the end of 2014.

In addition, a further €797 in receipts arose from the sale of assets by SOLAS and miscellaneous receipts of €6,000.

5 Employee Numbers and Pay

The following employee numbers and pay information relates to the Department and its associated State bodies.

	2015	2014
Number of staff at year end (full time equivalents)	98,354	95,989

The numbers reported include only core funded posts at third level, as only these posts are included in the overall count of public sector numbers.

5.(a) Staffing numbers and associated pay costs disbursed from Vote 26

Category of staff remunerated	Subhead from which funds disbursed		ECF numbers as at 31 December 2015	Pay out-turn as at 31 December 2015
				€000
First level	A.3	Primary teachers	34,700	2,150,935
	A.6.1	Special Needs Assistants	9,579	336,221
	A.7.1	Non-teaching staff	285	11,589
Second level	A.4	Secondary teachers	17,599	1,098,989
	A.5	ETB teachers	10,006	571,039
	A.6 (2-3)	Special Needs Assistants	2,360	76,872
	A.7(2-4)	Non-teaching staff	2,271	90,957
First and second level subtotal			**76,800**	**4,336,602**
Third level	C.3	HEA	54	3,516
	C.4	University/IOT/RIA /colleges of education	17,090	652,201
	C.5	Other teacher training colleges	28	1,925
	C.6	Dublin Dental Hospital	122	9,283
	C.7	Dublin Institute for Advanced Studies	51	3,616
	C.11	Student grant administration	81	3,202
	C.14	Grangegorman Development Agency	13	1,605
Third level sub-total			**17,439**	**675,348**

Category of staff remunerated	Subhead from which funds disbursed		ECF numbers as at 31 December 2015	Pay outturn as at 31 December 2015
				€000
Department Staff	X.1	Administration	1,012	56,436
	X.8	National Educational Psychological Services	194	15,353
Department sub-total			**1,206**	**71,789**
Other	A.11.4	State Exams Commission	150	9,815
	B.3.1	SOLAS administration	198	10,530
	A.11.1	National Council for Curriculum and Assessment	31	2,462
	A.11.5	National Council for Special Education	100	6,436
	A.13.1	Redress Board	8	902
	C.8	Royal Irish Academy of Music	56	2,828
	A.13.2	Commission on Child Abuse	2	344
	B.6	Quality and Qualifications Ireland	70	1,312
	A.10.1.3	Model schools	8	139
	B.5	Further education – SOLAS (Education and Training Boards)	2,187	100,207
Other sub total			**2,810**	**134,975**
Total			**98,255**	**5,218,714**

The table above outlines remuneration details for teaching, non teaching and bodies funded from Vote 26 during 2015 along with their associated whole time equivalent (WTE) numbers as at 31 December 2015. 99 WTE staff noted are paid from subheads with no separate pay designation.

In respect of the subheads B.6 (QQI), C.8 (RIAM), C.3 (HEA) and C.7 (DIAS), a small element of the pay also includes pension costs.

5.(b) Exchequer Pay

	2015	2014
	€000	€000
Pay	51,140	50,625
Higher, special or additional duties allowance	244	290
Other allowances	13	44
Overtime	604	509
Employer's PRSI	4,435	4,552
Total pay	**56,436**	**56,020**

The financial details in this table relate solely to departmental staff paid from the administrative subhead X.1. Salaries, wages and allowances.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	102	2	20,339	19,585
Other allowances	26	1	25,209	6,108
Overtime	254	8	21,386	18,765
Individuals who received extra remuneration in more than one category	7	–	5,129	5,129

The details of allowances and overtime payments in this table relate solely to staff paid from the administrative budget subheads X.1 and X.8 in 2015 (2014: X.1 and X.8)

5.2 Performance and Merit Pay

Seven staff in receipt of special service payments under the AHCPS 1% PCW restructuring agreement received in total €16,594 in 2015.

No merit pay was paid during 2015.

5.3 Re-engaged Civil Servants

During 2015, 29 retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €142,752 which included travel and subsistence costs of €21,451. In line with advice from the Department of Public Expenditure and Reform (PER), the Department applied rates as sanctioned by PER and is satisfied that fees are abated appropriately.

5.4 Severance/Redundancy

During 2015, 255 non-teaching staff and 2 primary teachers were paid redundancy sums totalling €2,281,664 – which included payment for both statutory and non-statutory redundancy sums. 84 payments of redundancy exceeded €10,000. The highest value sum paid in 2015 was €42,458. Staff receiving redundancy were paid via the Department's payrolls, in the Department's capacity as paymaster for certain schools.

5.5 Overpayments

(a) Administrative staff salary overpayments

Overpayments at the year end were €394,000 (262 cases) (2014: €113,000 (84 cases)). Of this, 213 have recovery plans in place.

(b) Supplementary pension overpayments

Overpayments at the year end were €2.6 million (320 cases) (2014: €2.8 million 320 cases). Of this, 99 have recovery plans in place or have paid in full.

The Department's Superannuation Section carried out a review of pensioners aged over 65 who were in receipt of supplementary pension. Following the review it was found that 320 pensioners were no longer entitled to this supplementary pension as they were also in receipt of a state pension from the Department of Social Protection. Pension overpayments for these 320 pensioners on subhead A (8) totalled €2.8 million at both December 2013 and 2014. Recovery of the overpayments commenced in July 2015 following detailed engagement over 18 months between the Department and the Revenue Commissioners regarding the tax implications for pensioners of any repayment regime in respect of repayments made which fell outside the Revenue Commissioners 4 year time limit. Recoupment of the outstanding amount of €2.6 million at 31 December 2015 is ongoing.

(c) Teacher/non-teacher and retired personnel overpayments

Overpayments at the year end were €3.8 million (3,905 cases) (2014: €3.3 million 3,835 cases). There are recovery plans in place for all overpayments existing at the end of 2015.

Overpayments in respect of teachers, non-teaching staff and retired personnel (excluding the supplementary pension overpayments referenced above) in primary, voluntary secondary, community and comprehensive schools were €3.8 million at 31 December 2015 compared to overpayments of €3.3 million at 31 December 2014. The Department acts as paymaster on behalf of the managerial authorities of over 3,700 schools, and is therefore reliant on school authorities submitting the data required for the appointment/payment and cessation of staff payments on a timely basis. Overpayments may also occur if insufficient time is allocated for the implementation of new Budget decisions and new industrial relations agreements, as has been the case in recent years.

6 Miscellaneous

6.1 National Lottery Funding	2015 €000	2014 €000
Book rental scheme (subhead A.10)	—	4,996
Cultural activities (subhead C.15)	—	132
	—	5,128

A list of recipients of the funding relevant to 2014 is available on the Department's website (www.education.ie).

In 2014, seed funding for the Book Rental Scheme originated from the sale of the National Lottery licence and did not form part of the normal National Lottery funding stream. Additionally, cultural activities were no longer funded from Subhead C.15 in 2015.

6.2 EU Funding

6.2.1 2015 ESF Receipts

ESF receipts in (E2.1) of €27,066,971 (€18,946,880 Pay and €8,120,091 Non-Pay) received in 2015 and shown as Appropriations-in-Aid was included in the recorded expenditure from the following subheads of the Office of the Minister for Education and Skills: B3, B4, B5, C4 and C11.

6.2.2 2015 European Globalisation Adjustment Fund (EGF) Receipts

While the EGF is co-financing a number of programmes there were no receipts shown as appropriations-in-aid during 2015. Expenditure on EGF programme supports arises on subheads B.3, B4.1, B.5, C.4 and C.11. See note 6.2.7 for further details regarding EGF schemes.

6.2.3 EU funded posts in the PDST Technology in Education (formerly NCTE)

There are two posts in the Professional Development Service for Teachers (PDST) Technology in Education which are part EU funded. The posts are Internet Safety/Webwise Development Officer and Webwise Education Officer.

Total funding for 2015 is €58,809, of which 50% is EU Funding and 50% is funded by the Department of Education and Skills.

6.2.4 Safer Internet Project Ireland 4

This Project commenced in January 2015 and builds on the previous Safer Internet Project. The aim is to contribute to safer internet service infrastructure. This project is 50% funded through the EU Connecting Europe Facility and the balance will be funded by the Department of Education and Skills.

Total funding for 2015 is €130,436, of which €90,436 relates to EU funding and €40,000 is funded by the Department of Education and Skills.

6.2.5 ePortfolios

Under the EU Commission's *Creative Classrooms* call for proposals, the ICT Policy Unit in the Department was a lead partner in an international consortium in the development of a project proposal centred on piloting the operational use of ePortfolios in Irish classrooms. The NCCA, PDST (Technology in Education), Junior Cycle Team for Teachers participated in this project, alongside industry partners – 26 schools were elected to participate in the pilot phase of the project.

The total cost of the project from 2013 to 2015 is €919,615, of which €689,711 relates to EU funding and €229,904 is funded by 14 partners in the project.

75% of the approved project cost is being provided by Europe and the balance is funded by the partners themselves. To date the Department has received €84,436 for its participation in the project. An amount of €26,793 is still owing pending the finalisation of the approved project cost.

6.2.6 2015 Direct EU Funding to Bodies Under the Department's Aegis

In addition to the grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2015 was as shown below:

Sub-head	Description	2015 Funding €000	2014 Funding €000
A.11.4	National Council for Guidance in Education	142	171
B.6	QQI	721	—
		863	171

National Council for Guidance in Education

The National Council for Guidance in Education received EU funding in respect of its Euroguidance, European Guidance Policy Network, European Schools and PLOTEUS project activities in 2015.

In total, this funding amounted to €141,713 in 2015.

Quality and Qualifications Ireland (QQI)

QQI received EU funding in respect of its Erasmus, Europass and European Qualifications Framework (EQF) activities in 2015, as well as for its provision of the secretariat for the European Quality Assurance Reference Framework for Vocational Education and Training (EQARF). In total this funding amounted to €721,361 in 2015.

6.2.7 European Globalisation Adjustment Fund

The Department of Education and Skills acts as the Irish Managing Authority for the European Globalisation Adjustment Fund (EGF) in Ireland.

The EGF is a European Union funding programme which assists EU member states to provide a personalised package of upskilling, retraining and enterprise supports to workers made redundant as a result of major structural changes in world trade patterns due to globalisation or global financial and economic crisis.

Applications for EU co-funding under the EGF are first submitted by a member state to the European Commission for approval. Upon initial approval the application must subsequently be approved by both the European Parliament and the EU Council of Ministers.

For approved programmes of measures submitted by Member States, the following maximum EU co-funding rates apply

- Applications submitted between May 2009 and December 2011 – 65%
- Applications submitted between January 2012 and December 2013 – 50%
- Applications submitted between January 2014 and December 2020 – 60%.

The balance of programme costs are met through national co-funding.

EGF programmes are multi-annual in nature. Under Article 16(4) of Regulation (EU) No. 1309/2013, an EGF programme implementation period is of 24 months duration commencing from the date of submission of an application by a member state. In addition, measures which commenced before the application was submitted but after the general announcement of redundancies may be included. Under the Regulation, a member state must submit a final report and expenditure statement to the European Commission not later than six months after programme cessation. The Commission has a further six-month closure period to examine the programme before formally winding it up, elongating the EGF programme lifespan to at least 36 months.

The multi-annual structure of the Fund, the submission by national service providers of expenditure claims on interim, annual or multi-annual bases and the fact that apportionment of total EU and national expenditure is not finalised until the full closure of the programmes, makes it difficult to reconcile annual programme expenditure in line with prescribed national accounts reporting. However, full details of programme expenditure are made available after the winding up of each individual programme.

Irish EGF Programmes

There have been ten applications made by Ireland for EGF co-funding up to the end of 2015.

Seven programmes (Dell, Waterford Crystal, SR Technics, NACE 41 ('Construction of buildings'), NACE 43 ('Specialised construction activities') NACE 71 ('Architectural Services') and Talk Talk EGF programmes) have been concluded and formally wound up by the European Commission. By the end of 2015, repayments of unused EGF co-funding totalling €25 million have been made to the EU Commission. The DELL, Waterford Crystal, SR Technics and NACE 43 EGF Programmes have all been the subject of audit by either the European Commission or European Court of Auditors, with no substantial findings being made by either body against Ireland. A sum of €21,080 was reimbursed to the European Commission in June 2015 arising from the Commission's audit in 2014 of the NACE 43 EGF programme.

An eighth EGF programme application was submitted in May 2014 in support of 171 workers affected by redundancy at the Andersen Ireland jewellery manufacturing plant in Rathkeale, Co Limerick in late 2013. The application also sought support for up to 138 local young persons under the age of 25 years who are not in employment, education or training (NEET persons) under a new optional provision of Regulation (EU) No 1309/2013, governing the 2014 – 2020 funding round. This is the first Irish application to be submitted under Article 4(2) of Regulation (EU) No 1309/2013 which provides for derogation from the normal minimum qualifying threshold of at least 500 redundancies in exceptional circumstances. The programme received final approval from all of the relevant EU institutions in November 2014, with the EU co-funding contribution being received in Ireland in late December 2014. This programme will conclude in May 2016.

A ninth application was submitted to the European Commission in September 2014 seeking EGF co-funding support for 424 workers made redundant between December 2013 and June 2014 at the Lufthansa Technik Airmotive Ireland aircraft maintenance, repair and overhaul facility in Rathcoole, Co Dublin. This application also sought support for up to 200 NEET persons and was also submitted under Article 4(2) derogation. The programme received final approval from all the relevant EU institutions in April 2015, with the EU co-funding contribution being received by Ireland in early May 2015. The program will conclude in September, 2016.

The tenth and most recent application in respect of 108 workers affected by redundancy at the PWA International Aircraft Maintenance, Repair and Overhaul facility in Rathcoole, Co. Dublin and for up to 108 NEET persons, was submitted to the European Commission in June 2015. The EGF application, again submitted under the Article 4 (2) derogation, was duly approved by the relevant EU institutions in December 2015 with the EU co-funding contribution subsequently being received by Ireland in January 2016. This programme will conclude in June 2017.

Programme	Rate of EU co-funding	Programme allocation	Programme spend	Receipts from EU	Unused EU co-funding repaid to European Commission
	%	€000	€000	€000	€000
DELL	65%	22,817	13,620	14,831	5,978
Waterford Crystal	65%	3,955	3,090	2,571	563
SR Technics	65%	11,455	4,504	7,446	4,518
NACE 41[a]	65%	19,523	12,616	12,690	4,488
NACE 43	65%	33,329	20,249	21,664	8,502
NACE 71[a]	65%	2,135	1,809	1,388	211
Talk Talk	50%	5,393	3,794	2,696	799
Anderson Ireland	60%	2,502	—	1,501	—
Lufthansa Technik Airmotive Ireland	60%	4,151	—	2,491	—
PWA International	60%	737	—	—	—
		105,997	**59,682**	**67,278**	**25,059**

[a] Expenditure of €4,575 under the NACE 41 and 71 programmes was refunded to the Department in late 2015, of which the 65% EU co-funding element of €2,974 is due to the European Commission.

National co-funding of EGF programmes has been provided to date from:

- Department of Education and Skills, Subheads B.3 – training supports and allowances, technical assistance, B.4.1. – enterprise supports, B.5 – further level education supports and allowances, C.4 – third level education fees, C.11 – student maintenance grants
- National Training Fund (guidance, education, training supports and allowances and technical assistance).
- Department of Social Protection – Vote 38 – Back to Education Allowance and employment service supports.

EGF Activity in 2015

Guidance, training, education and enterprise measures were delivered to beneficiaries under the three currently ongoing programmes in 2015. Expenditure to date has been provided by national funding sources and will be duly co-funded by 60% from the EU receipts subject to the calculation of final EGF eligible expenditure and the submission of final reports and statements justifying expenditure to the European Commission.

The final report for the Andersen Ireland EGF programme is due in November 2016 and those for the Lufthansa Technik Airmotive Ireland and PWA International EGF programmes are due in March 2017 and December 2017 respectively.

6.3 Commissions and Enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2015	Expenditure in 2015	Expenditure in 2014
		€000	€000	€000
Commission to Inquire into Child Abuse	1999	79,936	1,290	7,168
Residential Institutions Redress Scheme[a,b]	2002	1,203,730	12,370	47,844
Inquiry into Kilkenny City Vocational School[c]	2006	341	—	7
Total		1,284,007	13,660	55,019

[a] In addition to the Residential Institutions Redress Scheme Exchequer expenditure, contributions from the religious congregations under the 2002 Indemnity Agreement of €42.3 million, which have been expended on the scheme, bring the total expenditure on the Redress Scheme and the associated litigation under the 2002 indemnity agreement to €1.246 billion. €1.236 billion of this was expended on the Residential Institutions Redress Scheme and €10 million expended pursuant to the 2002 Indemnity Agreement.

[b] The cumulative Residential Institutions Redress Scheme cost of €1.2 billion at the end of 2015 includes expenditure by the Residential Institutions Review Committee of €9.2 million.

[c] The Department had noted in the 2012 Vote 26 accounts that the work on the Inquiry into Kilkenny City Vocational School had been concluded. However, residual legal expenses of €7,000 arose in 2014 in regard to legal fees associated with the Inquiry. The work on this Inquiry is now concluded.

6.4 Legal Awards

				2015	2014
	Number of cases	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000
Claims by employees of the Vote	—	—	—	—	—
Claims by members of the public					
Damage to property claims	2	—	50	50	239
Injury claims	14	251	90	341	—
		251	**140**	**391**	**239**

The table above identifies legal costs and fees paid directly by the Department and does not reflect legal costs of other bodies supported by voted subheads.

In addition to the legal costs and compensation awards listed above, legal costs of €2.6 million (2014: €8.1 million) were incurred by the Department in 2015 in the course of the day-to-day running of the Department.

6.5 Contingent Liability

Redress

There will be further payments associated with the Commission to Inquire into Child Abuse and the Residential Institutions Redress Scheme.

Expenditure for the Commission to Inquire into Child Abuse from inception to the end of 2015, was €79.94 million. It is estimated that additional costs of €1.5 million could arise in meeting the Commission's remaining costs and catering for any unexpected delays in the dissolution of the Commission.

Expenditure associated with the Redress Scheme to the end of 2015 was €1.246 billion. It is estimated that additional costs of some €2 million may arise. This estimate includes provision for litigation and caters for any unexpected delays in the dissolution of the Residential Institutions Redress Board.

6.6 Write-Offs

The following sums were written off in the year:

	2015 €000	2014 €000
Payable orders cashed in irregular circumstances	8	3
Overpayments of tuition grants	12	—
	20	**3**

6.7 Fraud, Suspected Fraud and Irregularities

	2015 €000	2014 €000
Fraud	—	24
Irregular use of school funds (two cases)	40	—
Suspected misappropriation of funds	4	—
	44	**24**

In 2015, the Department was made aware of ten new cases of suspected fraud/irregularities, which remain under investigation.

The Department will continue to make every reasonable effort to recover Exchequer funds where fraud or irregularities have occurred. In circumstances where recovery is warranted, this will occur either by direct repayment or via the withholding of agreed sums from ancillary grants.

The losses of €40,000 relate to two cases in which schools used funds for purposes other than that for which they were intended.

The losses of €4,000 relate to irregular petty cash and credit card transactions in an organisation where funding is provided by the Department.

Due to the time sensitivities of the annual return, there was not sufficient information available to categorise the remaining seven incidents as fraud because investigations are ongoing in order to establish whether the cases involve fraud/irregularity or relate to human error. The cases under investigation largely arise in regard to the issue of grants, school enrolment numbers or in respect of inappropriate expenditure of Exchequer funding.

The figures quoted for 2015 are based on the returns made to the Comptroller and Auditor General in the context of the 2015 appropriation account and may be superseded as new information comes to the Department's attention.

6.8 Late Payment Interest

	2015	2014
Total of interest payments due	€4,400	€27,000
Number of recipients of €10,000 or more	—	1

The Department's net prompt payment interest and compensation paid in 2015 arose in respect of payments to 37 suppliers.

6.9 Residential Institutional Redress

Residential Institutions Redress Special Account under Terms of Indemnity Agreement

Section 23 of the Residential Institutions Redress Act 2002 provided for the establishment of a special account to be funded from "moneys provided by the Oireachtas" and by "a person, with the consent of the Minister (for Education and Science) and the Minister for Finance". In addition to moneys provided by the Oireachtas, funding for the special account comes from moneys contributed under the terms of the indemnity agreement between the State and the contributing congregations. The first schedule of the agreement contains a list of the contributing congregations. Moneys from the special account are used to pay awards made by the Residential Institutions Redress Board and associated legal and settlement costs. The special account is subject to audit by the Comptroller and Auditor General.

Residential Institutions Statutory Fund Investment Account established by the National Treasury Management Agency

In April 2010, the Government announced its intention to utilise €110 million of the offers of contributions from religious congregations to establish and operate a statutory fund to support the needs of survivors of residential institutional child abuse. Pending the establishment of the statutory fund, a special interest bearing account, under the dual control of the Department of Public Expenditure and Reform and the Department of Education and Skills was opened in the Central Bank to receive the cash contributions from congregations.

Following the commencement of the Residential Institutions Statutory Fund Act 2012 and the establishment of the Residential Institutions Statutory Fund investment account by the National Treasury Management Agency (NTMA), a total of €41,327,221 was transferred to the NTMA account in 2013, in accordance with section 29(1) of the 2012 Act. The designated Central Bank account was subsequently closed in 2013.

In 2013, 2014 and 2015, further cash contributions of €33,441,828, €5,543,039 and €4,606,081, respectively, were received from congregations and lodged to the RISF investment account. At 31 December, 2015 total lodgements into the NTMA account amounted to €84,918,169.

The 2012 Act provides that the NTMA may advance to the Residential Institutions Statutory Fund (which uses the name Caranua) sums requested for the purpose of defraying expenditure incurred by it in the performance of its functions. The 2012 Act also provides that the NTMA shall advance to the Minister for Education and Skills sums requested by the Minister to enable payments to be made to the independent appeals officer appointed under section 21 of the 2012 Act. The accounts of the Residential Institutions Statutory Fund are subject to audit by the Comptroller and Auditor General.

6.10 Expenditure on Temporary School Accommodation

During 2015, expenditure under subhead D.3.3 included amounts totalling €18 million in respect of temporary premises (2014: €16.4 million).

6.11 Budget Carryover

Vote 26 did not avail of a carryover from 2015 to 2016.

6.12 Settlement with the Revenue Commissioners

In finalisation of an audit conducted by the Revenue Commissioners, the Department made a settlement payment to the Commissioners in March 2015 in the amount of €1,359,358. The settlement, which covers the period 2010 to 2013, arises from liabilities applying for PAYE/PRSI and USC in relation to certain payments made by the Department to home tutors, to payments to members of education-related boards and committees and to a small number of payments to individuals. New arrangements have now been put in place to ensure tax compliance in relation to these payments.

Appropriation Account 2015

Vote 27

International Co-operation

Introduction

As Accounting Officer for Vote 27, 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 2015 for certain Official Development Assistance, including certain grants, and for contributions to certain International Organisations involved in Development Assistance and for salaries and expenses in connection therewith.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following.

Depreciation

Vehicles have been depreciated on a straight line basis at a rate of 20% per annum.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising on convertible currencies are translated into Euro at the rate of exchange ruling at the date of settlement. At programme country mission level, transactions arising on non-convertible currencies are translated into Euro at the market rate of exchange prevailing at the beginning of that month.

Grant refunds

Refunds of grants which were funded out of the bilateral and other co-operation fund are returned to the fund on receipt.

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, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Financial control environment

I confirm that a control environment containing 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
- an Audit Committee is in place to advise me in discharging my responsibilities for the internal financial control system.

Administrative controls and management reporting

I confirm that 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
- the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of four contracts to the value of €293,000 which were listed in my annual return in respect of Circular 40/2002. The contracts were not tendered due to the contract being awarded to the sole qualified supplier, an urgent situation arising which required an immediate response, or the €25,000 threshold being inadvertently exceeded.

Significant financial risks

By its nature, development assistance carries inherent risks, which I acknowledge and seek to manage and mitigate. Robust controls are in place at head office, as outlined above, which are supplemented by additional controls in Key Partner Countries as set out below.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Enhancing internal control environment

In addition to the controls in place at head office, the following controls are operated in Key Partner Countries to mitigate the risks inherent in development assistance

- Each Embassy, in addition to the Ambassador, has a Head of Development with responsibility for the management of the aid programme.
- The Ambassador and Head of Development are supported, in the larger programmes, by development specialists plus locally-recruited programme advisors with qualifications in relevant areas.
- There is a robust multi-annual planning and approval process for each Country Programme, which includes the development of a Country Strategy Programme (CSP) which is evaluated through an independent external quality assurance (EQA) process prior to approval, a mid-term review of the Programme, and a final evaluation of the Programme on completion of the CSP term and in advance of preparation of the new CSP.
- In addition, there is a robust annual business planning process in place at all Missions including an assessment of risks to business plan implementation and controls in place to manage that risk. These plans and risk registers are developed in consultation with Head Office and are monitored and updated as necessary on a quarterly basis.
- Each Embassy also has a locally-based finance function, led by an appropriately qualified head of finance, who reports both to the Ambassador and to Finance at Head Office.
- A detailed Financial Procedures Manual is in place which sets out the procedures to be followed in respect of all payments, both at Head Office and by Key Partner Countries.
- In addition to the internal audit function at Head Office (Evaluation and Audit Unit), each Partner Country has its own internal audit function, led by an appropriately qualified accountant, who reports directly to the Ambassador and to the Evaluation and Audit Unit.

In addition, in respect of payments at HQ in respect of Overseas Development Assistance (including humanitarian, multilateral and civil society funding) ,robust business planning mechanisms are in place, including approval of the overall budget by the Interdepartmental Committee, monitoring of expenditure by the Senior Management Group on a monthly basis and robust pre and post disbursement grant management procedures.

Particular emphasis has been placed on the strengthening of risk management systems at Embassy level with a focus on the identification of risks and appropriate internal controls for each element of our programmes. The risk management system is designed to alert management to changes in the perceived risk profile of any aspect of the programme so that appropriate action can be taken at the earliest opportunity.

Following on from the 2013 systems assessment review across all the Key Partner Countries, significant steps have been taken to further strengthen management systems and internal controls across all aspects of the aid programme. A programme is in place for the development of programme management standards which has identified areas for improvement to programme management and these improvements are currently being implemented. This process is continuing with a view to introducing new programme cycle management guidelines and accompanying revised financial regulations that will address the particular risks associated with aid programmes.

I am committed to ensuring that we continue to strengthen our systems of risk identification and management and to ongoing monitoring and audit to minimise the potential for the misuse of funds in the future.

Niall Burgess
Accounting Officer
Department of Foreign Affairs and Trade

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 27 International Co-operation

I have audited the appropriation account for Vote 27 International Co-operation for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 27 International Co-operation for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Foreign Affairs and Trade. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

26 September 2016

Vote 27 International Co-operation
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Work on poverty and hunger reduction	476,623	475,028	475,745
	Gross expenditure	**476,623**	**475,028**	**475,745**
	Deduct			
B	**Appropriations-in-aid**	**1,150**	**1,557**	**1,183**
	Net expenditure	**475,473**	**473,471**	**474,562**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	2,001,715	3,450,606

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	15,358	14,595	13,741
ii	Travel and subsistence	2,200	1,767	1,946
iii	Training and development and incidental expenses	1,820	1,931	1,742
iv	Postal and telecommunications services	1,860	1,405	1,163
v	Office equipment and external IT services	1,595	1,278	1,164
vi	Office premises expenses	3,225	3,908	3,233
vii	Consultancy services and value for money and policy reviews	750	265	720
viii	Foreign representation and accommodation expenses	1,500	1,564	1,164
		28,308	26,713	24,873

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		448,315	450,872
Pay		14,595	13,741
Non pay		12,118	11,132
Gross expenditure		**475,028**	**475,745**
Deduct			
Appropriations-in-aid		**1,557**	**1,183**
Net expenditure		**473,471**	**474,562**
Changes in capital assets			
Purchases cash	(359)		
Disposals cash	50		
Gain on disposals	(49)		
Depreciation	255		
		(103)	(36)
Changes in net current assets			
Decrease in closing accruals	(691)		
Increase in stock	(5)		
		(696)	5,167
Net programme cost		**472,672**	**479,693**

Expenditure borne on other votes and the related notional rents for this programme are disclosed in note 1 of Vote 28 – Department of Foreign Affairs and Trade.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	8,322	8,219
Current assets			
Bank and cash	2.3	6,042	6,994
Stocks of stationery		32	27
Prepayments		2,215	1,523
Other debit balances	2.4	168	75
Total current assets		**8,457**	**8,619**
Less current liabilities			
Accrued expenses		210	209
Other credit balances	2.5	103	91
Net liability to the Exchequer	2.6	1,070	(2,989)
Bilateral and other co-operation fund (grant) account	7	5,037	9,967
Total current liabilities		**6,420**	**7,278**
Net current assets		**2,037**	**1,341**
Net assets		**10,359**	**9,560**
Represented by:			
State funding account	2.1	**10,359**	**9,560**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			9,560	14,691
Disbursements from the Vote				
Estimate provision	Account	475,473		
Surplus to be surrendered	Account	2,002		
Net vote			473,471	474,562
Net programme cost	1		(472,672)	(479,693)
Balance at 31 December			**10,359**	**9,560**

2.2 Capital Assets

	Land and buildings	Equipment	Office equipment	Furniture and fittings	Vehicles	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2015	7,639	915	501	1,066	2,483	12,604
Additions	—	88	40	16	215	359
Disposals	—	(33)	(12)	(3)	(231)	(279)
Cost or valuation at 31 December 2015	7,639	970	529	1,079	2,467	12,684
Accumulated depreciation						
Opening balance at 1 January 2015	—	898	458	908	2,121	4,385
Depreciation for the year	—	24	29	51	151	255
Depreciation on disposals	—	(33)	(12)	(2)	(231)	(278)
Cumulative depreciation at 31 December 2015	—	889	475	957	2,041	4,362
Net assets at 31 December 2015	**7,639**	**81**	**54**	**122**	**426**	**8,322**
Net assets at 31 December 2014	**7,639**	**17**	**43**	**158**	**362**	**8,219**

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	5,112	6,457
Commercial bank account balance	930	537
	6,042	6,994

2.4 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Other debit balances	168	75

2.5 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Professional Services Withholding Tax	86	73
Value Added Tax	17	18
	103	91

2.6 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	2,002	3,451
Exchequer grant undrawn	(932)	(6,440)
Net liability to the Exchequer	1,070	(2,989)
Represented by:		
Debtors		
Bank and Cash	6,042	6,994
Debit balances: suspense	168	75
	6,210	7,069
Creditors		
Due to State	(103)	(91)
Bilateral and other co-operation fund (grant) account	(5,037)	(9,967)
	(5,140)	(10,058)
	1,070	(2,989)

2.7 Commitments

The commitments figures stated below are the total legally enforceable amounts payable in 2016 and relate to property rental payments abroad and other administrative commitments.

Commitments are analysed by date of expiry of contract

	2015	**2014**
	€000	**€000**
Due within 12 months	948	496
Due between 1 and 5 years	867	1,063
	1,815	1,559

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Work on poverty and hunger reduction**			
A.1	Administration - pay	15,358	14,595	13,741
A.2	Administration - non pay	12,950	12,118	11,132
A.3	Payment to grant fund for bilateral and other co-operation	315,965	315,965	326,015
A.4	Emergency humanitarian assistance	58,500	58,500	57,500
A.5	Payments to international funds for the benefit of developing countries	37,460	37,460	28,473
A.6	Contributions to United Nations and other development agencies	36,390	36,390	38,884
		476,623	475,028	475,745

Significant variations

The outturn for the year was €1.6m less than provided. This was mainly due to the following:

Description	Less than provided	Explanation
	€000	
A1 Administration – pay	763	Savings were delivered on the administration pay subhead mainly due to savings achieved in HQ salaries.
A2 Administration – non pay	832	Savings were delivered on the non-pay administration subheads primarily due to savings in consultancy and post & telecommunications.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Appropriations-in-aid	300	841	453
2.	Receipts from pension-related deductions on public service remuneration	850	716	730
	Total	1,150	1,557	1,183

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

The outturn for the year was €0.4 million more than provided. This was mainly due to the following:

Description	(More) / Less than provided €000	Explanation
Appropriations-in-aid	(541)	Appropriations-in-aid were higher than anticipated and arose due to higher than anticipated VAT Refunds and consular fees.
Receipts from pension-related deductions on public service remuneration	134	Receipts from pension related deductions on public service remuneration was less than anticipated due to lower than expected pay cost.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	196	181

	2015 €000	2014 €000
Pay	12,989	12,393
Higher, special or additional duties allowance	37	33
Other allowances	19	22
Overtime	62	50
Employer's PRSI	825	795
Foreign Social Security & other costs	663	448
Total Pay	**14,595**	**13,741**

In addition, security staff costs in the missions are charged to security costs under incidental expenses.

Certain costs have been reclassified in the prior year figures for comparability purposes, however, this has no impact on the overall outrun for the year.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €000	Maximum individual payment 2014 €000
Higher, special or additional duties	6	1	10,926	10,790
Other allowances	9	—	7,194	6,928
Overtime	41	—	9,869	10,313
Number of individuals who received extra remuneration in more than one category	4	2	11,601	10,543

5.2 Other Remuneration

2 retired civil servants in receipt of civil service pensions were re-engaged, on a fee basis, at a total cost of €7,333.

5.3 Payroll Overpayments

There were no overpayments in 2015 (2014:NIL)

6 Miscellaneous Items

6.1 Contributions to United Nations and other development agencies (A.6)

	2015	2014
	€000	€000
United Nations Development Programme (UNDP)	7,750	8,550
United Nations Children's Fund (UNICEF)	7,200	7,900
United Nations High Commissioner for Refugees (UNHCR)	5,800	6,100
World Health Organisation (WHO) Programmes	1,000	1,150
United Nations Population Fund	2,800	3,195
Office of the United Nations High Commissioner for Human Rights	2,024	2,000
UNAIDS	2,700	2,950
United Nations Development Fund for Women (UNIFEM)	1,500	1,500
UN Industrial Development Organisation	490	368
UN Relief and Works Agency for Palestine Refugees in the Near East (UNWRA)	4,000	4,000
UNEP Trust Fund	250	252
United Nations Volunteers	595	475
Others - various	281	444
	36,390	38,884

6.2 Legal costs

					2015	2014
	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Claim by staff following closure of Embassy	9	3	—	185	188	13
		3	—	185	188	13

7 Bilateral and other co-operation fund (grant) account

Account of receipts and payments during the year ended 31 December 2015

	2015	2014
	€000	€000
Balance on 1 January	9,967	6,620
Grant	315,965	326,015
	325,932	332,635
Expenditure for the year	(321,738)	(324,449)
Amounts returned during the year	843	1,781
Balance on 31 December	5,037	9,967

In addition, at 31 December 2015, unspent balances totalling €1.5 million (2014: €2.5 million) were held in bank accounts controlled by Irish Embassies and Irish Aid offices in eleven countries.

During 2015, grant and related refunds amounting to €431,000 were returned to Irish Embassies and Irish Aid offices in respect of projects where the allocated funds were not utilised in full. These refunds are held in bank accounts controlled by Irish Embassies and are available for disbursement in 2016.

Appropriation Account 2015

Vote 28

Foreign Affairs and Trade

Introduction

As Accounting Officer for Vote 28, 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 2015 for the salaries and expenses of the Office of the Minister for Foreign Affairs and Trade, and for certain services administered by that Office, including grants and contributions to International Organisations.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €7.06 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following.

Foreign currency transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of the month.

Accruals, prepayments, commitments and stocks at diplomatic missions

The accruals, prepayments and commitments figures do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental. The value of stock held by missions at year end is also not included.

Commitments

Commitments include only those amounts for which the Department may be liable in the subsequent twelve months.

Capital assets

The value of land and buildings included in capital assets is based on a valuation conducted in 2005 except for

- land and buildings acquired since 2005 which are valued at cost
- three embassy premises that are included on the basis of a professional valuation conducted in 2011.

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.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of 11 contracts to the value of €3.6 million which were listed in my annual return in respect of Circular 40/2002. The contracts were not tendered due to either the contract being awarded to a proprietary supplier or the €25,000 threshold being inadvertently exceeded. These contracts will be reviewed by my Department’s procurement team in 2016.

Fixed asset register

The Department has been working on a project to update its capital asset register. As part of this on-going project, €17.67 million of fully depreciated IT assets were disposed of in the year.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Niall Burgess
Accounting Officer
Department of Foreign Affairs and Trade

27 September 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs and Trade

I have audited the appropriation account for Vote 28 Foreign Affairs and Trade for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 28 Foreign Affairs and Trade for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Foreign Affairs and Trade. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

28 September 2016

Vote 28 Foreign Affairs and Trade
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Promote Ireland's economic and trade interests in Europe and internationally	48,658	47,824	45,890
B	Consular, passport and Irish abroad services	71,877	71,272	69,749
C	Reconciliation and cooperation on this island	20,024	22,430	22,055
D	International peace, security and human rights	69,447	67,381	63,627
	Gross expenditure	**210,006**	**208,907**	**201,321**
	Deduct			
E	**Appropriations-in-aid**	**45,048**	**51,482**	**48,120**
	Net expenditure	**164,958**	**157,425**	**153,201**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	7,533,377	14,604,579
Deferred surrender	(475,000)	—
Surplus to be surrendered	7,058,377	14,604,579

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	79,603	77,258	75,239
ii	Travel and subsistence	5,144	6,136	5,146
iii	Training and development and incidental expenses	4,048	4,254	3,637
iv	Postal and telecommunications services	5,786	5,795	5,508
v	Office equipment and external IT services	17,379	17,424	18,566
vi	Office premises expenses	25,119	23,723	22,410
vii	Consultancy services and value for money and policy reviews	100	—	—
viii	Foreign representation and accommodation expenses	10,524	11,181	10,495
		147,703	145,771	141,001

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		63,136	60,320
Pay		77,258	75,239
Non pay		68,513	65,762
Gross expenditure		**208,907**	**201,321**
Deduct			
Appropriations-in-aid		**51,482**	**48,120**
Net expenditure		**157,425**	**153,201**
Changes in capital assets			
Purchases cash	(2,833)		
Gain on disposal	(48)		
Depreciation	3,610		
		729	77
Changes in net current assets			
Increase in closing accruals	6,192		
Increase in stock	(485)		
		5,707	1,994
Direct expenditure		**163,861**	**155,272**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		17,702	16,877
Notional rents		1,716	1,716
Net programme cost		**183,279**	**173,865**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	60	60
Vote 12 Superannuation and Retired Allowances	e	11,959	10,716
Vote 13 Office of Public Works	e	5,100	5,578
Vote 20 Garda Síochána	e	91	91
Central Fund – Ministerial pensions	e	492	432
		17,702	16,877

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	165,269	165,998
Current assets			
Stocks	2.4	4,236	3,751
Prepayments		5,308	11,904
Other debit balances	2.5	3,379	6,076
Bank and cash	2.3	1,904	(4,300)
Total current assets		**14,827**	**17,431**
Less current liabilities			
Accrued expenses		1,021	1,425
Other credit balances	2.6	422	115
Net liability to the Exchequer	2.7	4,786	1,556
Cultural relations with other countries (grant in aid)	7.1	75	105
Total current liabilities		**6,304**	**3,201**
Net current assets		**8,523**	**14,230**
Net assets		**173,792**	**180,228**
Represented by:			
State funding account	2.1	**173,792**	**180,228**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			180,228	182,299
Disbursements from the Vote				
Estimate provision	Account	164,958		
Deferred surrender	Account	(475)		
Surplus to be surrendered	Account	(7,058)		
Net vote			157,425	153,201
Expenditure (cash) borne elsewhere	1		17,702	16,877
Non cash expenditure – notional rent	1		1,716	1,716
Net programme cost	1		(183,279)	(173,865)
Balance at 31 December			**173,792**	**180,228**

2.2 Capital Assets

	Land and buildings	Motor Vehicles	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2015	156,544	3,027	48,715	82,229	290,515
Additions	—	572	51	2,258	2,881
Disposals	—	(295)	—	(17,676)	(17,971)
Cost or valuation at 31 December 2015	156,544	3,304	48,766	66,811	275,425
Accumulated depreciation					
Opening balance at 1 January 2015	—	2,457	45,542	76,518	124,517
Depreciation for the year	—	304	1,001	2,305	3,610
Depreciation on disposals	—	(295)	—	(17,676)	(17,971)
Cumulative depreciation at 31 December 2015	—	2,466	46,543	61,147	110,156
Net assets at 31 December 2015	**156,544**	**838**	**2,223**	**5,664**	**165,269**
Net assets at 31 December 2014	**156,544**	**570**	**3,173**	**5,711**	**165,998**

2.3 Banks and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
Mission and headquarter accounts	8,714	9,743
PMG balances and cash	(6,810)	(14,043)
	1,904	(4,300)

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Passport books and cards	3,495	3,526
Protocol stocks	80	94
Stationery	586	45
Prepaid postage	4	2
IT consumables	71	84
	4,236	3,751

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Departmental and agency accounts	1,024	3,860
Imprest and personal suspense accounts	1,068	966
Foreign salary advance accounts	201	269
Miscellaneous	1,086	981
	3,379	6,076

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	1	—
Pay Related Social Insurance	—	(1)
Pension contributions	232	24
Value Added Tax	26	22
Professional Services Withholding Tax	69	32
	328	77
Miscellaneous	94	38
	422	115

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	7,058	14,605
Deferred surrender	475	—
Exchequer grant undrawn	(2,747)	(13,049)
Net liability to the Exchequer	4,786	1,556
Represented by:		
Debtors		
Debit balances: suspense	3,379	6,076
Bank and cash	1,904	(4,300)
	5,283	1,776
Creditors		
Due to State	(328)	(77)
Credit balances: suspense	(94)	(38)
Credit balances: grant accounts	(75)	(105)
	(497)	(220)
	4,786	1,556

2.8 Commitments

The commitments figures stated below are the total legally enforceable amounts payable in 2016 and relate to property rental payments abroad, printing of passport booklets and other administrative commitments.

at 31 December	**2015**	**2014**
	€000	**€000**
The amount is analysed as follows		
(i) Passport Office and other administrative costs	6,542	8,723
(ii) Property rental payment abroad		
The amount for rental property payments is analysed by expiry of lease as follows:		
Within one year	4,947	2,561
Between two and five years	6,069	5,940
Five years and over	2,385	3,007
	13,401	**11,508**
Total commitments	**19,943**	**20,231**

Property rental commitments made under the terms of the property lease agreements are offset by prepayments. Prepaid rents amounted to €1.12 million (2014: €1.86 million).

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Promote Ireland's economic and trade interests in Europe and internationally**			
A.1	Administration - pay	23,195	22,512	21,945
A.2	Administration - non pay	21,107	21,235	20,091
A.3	Information services	502	285	286
A.4	Cultural relations with other countries (grant in aid)	846	846	846
A.5	Trade promotion funds	480	283	307
A.6	Contributions to National and International organisations	2,528	2,663	2,240
—	*Atlantic Corridor project*	—	—	175
		48,658	47,824	45,890

Explanation of significant variations

Overall, the gross expenditure in relation to Programme A was €834,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration Pay	683	The underspend in pay results from delays in filling vacancies.
Information Services	217	Underspend arose from some projects not proceeding as planned.
Trade Promotions Fund	197	Some anticipated expenditure plans were delayed resulting in an underspend.
Contributions to National and International organisations	(135)	The OECD contributions are assessed contributions and were higher than anticipated.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Consular, passport and Irish abroad services**			
B.1	Administration – pay	32,136	31,189	30,362
B.2	Administration – non pay	28,067	28,237	27,220
B.3	Repatriation and maintenance of distressed Irish persons abroad	79	3	14
B.4	Support for Irish emigrant services	11,595	11,843	12,153
		71,877	71,272	69,749

Explanation of significant variations

Overall, the gross expenditure in relation to Programme B was €605,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration pay	947	The underspend in pay results from delays in filling vacancies.
Support for Irish emigrant services	(248)	An over spend in this programme is resultant on adverse movements on foreign exchange.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Reconciliation and cooperation on this island**			
C.1	Administration – pay	7,944	7,710	7,505
C.2	Administration – non pay	6,685	6,726	6,539
C.3	North-South and Anglo-Irish co-operation	2,745	5,344	2,861
C.4	International Fund for Ireland	2,650	2,650	5,150
		20,024	22,430	22,055

Explanation of significant variations

Overall, the gross expenditure in relation to Programme C was €2,406,000 higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
North-South and Anglo-Irish co-operation	(2,599)	The main additional spend on programme C.3 North-South and Anglo Irish co-operation was a €2.5 million grant under the new Northern Ireland Stormont Agreement "Fresh Start".

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	**International peace, security and human rights**			
D.1	Administration – pay	16,328	15,847	15,427
D.2	Administration – non pay	12,241	12,315	11,912
D.3	Contributions to international organisations	40,460	38,803	35,889
D.4	Actions consequent on Title V of the Treaty on European Union	418	416	399
		69,447	67,381	63,627

Explanation of significant variations

Overall, the gross expenditure in relation to Programme D was €2,066,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration pay	481	The underspend in pay results from delays in filling vacancies.
Contributions to international organisations	1,657	UN contributions were less than anticipated.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Passport, visa and other consular services	40,020	47,271	44,001
2.	Repayment of repatriation and maintenance advances	30	2	3
3.	VAT refunds to diplomatic missions	750	739	723
4.	Miscellaneous	500	443	286
5.	Receipts from pension-related deduction on public service remuneration	3,748	3,027	3,107
	Total	45,048	51,482	48,120

Explanation of significant variations

Overall, the appropriation-in-aid income was €6,434,000 more than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Passport, visa and other consular services	(7,251)	Passport income was ahead by €5.6 million. As passport processing is a demand led service, it is difficult to project with certainty the level of applications or application mix that will be received in any given year. Visa fees were ahead of forecast by €300,000 due to an increased demand.
Receipts from pension related deduction on public service remuneration	721	Pension related deductions are behind due to lower levels of salaries arising from the Haddington Road and Lansdowne Road Agreements.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	—	—
Receipts from sale of State property	—	758
Transferred to the Exchequer	—	(758)
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	1,202	1,187

	2015 €000	2014 €000
Pay	70,785	69,034
Higher, special or additional duties allowance	176	144
Other allowances	164	179
Overtime	727	761
Employer's PRSI	3,260	3,073
Foreign social security/health insurance (missions)	2,146	2,048
Total Pay	**77,258**	**75,239**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	46	3	16,211	16,502
Other allowances	87	—	8,080	8,052
Overtime	341	15	32,781	31,614
Number of individuals who received extra remuneration in more than one category	70	16	36,567	36,676

5.2 Other Remuneration Arrangements

Payments totalling €14,738 (2014: €41,007) were paid to 5 (2014: 4) retired civil servants whose services were employed on specialised tasks.

Severance payments amounting to €118,770 (2014: €127,685) were paid to 11 (2014: 16) locally employed staff at embassies abroad

No severance payments were made to formal Ministerial staff in 2015. €417,787 was paid to 7 staff in 2014.

5.3 Payroll Overpayments

Overpayments at the year end were €7,070 (6 cases) (2014: €11,806, 5 cases). All these cases have recovery plans in place.

6 Legal Costs

Legal Costs paid during the year are categorised as follows:

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Personal injury cases	3	10	30	—	40	73
HR cases	1	4	—	—	4	—
Claims by members of the public						
Passport entitlement case	1	—	6	—	6	—
	5	14	36	—	50	73

7 Miscellaneous Accounts

7.1 Cultural Relations with Other Countries (grant-in-aid)

	2015	2014
	€000	€000
Balance on 1 January	105	171
Grant (Subhead A.4)	846	846
	951	1,017
Expenditure	(876)	(912)
Balance at 31 December	75	105

Appropriation Account 2015

Vote 29

Communications, Energy and Natural Resources

Introduction

As Accounting Officer for Vote 29, 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 2015 for the salaries and expenses of the Office of the Minister for Communications, Energy and Natural Resources, including certain services administered by that Office, and for payment of certain grants and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided for capital supply services in 2015 out of unspent 2014 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €9.17 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account, except for the following;

Depreciation

Motor vehicles are depreciated over 5 years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over 10 years at 10% per annum, while all other Office/IT equipment is depreciated over 5 years at 20% per annum.

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.

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

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Financial control environment

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability. Detailed monthly reporting to the Management Committee, combining key financial information, is in place. This enables effective management of outputs, efficiency and ensures value for money.
- 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.

Administrative controls and management reporting

I confirm that 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. This is part of the business planning process for all divisions. The purpose of the system is to identify and assess the risks and outline measures to control and manage the risks to which the Department may be exposed. The Risk Management System is reviewed on an ongoing basis.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of three contracts to the value of €521,000 which were listed in my annual return in respect of Circular 40/02. One contract (€52,000) involved the reengagement of a consultant to ensure business continuity in a large scale project and the others (€469,000) related to the continued supply of specialised mapping data. Three contracts with values in excess of €5,000 (€22,000, €14,500 and €6,500) which were below the limits of Circular 40/02 relating to the provision of consultancy services were also awarded.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I am satisfied that procedures are in place to ensure that the reports of the internal audit function are followed up.

Mark Griffin
Accounting Officer
Department of Communications, Energy and Natural Resources
23 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Communications, Energy and Natural Resources

I have audited the appropriation account for Vote 29 Communications, Energy and Natural Resources for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 29 Communications, Energy and Natural Resources for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Communications, Energy and Natural Resources. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

27 September 2016

Vote 29 Communications, Energy and Natural Resources Appropriation Account 2015

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Communications				
	Current year provision	34,984			
	Supplementary	(2,500)			
	Deferred surrender	1,100	33,584	27,762	45,902
B	Broadcasting		247,645	239,282	239,533
C	Energy				
	Current year provision	73,352			
	Supplementary	2,501			
	Deferred surrender	3,500	79,353	75,851	86,477
D	Natural Resources				
	Original	30,910			
	Supplementary	4,000	34,910	29,315	24,621
E	Inland Fisheries		27,659	27,752	28,210
	Gross expenditure				
	Current year provision	414,550			
	Supplementary	4,001			
	Deferred surrender	4,600	**423,151**	**399,962**	**424,743**
	Deduct				
F	**Appropriations-in-aid**				
	Original	241,417			
	Supplementary	4,000	**245,417**	**236,652**	**230,796**
	Net expenditure				
	Current year provision	173,133			
	Deferred surrender	4,600			
	Supplementary	1			
			177,734	**163,310**	**193,947**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	14,423,972	9,058,571
Deferred surrender	(5,250,000)	(4,600,000)
Surplus to be surrendered	9,173,972	4,458,571

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	17,550	15,160	14,822
ii	Travel and subsistence	583	469	445
iii	Training and development and incidental expenses	757	687	559
iv	Postal and telecommunications services	529	361	379
v	Office equipment and external IT services	3,400	2,394	2,459
vi	Office premises expenses	732	666	672
vii	Consultancy services and value for money and policy reviews	1,895	1,822	1,829
viii	Equipment, stores and maintenance	246	270	106
		25,692	21,829	21,271

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		378,133	403,473
Pay		15,160	14,822
Non pay		6,669	6,448
Gross expenditure		**399,962**	**424,743**
Deduct			
Appropriations-in-aid		**236,652**	**230,796**
Net expenditure		**163,310**	**193,947**
Changes in capital assets			
Purchases cash	(767)		
Depreciation	1,584		
Loss on disposal	1	818	1,180
Changes in assets under development			
Cash payments		—	—
Changes in net current assets			
Increase in closing accruals	1,258		
Increase in stock	(6)	1,252	(887)
Direct expenditure		**165,380**	**194,240**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		14,772	12,635
Notional rents		1,279	1,286
Net programme cost		**181,431**	**208,161**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	—	53
Vote 9 Office of the Revenue Commissioners	45	—
Vote 12 Superannuation and Retired Allowances	10,587	8,588
Vote 13 Office of Public Works	4,066	3,931
Vote 18 Shared Services	23	12
Central Fund - Ministerial pensions	51	51
	14,772	12,635

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	2,562	3,380
		2,562	**3,380**
Current assets			
Bank and cash	2.3	15,984	11,042
Stocks	2.4	215	209
Prepayments		373	727
Accrued income		500	1,704
Other debit balances	2.5	141	421
Total current assets		**17,213**	**14,103**
Less current liabilities			
Accrued expenses		699	1,100
Other credit balances	2.6	3,087	5,010
Net liability to the exchequer	2.7	13,038	6,453
Deferred income		101	—
Total current liabilities		**16,925**	**12,563**
Net current assets		**288**	**1,540**
Net assets		**2,850**	**4,920**
Represented by:			
State funding account	2.1	**2,850**	**4,920**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			4,920	5,240
Disbursements from the Vote				
Estimate provision	Account	177,734		
Deferred surrender	Account	(5,250)		
Surplus to be surrendered	Account	(9,174)		
Net vote			163,310	193,947
Expenditure (cash) borne elsewhere	1		14,772	12,635
Non cash expenditure – notional rent	1		1,279	1,286
Adjustment			—	(27)
Net programme cost	1		(181,431)	(208,161)
Balance at 31 December			**2,850**	**4,920**

2.2 Capital Assets

	Land and buildings	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2015	859	1,226	20,547	3,965	26,597
Additions	—	6	252	509	767
Disposals	—	(1)	(107)	—	(108)
Cost or valuation at 31 December 2015	859	1,231	20,692	4,474	27,256
Accumulated depreciation					
Opening balance at 1 January 2015	—	1,164	18,636	3,417	23,217
Depreciation for the year	—	23	1,305	256	1,584
Depreciation on disposals	—	(1)	(106)	—	(107)
Cumulative depreciation at 31 December 2015	—	1,186	19,835	3,673	24,694
Net assets at 31 December 2015	**859**	**45**	**857**	**801**	**2,562**
Net assets at 31 December 2014	**859**	**62**	**1,911**	**548**	**3,380**

The following fisheries are not included in capital assets but are owned by the Minister and are managed by Inland Fisheries Ireland.

i. Galway
ii. Owenea/Owentocker, Co. Donegal

Land and buildings relate to the GPO Henry Street arcade.

The Minister for Communications, Energy and Natural Resources has a beneficial interest in Metropolitan Area Networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund. This interest has not been recognised as an asset in the statement of capital assets.

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	15,981	11,042
Commercial bank account balance	3	—
	15,984	11,042

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
IT equipment and stationery	—	8
Geological Survey of Ireland	208	192
Stationery	7	9
	215	209

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Refund of PRSI due from State	—	1
Salary suspense	23	299
Other	118	121
	141	421

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Withholding Tax	550	2,077
Value Added Tax	279	1,464
Extra Exchequer Receipts	—	8
PAYE/PRSI	476	335
	1,305	3,884
Suspense (emergency call answering service/payroll deduction)	1,782	1,126
	3,087	5,010

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	9,174	4,459
Deferred surrender	5,250	4,600
Exchequer grant undrawn	(1,386)	(2,606)
Net liability to the Exchequer	13,038	6,453
Represented by:		
Debtors		
Bank and cash	15,984	11,042
Debit balances: suspense	141	420
Due from the State	—	1
	16,125	11,463
Creditors		
Due to the State	(1,305)	(3,884)
Credit balances: suspense	(1,782)	(1,126)
	(3,087)	(5,010)
	13,038	6,453

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
(a) Global commitments		
(i) Procurement subheads	669	190,367
	669	190,367

The global commitments figure at 31 December 2015 includes contracts for current commitments in excess of €10,000.

(b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
ICT programmes	290,487	10,582	21,606	322,675	313,212
Multimedia developments	38,685	6,013	9,357	54,055	56,765
Sustainable energy programmes	270,274	49,746	16,274	336,294	282,368
Energy research programmes	30,684	6,196	6,232	43,112	36,921
Mining services	12,128	319	731	13,178	15,863
Geoscience initiatives	16,879	2,931	4,285	24,095	22,729
National Seabed Survey	32,653	2,973	8,000	43,626	41,653
Tellus	2,073	2,246	4,900	9,219	4,073
Teilifis na Gaelige (TG4)	8,598	920	199	9,717	8,765
	702,461	81,926	71,584	855,971	782,349

Expenditure figures for 2015 and prior years relate only to projects with future legally binding commitments.

Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Amount of increase €000	Explanation
ICT programmes	9,463	Additional commitments due to the commencement of the National Broadband Plan and continuing management of related infrastructure.
Sustainable energy programmes	53,926	Additional commitments reflect the cost of running the programmes for an additional year.
Energy research programmes	6,191	Additional commitments under the Ocean Energy Prototype Development Fund and the development of the AMETS ocean energy test site.
Geoscience initiatives	1,366	The increase in commitments reflects final research payments to third level institutions under the Griffith Research Awards phase 1 (2007-2015).
National Seabed Survey	1,973	Additional commitments for offshore mapping as part of €15 million funding for the INFOMAR (National Marine Mapping) Programme for the period 2014 to 2018.
Tellus	5,146	Additional commitments due to further development as a national programme, facilitating additional airborne geophysical data acquisition in the Midlands to East Coast area.

2.9 Land Remediation

Avoca Mine Site

The Government has allocated €3 million to address essential health and safety issues at the Avoca mine site over a three year period 2014 to 2016. A multi-disciplinary team via a single supplier framework agreement was appointed in December 2013 for three years to provide specialist design, procurement and project management services to oversee this project to address the priority public health and safety works. During 2015, a number of shafts were capped in order to make them safe and planning permission was sought and obtained from Wicklow County Council in respect of the main body of work under the contract. The total cost in 2015 was €0.32 million. The procurement of a contractor to undertake these works was commenced at the end of 2015.The balance of the €3 million allocation will be expended in 2016, bringing the works funded by this allocation to an end.

Silvermines

Remediation of six mine sites at Silvermines was undertaken between 2007 and 2011. No further remediation works are currently envisaged until funding becomes available for the final phase. A provision of €0.4 million was made available for 2015 in respect of land acquisition and contingencies that may have arisen from ongoing environmental monitoring designed to detect any changes at the site. While the provision of €0.4 million was not required in 2015, the same contingency has been made available for 2016 and future provisions will be required to cover any additional costs that may arise.

Environmental Monitoring at Avoca and Silvermines

Essential specialist monitoring cost €0.14 million in 2014, €0.15 million in 2015 and is estimated to cost €0.15 million in 2016. It is estimated that an additional amount of €0.16 million will also be required for each year from 2017 to 2019 in respect of continued monitoring of the Avoca and Silvermines sites or until full remediation is achieved.

2.10 Contingent Liabilities

There is potential for financial liabilities to arise in 2016 and subsequent years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

3 Programme Expenditure by Subhead

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A	**Communications**				
A.1	Administration - pay		4,660	4,025	3,758
A.2	Administration - non pay		1,787	1,448	2,107
A.3	Information and communications technology programme [a]				
	Original	17,935			
	Supplementary	(2,500)	15,435	13,130	31,770
A.4	Multimedia developments				
	Current year provision	5,600			
	Deferred surrender	400	6,000	5,785	6,123
A.5	Information society				
	Current year provision	4,502			
	Deferred surrender	700	5,202	3,374	2,144
A.6	Other capital (incl. capital contingency)		500	—	—
			33,584	**27,762**	**45,902**

[a] This includes a payment of €296,337 (gross) in respect of a delay in the rollout of postcodes due to the need to enact data protection legislation.

Significant variations

Overall, the expenditure in relation to Programme A was €5.82 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Information and communications technology programme	2,305	The underspend for the National Broadband Plan (NBP) Programme occurred because the procurement phase of the Programme did not commence until December 2015. There was also an administrative delay in preparing the complex competitive dialogue Request for Tender.
Information society	1,828	The trading online voucher scheme is demand-led and expenditure levels are reflective of the time lag between the award of vouchers to successful companies, and the establishment of a meaningful trading online presence prior to redeeming the voucher. By end 2015, 1,032 vouchers had been paid out under the national scheme, with 467 more projects in progress which were paid in early 2016.
Other capital (incl. capital contingency)	500	The savings arose as capital contingency funds were not required.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Broadcasting**			
B.1	Administration - pay	988	854	830
B.2	Administration - non pay	612	495	373
B.3	Grant to Radio Telefís Éireann for broadcasting licence fees	185,724	178,499 [a]	178,828
B.4	Payment to An Post for collection of broadcasting licence fees	12,457	11,609	11,063
B.5	Deontas i leith Theilifís na Gaeilge	33,160	33,160	34,283
B.6	Broadcasting Fund	14,704	14,665 [a]	14,156
		247,645	**239,282**	**239,533**

[a] An administrative error in December 2015 resulted in an overpayment to the Broadcasting Authority of Ireland of €496,359 and an underpayment to RTE of the same amount. The error was rectified in the January 2016 grant payments.

Significant variations

Overall, the expenditure in relation to Programme B was €8.36 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Grant to Radio Telefís Eireann for broadcasting licence fees	7,225	Grant payments to RTE are vote neutral and are dependent on TV licence sales income which was lower than anticipated.
Payment to An Post for collection of broadcasting licence fees	848	These payments are vote neutral and are based on television licence sales income which was lower than anticipated.

		2015			2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C	**Energy**				
C.1	Administration - pay		4,557	3,937	4,021
C.2	Administration - non pay		2,162	1,752	1,456
C.3	Sustainable Energy Authority of Ireland - administration and general expenses		7,000	6,771	6,996
C.4	Sustainable energy programmes (cash limited)				
	Current year provision	50,300			
	Supplementary	2,501			
	Deferred surrender	3,500	56,301	56,004	63,802
C.5	Energy research programmes (cash limited)		9,061	7,184	10,021
C.7	Gas services		32	32	31
C.8	Subscriptions to international organisations		240	171	150
			79,353	**75,851**	**86,477**

Significant variations

Overall, the expenditure in relation to Programme C was €3.50 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Energy research programmes (cash limited)	1,877	Expenditure was less than anticipated in the following programmes which are funded under this measure - ESB Westwave project (€877,000), the draft Bioenergy Plan and the design of the Renewable Heat Incentive Scheme (€644,000).

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D	**Natural Resources**				
D.1	Administration – pay		6,451	5,572	5,361
D.2	Administration - non pay		3,159	2,631	2,193
D.3	Petroleum services				
	Original	641			
	Supplementary	4,000	4,641	4,509	374
D.4	Mining services		3,585	917	1,302
D.5	GSI services		9,524	8,554	572
D.6	Ordnance Survey Ireland		7,415	7,000	7,315
D.7	Subscriptions to international organisations		135	132	120
	Geoscience initiatives		—	—	4,336
	National seabed survey		—	—	3,048
			34,910	**29,315**	**24,621**

Significant variations

Overall, the expenditure in relation to Programme D was €5.60 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Petroleum services	132	In December 2015 the Department sought and was granted a supplementary estimate in respect of Subhead D3, Petroleum Services (reference note 7.1), to facilitate the reinvestment through the PIP-EOSG mechanism of €4 million arising in 2015 from petroleum data sale receipts.
Mining services	2,668	Savings due to: (1) lower than expected extraction rates of private minerals by the mining companies and legal delays in settling outstanding claims; (2) unforeseen delays in the Avoca mines remediation project due to the requirement to obtain planning permissions.
GSI services	970	Savings due to delays in the completion of the 2015 phase of the Tellus research project on Geochemical analyses and savings on the Griffith Research Award.
Ordnance Survey Ireland	415	Savings due to lower annual payments for non-commercial activities than originally budgeted.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E	**Inland Fisheries**			
E.1	Administration - pay	894	773	852
E.2	Administration - non pay	422	343	320
E.3	Inland fisheries	26,343	26,636	27,038
		27,659	**27,752**	**28,210**

4 Receipts

4.1 Appropriations-in-aid			2015	2014
		Estimate provision	Realised	Realised
		€000	€000	€000
1.	Proceeds of fines in respect of fishery offences	50	25	19
2.	Receipts under the Minerals Development Act, 1940 and the Petroleum and Other Minerals Act, 1960			
	Original	11,455		
	Supplementary	4,000	15,455	14,787	9,400
3.	Petroleum Infrastructure Support Group	437	297	297
4.	Broadcasting licence fees	222,130	214,018	213,293
5.	Geological Survey Ireland income	550	595	1,081
6.	Rent on properties in GPO	223	350	78
7.	Miscellaneous	1,323	1,732	1,870
8	Pension contribution from agencies	1,084	1,102	961
9.	Receipts from pension-related deduction on public service remuneration	4,165	3,746	3,797
	Total	**245,417**	**236,652**	**230,796**

Miscellaneous	2015	2014
	€000	€000
Costs recovered from other bodies	79	519
Corrib verification process	744	260
Royalties in respect of Metropolitan Area Networks	864	1,055
Other	45	36
Total	**1,732**	**1,870**

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Receipts under the Minerals Development Act, 1940 and the Petroleum and Other Minerals Act, 1960	668	A supplementary estimate was sanctioned as receipts of €4 million relating to royalties from the sale of petroleum data for the current and previous years were received. Mining compensation receipts were €1.4 million lower than anticipated due to lower extraction levels of private minerals by mining companies.
Petroleum Infrastructure Support Group	140	Receipts lower than anticipated due to less contributions to the Petroleum Infrastructure Support Group.
Rent on properties in GPO	(127)	Higher than anticipated income as some of the rent received related to 2014.
Miscellaneous	(409)	Higher receipts reflect the additional costs incurred in the finalisation of the verification audit of the Corrib gasfield project.
Receipts from pension-related deduction on public service remuneration	419	Lower than anticipated income as planned additional recruitments were deferred until 2016.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance on 1 January	8	131
Refunds from the Sustainable Energy Authority of Ireland	—	135
Transferred to the Exchequer	(8)	(258)
Balance at 31 December	**—**	**8**

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	250	245
Agencies	859	849
	1,109	1,094

Remuneration of All Staff (Department and Agencies)	2015 €000	2014 €000
Pay	33,774	33,938
Higher, special or additional duties allowance	263	343
Other allowances	1,309	1,285
Overtime	90	142
Employer's PRSI	2,832	2,853
Total pay	**38,268**	**38,561**

The remuneration arrangements refer to the pay element of Subheads A1, A4, B1, C1, C3, D1, E1 and E3.

5.1 Department

	2015 €000	2014 €000
Pay	14,167	13,822
Higher, special or additional duties allowance	82	128
Other allowances	50	48
Overtime	24	24
Employer's PRSI	837	800
Total pay	**15,160**	**14,822**

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	7	3	21,406	22,498
Other allowances	25	—	7,357	5,574
Overtime	10	—	7,435	8,049
Number of individuals who received extra remuneration in more than one category	3	1	11,304	11,372

5.2 Agencies

	2015 €000	2014 €000
Pay	19,607	20,116
Higher, special or additional duties allowance	181	215
Other allowances	1,259	1,237
Overtime	66	118
Employer's PRSI	1,995	2,053
Total pay	**23,108**	**23,739**

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	31	—	7,118	17,089
Other allowances	291	—	8,351	6,535
Overtime	13	1	12,000	17,637
Number of individuals who received extra remuneration in more than one category	10	1	12,000	17,637

The main agencies included above are Inland Fisheries Ireland, Sustainable Energy Authority of Ireland, the Digital Hub Development Agency and the Loughs Agency.

The figures in Note 5 and Note 5.2 include non Voted monies to ensure compliance with Department of Public Expenditure and Reform guidelines (Circular 17/2013).

5.3 Other Remuneration Arrangements

Five public sector workers in receipt of public sector pensions were re-engaged on a contract basis at a total cost of €273,000.

5.4 Payroll overpayments

Overpayments at the year end were €22,966 (11 cases) (2014 €14,055, 5 cases). Of this, €2,151 (2 cases) have recovery plans in place.

6 Miscellaneous

6.1 EU Funding

The outturn shown in Subheads A.3, C.4, D.5 and E.3 includes payments in respect of activities which are co-financed from the EU. Estimates of expenditure and actual outturns were as follows:

			2015	2015	2014
			Estimate	Outturn	Outturn
		€000	€000	€000	€000
A.3	Information and Communications Technology Programme				
	Original	17,935			
	Supplementary	(2,500)	15,435	13,130	31,770
C.4	Sustainable Energy Programmes				
	Current year provision	50,300			
	Deferred Surrender	3,500			
	Supplementary	2,501	56,301	56,004	63,802
D.5	GSI Services		9,524	8,554	7,956
E.3	Inland Fisheries		26,343	26,636	27,038
			107,603	104,324	130,566

6.2 Committees and Commissions

€23,643 was paid in 2015 in respect of various expenses arising out of the Department's involvement in the Moriarty Tribunal. The total payments made to date are €2.07 million.

6.3 Legal Costs

					2015	2014
	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by members of the public						
Legal fees in respect of a settled High Court case	1	—	15	—	15	—

6.4 Carryover to 2016

Under the provisions of Section 91 of the Finance Act 2004, €5.25 million of unspent allocation in respect of the capital elements of Subheads A.3, A.5, A.6 and C.5 was carried forward to 2016.

6.5 Write-Offs

The following sum was written off in the year:

	2015	2014
	€000	€000
Suspense account balances re: historic debt	—	16

7. Miscellaneous Accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2015.

	2015 €000	2014 €000
Balance at 1 January	5,205	8,138
Receipts	4,357	279
Payments	(2,021)	(3,212)
Balance at 31 December	7,541	5,205

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by Petroleum Affairs Division. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas and provides a forum for co-operation amongst exploration and researchers. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via Subhead D.3.

In December 2015, the Department sought and was granted a supplementary estimate in respect of Subhead D3 Petroleum Services to facilitate the reinvestment through the PIP-EOSG mechanism of €4 million arising in 2015 from petroleum data sale receipts.

The Fund is administered by the Petroleum Affairs Division of the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2015.

	2015 €000	2014 €000
Balance at 1 January	33,903	—
Receipts	—	35,000
Investments	(2,093)	(1,097)
Balance at 31 December	31,810	33,903

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are (a) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (b) to promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Levy Revenue Fund to the EENF and is committed to investing this amount in a qualifying investor fund (QIF) authorised and regulated by the Central Bank of Ireland. The State funding is matched by private sector funding. The Minister, along with other investors is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on the QIF's performance.

The total cost of investment for 2014 and 2015 is €3.19 million.

At 31 March 2015, the estimated market value of the fund was €2,305,667. At that point in time, the Minister owned 49% of the total shareholding in the fund.

Appropriation Account 2015

Vote 30

Agriculture, Food and the Marine

Introduction

As Accounting Officer for Vote 30, 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 2015 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine, including certain services administered by that Office, and of the Irish Land Commission and for payment of certain grants, subsidies and sundry grants and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
(b) provided for capital supply services in 2015 out of unspent 2014 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €56.62 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following

Capital assets

A schedule of all land and buildings administered by the Department is appended to the account. However, as valuations for all of these properties are not available, they are not included in the statement of capital assets.

Depreciation

The Integrated Forestry Management System (IFORIS) and Integrated Fisheries Information System (IFIS) software is depreciated at 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 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.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. 34 contracts, each relating to payments in excess of €25,000 with a total value of €1.71 million, were undertaken without a competitive process and were listed in my 2015 annual return in respect of Circular 40/2002. Procedures are in place to ensure purchases without competitive processes are assessed to determine whether competitive processes are required.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Review of financial management and control

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee and its Risk Management System.

The Accreditation Review Group, which is chaired by me, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies.

The Department is subject to a range of audits by the Comptroller and Auditor General, the Internal Audit Unit, the EU Court of Auditors, the EU Commission and by an independent certifying body - a professional accountancy firm - which certifies the annual EAGF and EAFRD accounts. In 2015 the Department was subject to approximately 2,276 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts as required by Council Regulation 1360/2013.

ICT Security

The Department has a strong commitment to the security of its information and communication technology systems, which are also independently reviewed. Documented backup/recovery procedures are in place for all critical data, including the use of secure offsite storage services and disaster recovery facilities. The Department has a dedicated IT Security Unit and is proactive in the development and promotion of IT security policies. ICT security arrangements are subject to review by the IT audit section of the Internal Audit Unit. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit, which includes a computer risk management review. As part of the accreditation process, the Department has chosen to adopt the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security.

Shared services

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

I rely on a Letter of Assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Aidan O'Driscoll
Accounting Officer
Department of Agriculture, Food and the Marine

24 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Agriculture, Food and the Marine. The appropriation account is in agreement with the accounting records.

Reporting on matters arising from audit

Chapter 7 of my report on the accounts of the public services for 2015 refers to certain other matters relating to Vote 30 Department of Agriculture, Food and the Marine.

Seamus McCarthy

Comptroller and Auditor General

28 September 2016

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2015

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Agri-food policy, development and trade				
	Original	410,676			
	Supplementary	(10,860)	399,816	387,177	343,028
B	Food safety, animal health and welfare and plant health				
	Original	204,002			
	Supplementary	(6,090)	197,912	196,355	199,698
C	Rural economy, environment and structural changes				
	Current year provision	386,779			
	Supplementary	(8,750)			
	Deferred surrender	18,000	396,029	355,045	415,839
D	Direct payments				
	Original	240,611			
	Supplementary	90,700	331,311	326,063	232,895
Gross expenditure					
	Current year provision	1,242,068			
	Deferred surrender	18,000			
	Supplementary	65,000			
			1,325,068	**1,264,640**	**1,191,460**
Deduct					
E	**Appropriations-in-aid**				
	Original	469,489			
	Supplementary	(39,000)	**430,489**	**438,683**	**71,220**
Net expenditure					
	Current year provision	772,579			
	Deferred surrender	18,000			
	Supplementary	104,000			
			894,579	**825,957**	**1,120,240**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	68,622,477	31,663,091
Deferred surrender	(12,000,000)	(18,000,000)
Surplus to be surrendered	56,622,477	13,663,091

Analysis of administration expenditure

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	167,732	165,980	164,179
ii	Travel and subsistence	6,909	6,971	6,995
iii	Training and development and incidental expenses	3,663	5,448	2,952
iv	Postal and telecommunications services	4,501	4,553	4,076
v	Office equipment and external IT services	21,600	24,590	23,493
vi	Office premises expenses	5,798	6,112	5,942
vii	Consultancy services and value for money and policy reviews	36	108	179
viii	Supplementary measures to protect the financial interests of the EU	1,352	597	536
ix	Laboratory services	5,800	5,733	4,777
x	EU Presidency	—	—	16
		217,391	220,092	213,145

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		1,044,548	978,315
Pay		165,980	164,179
Non pay		54,112	48,966
Gross expenditure		**1,264,640**	**1,191,460**
Deduct			
Appropriations-in-aid		438,683	71,220
Net expenditure		**825,957**	**1,120,240**
Changes in capital assets			
Purchases cash	(4,679)		
Depreciation	4,454		
Loss on disposals	12	(213)	(765)
Changes in net current assets			
Increase in closing accruals	45,659		
Decrease in stock	1,327		
		46,986	(175,920)
Direct expenditure		**872,730**	**943,555**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		67,099	64,171
Notional rents		7,200	6,676
Net programme cost		**947,029**	**1,014,402**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 30 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	59	—
Vote 12 Superannuation and Retired Allowances		61,889	59,967
Vote 13 Office of Public Works		4,850	3,896
Central Fund - ministerial pensions		301	308
		67,099	64,171

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	13,197	12,984
Current assets			
Bank and cash	2.3	34,296	23,529
Stocks	2.4	2,503	3,830
Prepayments		2,196	2,392
Accrued income:			
EAFRD funding due from the EU		129,983	181,000
Other amounts due from the EU		515	550
Scheme overpayments	6.3	3,254	3,022
Due from services		8,724	7,030
Other debit balances	2.5	2,498	9,911
Total current assets		**183,969**	**231,264**
Less current liabilities			
Accrued expenses		4,176	7,839
Other credit balances	2.6	21,228	9,579
Net liability to the Exchequer	2.7	15,566	23,861
Total current liabilities		**40,970**	**41,279**
Net current assets		**142,999**	**189,985**
Net assets		**156,196**	**202,969**
Represented by:			
State funding account	2.1	**156,196**	**202,969**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			202,969	26,284
Disbursements from the Vote				
Estimate provision	Account	790,579		
Net supplementary	Account	104,000		
Deferred surrender	Account	(12,000)		
Surplus to be surrendered	Account	(56,622)		
Net vote			825,957	1,120,240
Expenditure (cash) borne elsewhere	1		67,099	64,171
Non cash expenditure – notional rent	1		7,200	6,676
Net programme cost	1		(947,029)	(1,014,402)
Balance at 31 December			**156,196**	**202,969**

2.2 Capital Assets

	Office equipment/ other machinery	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	227,120	14,084	241,204
Additions	4,632	47	4,679
Disposals	(727)	—	(727)
Cost or valuation at 31 December 2015	231,025	14,131	245,156
Accumulated depreciation			
Opening balance at 1 January 2015	215,057	13,163	228,220
Depreciation for the year	4,178	276	4,454
Depreciation on disposals	(715)	—	(715)
Cumulative depreciation at 31 December 2015	218,520	13,439	231,959
Net assets at 31 December 2015	**12,505**	**692**	**13,197**
Net assets at 31 December 2014	**12,063**	**921**	**12,984**

Land and buildings are not included in the above statement. A listing of land and buildings administered by the Department is appended to the account.

2.3 Bank and Cash

at 31 December	2015	2014
	€000	€000
PMG balances	32,950	19,438
Commercial bank balances	1,427	4,172
Orders outstanding	(81)	(81)
	34,296	23,529

2.4 Stocks

at 31 December	2015	2014
	€000	€000
Laboratory supplies and chemicals	453	539
Stationery supplies	111	152
Computer supplies	44	25
Veterinary supplies	1,427	2,704
Livestock	324	306
Agricultural stock	99	73
Cleaning supplies	20	14
Oil stocks	25	17
	2,503	3,830

2.5 Other Debit Balances

at 31 December	2015	2014
	€000	€000
Imprests and recoupable travel costs	143	175
Department of Finance recoupable gratuities and retirement lump sums	1	2
Advance payments to OPW	1,124	998
Due from local authorities in respect of harbour development	66	66
Amount recoupable from EU	—	5,642
Salary advances from Exchequer	428	2,873
Other	736	155
	2,498	9,911

2.6 Other Credit Balances

at 31 December	2015	2014
	€000	€000
Amounts due to the State		
Withholding Tax	943	747
Value Added Tax	1,023	527
Relevant Contracts Tax	24	3
Superannuation	17	5
VAT on Sales	258	88
Local Property Tax	12	11
Extra Exchequer Receipts	206	54
	2,483	1,435
Securities	302	208
Milk quota sales and levies	550	550
Pesticides licensing fees	734	1,122
EU advances	9,386	5,917
Beef data and gernomics scheme	3,828	—
Miscellaneous[1]	3,945	347
	21,228	9,579

[1] The Department's accounting system has functionality which allows for inter company general ledger postings between the reporting entities within its remit. In addition to the Vote, these include the EU EAGF and EAFRD Accounts, and the Fishery Harbour Centres Account. These debtor/creditor balances are captured in control accounts in the balance sheet and are settled at the PMG on the next working day.

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	56,622	13,663
Deferred surrender	12,000	18,000
Exchequer grant undrawn	(53,056)	(7,802)
Net liability to the Exchequer	15,566	23,861
Represented by:		
Debtors		
Bank and cash	34,296	23,529
Debit balances: suspense	2,498	9,911
	36,794	33,440
Creditors		
Due to State	(2,483)	(1,435)
Credit balances: suspense	(18,745)	(8,144)
	(21,228)	(9,579)
	15,566	23,861

2.8 Commitments

at 31 December	**Due 2016**	**Subsequent years**	**2015 Total**	**2014 Total**
	€000	**€000**	**€000**	**€000**
(a) Procurement	16,341	9,274	25,615	25,185
(b) Grants				
Capital investment grants	10,523	—	10,523	15,420
Food research	12,947	38,997	51,944	64,318
Afforestation	100,810	582,875	683,685	729,868
Bioenergy	—	—	—	192
Grants to the organic sector	11,481	44,000	55,481	16,339
Farm Improvement Scheme	9,916	1,640	11,556	31,119
Early Retirement Scheme	5,016	5,677	10,693	19,479
Rural Environment Protection Scheme	2,382	—	2,382	32,233
Agri Environment Options Scheme	50,255	29,660	79,915	185,500
Horticulture Scheme	764	—	764	335
Beef Data Genomics Programme	51,000	187,000	238,000	—
Animal Health Ireland	500	500	1,000	1,500
On Farm Market Valuation	180	—	180	115
Green Low-Carbon Ag-Environment Scheme	190,580	719,840	910,420	—
Total of legally enforceable commitments	462,695	1,619,463	2,082,158	1,121,603

Significant variations

An explanation is provided below where multi-annual commitments increases/(decreased) by more than €500,000 from 2014 to 2015.

Description	Amount of increase/(decrease) €000	Explanation
Capital investment grants	(4,897)	The commitment figure is progressing as profiled, with a lower take up in the 2016 round of awards.
Food research	(12,374)	The decrease in commitments is as a result of the completion of a number of research projects in 2015 where savings were made on original awards and revised budgets on other ongoing projects.
Afforestation	(46,183)	Forestry commitments may extend over 20 years and a refinement in the method of calculating these commitments resulted in a decrease in assessment of the total commitments.
Grants to the organic sector	39,142	The Organic Farming Scheme reopened at the end of 2015 for additional 2016 applications and is now full.
Farm Improvement Scheme	(19,563)	Scheme is closed and commitments are winding down as profiled.
Early Retirement Scheme	(8,786)	The expenditure for ERS is decreasing each year as the scheme has been closed to new applicants since 2008. There has been no increase in payments to ERS participants and people are leaving the scheme each month, usually as their 10 year participation period ends.
Rural Environment Protection Scheme	(29,851)	Scheme is closed with decreasing residual commitments remaining only.
Agri Environment Options Scheme	(105,585)	The total Commitment declared is for the duration of the AEOS schemes, which are closed to new entrants. Applicants are also transferring to new GLAS scheme resulting in the downward revision of AEOS commitments.
Beef Data Genomics Programme	238,000	New scheme to improve the genetic merit of the national beef herd through collection of data and genotypes of selected animals. The scheme will run to 2020.
Animal Health Ireland	(500)	Grant is progressing as profiled.
Green Low-Carbon Ag-Environment Scheme	910,420	GLAS is the new multi-annual agri-environment scheme, which is part of the Rural Development Programme.

3 Programme Expenditure by Subhead

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A	**Agri-Food Policy, Development and Trade**				
A.1	Administration – pay		16,504	16,331	16,154
A.2	Administration - non pay		4,296	4,666	4,119
A.3	Research and training		27,983	24,561	25,908
A.4	Development of agriculture and food		10,436	9,850	9,718
A.5	Teagasc - for general expenses				
	Original	113,839			
	Supplementary	(2,700)	111,139	111,139	108,710
A.6	An Bord Bia - for general expenses				
	Original	32,944			
	Supplementary	(1,200)	31,744	30,836	27,282
A.7	Marine Institute		26,621	26,301	23,479
A.8	Bord Iascaigh Mhara		19,016	19,016	18,234
A.9	Food aid donations - World Food Programme				
	Original	9,960			
	Supplementary	10,040	20,000	20,000	9,960
A.10	Other services		28,077	21,056	23,493
A.11	Horse and Greyhound Racing Fund		68,000	68,000	54,220
A.12	Beef data and genomics scheme				
	Original	52,000			
	Supplementary	(17,000)	35,000	34,692	21,751
A.13	Cedra Rural Innovation and Development Fund		1,000	729	—
			399,816	**387,177**	**343,028**

Significant variations

Overall, the gross expenditure in relation to Programme A was €12.64 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Research and training	3,422	Research projects are normally 3-5 years in duration and it is difficult to anticipate expenditure as payments are dependent on satisfactory progress, which was less than anticipated.
Development of agriculture and food	586	Savings arose as some remaining marketing and processing investment projects under the 2008 round were not completed by year end. Also, fewer claims were received under the Food Competitiveness Fund in 2015 than originally anticipated.

Description	Less/ (more) than provided €000	Explanation
An Bord Bia –for general expenses	2,108	The underspend is due to fewer retirements than projected , possibly due to changes in the Grace Period rule and hence lower pension and lump-sum costs incurred.
Food aid donations- World Food Programme	(10,040)	Government decision to double the previous commitment of €10m to World Food Programme as part of its response to the refugee crisis.
Other services	7,021	€2,500,000 has been deferred because there was no expenditure due on the Johnstown Castle remediation project before year end. There were also savings because fewer legal cases than expected were settled during the year and less applications processed to payment stage than anticipated under the Beef and Sheep Technology Adoption Programmes.
Beef data & genomics scheme	17,308	Underspend in first year of 6 year programme as full requirements could not be confirmed for some participants until after latest date for payment in 2015 (Payments to be made in early 2016).
Cedra Rural Innovation and Development Fund	271	Approved works were not fully completed within the timeframe leading to an under spend from the Fund.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
B	**Food Safety, Animal Health and Welfare and Plant Health**				
B.1	Administration - pay		94,192	93,209	92,197
B.2	Administration - non pay		28,255	30,860	28,082
B.3	Food safety (and public health), animal health and welfare and plant health				
	Original	81,555			
	Supplementary	(6,090)	75,465	72,286	79,419
			197,912	**196,355**	**199,698**

Significant variations

Overall, the gross expenditure in relation to Programme B was €1.56 million lower than provided.

Description	Less/ (more) than provided	Explanation
	€000	
Food safety (and public health), animal health and welfare and plant health	9,269	Improved situation on TB and brucellosis reduced the spend on fees and farmer compensation. Improved horse welfare reduces spend on specific Control of Horses actions. The allocation for B3 was reduced by €6m in the supplementary as this was considered to be the amount which could be prudently taken from this sub head in view of the spend up to end October and usual spend patterns in the last quarter . The relatively positive conditions continued right to the year end so there were further savings. €95,000 has been deferred due to lower demand for capital part of urban horse scheme.

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
C	**Rural Economy, Environment and Structural Changes**				
C.1	Administration – pay		34,496	34,135	33,765
C.2	Administration - non pay		9,168	9,962	9,003
C.3	Agri-environment schemes		150,550	131,232	200,324
C.4	Land mobility (early retirement/ installation aid schemes)				
	Original	8,144			
	Supplementary	(750)	7,394	7,143	10,523
C.5	Development of agriculture and food				
	Original	40,805			
	Supplementary	(3,500)	37,305	30,616	21,963
C.6	Forestry and bioenergy				
	Current year provision	93,581			
	Deferred surrender	18,000	111,581	104,145	112,018
C.7	Fisheries				
	Original	29,350			
	Supplementary	(3,600)	25,750	23,095	15,881
C.8	Sea Fisheries Protection Authority		11,260	10,580	10,123
C.9	Other services				
	Original	1,425			
	Supplementary	(900)	525	465	434
C.10	Haulbowline remediation project		8,000	3,672	1,805
			396,029	**355,045**	**415,839**

Significant variations

Overall, the gross expenditure in relation to Programme C was €40.98 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Agri-environment schemes	19,318	The variation from estimate arose as more applications under the rural environment protection scheme were cleared and paid at the end of 2014, earlier than originally provided for in the current year's estimate. In addition there were savings under GLAS as the payments made to applicants was less than originally estimated, but these savings were partially offset by more applications under the agri environmental options scheme being approved for payment than expected.
Land mobility (early retirement/installation aid schemes)	1,001	Lower expenditure than estimated is largely due to Early Retirement Scheme participants receiving more state retirement pension than projected. (This reduces the ERS payment by corresponding amount).

Description	Less/ (more) than provided €000	Explanation
Development of agriculture and food	10,189	Expenditure under the sheep handling, sow housing and rainwater harvesting schemes was less than estimated as farmers have two years to complete works approved and it is difficult to determine the year payment will occur. Also, claims under the farm safety scheme launched in October 2014 did not mature at the rate expected.
Forestry and bioenergy	7,436	€7,227,000 has been deferred due to savings resulting mainly from the afforestation scheme being demand led and dependent on applications being made on time and also there were savings as the number of applications for the Forest Road Scheme was less than anticipated due to issues with grant of planning permission of forest road entrances on to public roads.
Fisheries	6,255	The savings arose mainly due to the late adoption of the Seafood Development Programme in December, which was partly offset by a higher level of capital expenditure on fishery harbours than originally estimated during the year.
Sea Fisheries Protection Authority	680	€350,000 was deferred due to the delay in the start of an office accommodation project. There were savings as a result of a delay in appointing additional staff provided for in the original estimate.
Other Services	960	As the work on the establishment of the National Rural Network were not completed by end 2015, expenditure under the RDP Technical Assistance allocation was substantially lower than expected.
Haulbowline remediation project	4,328	€4,328,000 was deferred due to the savings which arose as work during 2015 concentrated on the completion of the extensive infrastructural elements and the more costly core ‘clean up’ phase did not commence because a Government decision in May 2015 significantly extended the scope of the project, introducing a ‘whole of Island’ approach.

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
D	**Direct Payments**				
D.1	Administration – pay		22,540	22,305	22,063
D.2	Administration - non pay		7,940	8,624	7,762
D.3	Income and market supports				
	Original	15,034			
	Supplementary	78,700	93,734	89,156	8,758
D.4	Income support in disadvantaged areas				
	Original	195,000			
	Supplementary	12,000	207,000	205,906	194,239
D.5	Other services		97	72	73
			331,311	**326,063**	**232,895**

Significant variations

Overall, the gross expenditure in relation to Programme D was €5.25 million lower than provided.

Description	Less/ (more) than provided €000	Explanation
Income and Market Supports	(74,122)	In addition to €65 million of extra funding for the EU disallowance, the supplementary estimate made provision of €13.7 million formarket volatility payments, as well as an additional provision of €12 million for the Area of Natural Constraints scheme (ANC). These were funded by savings in other parts of the vote. The market volatility payment arose as a package of support measures for the livestock sectors was agreed by the Council of Agriculture Ministers and Ireland's allocation was €13.7 million. The relevant EU Regulation allowed Member States to supplement the allocation by up to 100% i.e. in Ireland's case an additional €13.7 million of funding.
Income support in disadvantaged areas	(10,906)	The supplementary estimate was to cover payments to farmers which relate to previous years disadvantage area schemes. Also the introduction in 2015 of the new islands category within disadvantaged schemes also had to be incorporated. The total cost of previous year's Less Favoured Areas (LFA) Scheme applications cleared for payment in 2015 plus the payments made in respect of the 2015 Area of Natural Constraint Scheme (LFA successor scheme) exceeded the original allocation therefore funds re-allocated by way of the supplementary estimate were required and expended accordingly.

4 Receipts

4.1 Appropriations-in-aid

		Subhead		2015 Estimated	2015 Realised	2014 Realised
			€000	€000	€000	€000
	ADMINISTRATION					
1.	Recoupment of salaries, etc. of officers on loan to outside bodies			651	617	538
2.	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements			1	32	990
3.	Refunds from veterinary fees for inspection services at poultry and other meat plants	B.3		14,816	18,171	16,845
4.	Receipts from veterinary inspection fees for live exports	B.3		997	924	1,005
5.	Receipts from fees for dairy premises inspection services	B.3		5,000	6,459	5,688
	OTHER SERVICES					
6.	Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	B.3		800	698	840
7.	Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	A.3		1,903	2,404	3,748
8.	Receipts from farmer contributions towards the cost of eradicating bovine disease	B.3		5,000	6,528	6,671
9.	Land Commission receipts			5	889	497
10.	Other receipts			1,314	2,071	1,628
	RECEIPTS FROM EU UNDER EAGGF GUARANTEE REGULATIONS					
11.	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.3		100	20	—
12.	Intervention stock losses, etc	D.3 D.5		1	1,098	1,366
13.	EAFRD (European Agricultural Fund for Rural Development)	C.3 C.4 C.5 D.4				
	Original		394,332			
	Supplementary		(39,000)	355,332	363,576	—
14.	Veterinary Fund	B.3		12,000	13,303	11,622
15.	Other Guarantee receipts from EU (Agriculture)	D.3 D.5		1,506	1,654	1,029
16.	Receipts from EU under EAGGF Guarantee Regulations	D.3		—	—	12
	RECEIPTS FROM EU UNDER STRUCTURAL REGULATIONS					
17.	Proceeds of fines and forfeitures in respect of sea fisheries	C.7		100	775	216
18.	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	C.7		100	78	85
19.	EU recoupment in respect of expenditure on the conservation and management of fisheries	C.7		1	305	2,070

20.	Aquaculture licence fees	C.7	412	340	379
21.	EU EMFF receipts (aquaculture and development)	C.7	6,900	—	—
22.	EFF (Fisheries) 2007-2013	C.7	6,500	2,943	—
23.	Receipts from Sustainable Food Systems Ireland		100	47	—
24.	Receipts from pension-related deduction on public service remuneration		16,950	15,751	15,991
	Total		**430,489**	**438,683**	**71,220**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than provided €000	Explanation
Refunds from veterinary fees for inspection services at poultry and other meat plants	(3,355)	The higher than expected receipts were due to increased number of cattle, pigs and poultry slaughtered and also due to more timely payment of outstanding fees.
Receipts from fees for dairy premises inspection services	(1,459)	The volume of milk processed was higher than anticipated due to favourable weather conditions, an increase in the dairy herd and the abolition of milk quotas, leading to an increased high level of fees collected.
Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	102	The level of samples submitted to the Department's laboratories is a demand led situation, making accurate estimation of expected receipts difficult. The decrease in the number of samples to the Regional Veterinary Laboratories during the year was more than anticipated.
Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	(501)	The higher level of receipts than forecast was mainly due to greater activity in pesticide certification and the transfer of fees held in a suspense account.
Receipts from farmer contributions towards the cost of eradicating bovine disease	(1,528)	The increased level of fees received reflected the strong export market of live animals during the year.
Land Commission receipts	(884)	The much higher level of receipts than estimated was due to more active follow up of amounts owed to the Land Commission, purchase money from the sale of a property and earlier payment of some annuity redemptions.

Description	Less/(more) than provided €000	Explanation
Other receipts	(757)	€205,000 relates to surrender of forfeitures in respect of felling licences held in suspense since 2009 and the remaining excess was mainly due to higher staff superannuation deductions from some of the state agencies under this heading and unprecedented demand for pet passports as a result of greater enforcement of controls and awareness of the requirements.
Intervention stock losses, etc	(1,097)	The variance is due to reimbursement received from the EU following clearance of the 2014 EAGF account that was difficult to predict when the estimate was being formulated.
EAFRD (European Agricultural Fund for Rural Development)	30,756	In November, the EU informed the Department that there were insufficient funds available to settle all claims submitted in 2015, but that any remaining balances would be paid in early 2016. The Department sought and received a supplementary estimate for the expected shortfall of €39 million. When the final payment for 2015 was received, the actual shortfall was only €30 million.
Veterinary Fund	(1,303)	The higher level of receipts from estimate was due to an EU decision to reimburse all 2014 eligible expenditure from the Fund.
Other Guarantee receipts from EU (Agriculture)	(148)	Due to larger payments made under the School Fruit Scheme, the amount recouped from the EU Commission was higher than anticipated.
Proceeds of fines and forfeitures in respect of sea fisheries	(675)	Receipts from fines are variable, depending on the level of detections, the number of court cases completed and the level of fines and forfeitures imposed.
EU recoupment in respect of expenditure on the conservation and management of fisheries	(304)	Reimbursement under this heading had not been provided for in the original estimate as receipts are dependent on funding available and on the suitability of projects.
EU EMFF receipts (aquaculture and development)	6,900	The late adoption of the Seafood Development Programme in December meant that no expenditure was recoupable from the EU Commission for 2015.
EFF (Fisheries) 2007-2013	3,557	The final recoupment claim under the Programme was made to the EU Commission too late in the year to be processed before year end.
Receipts from pension-related deduction on public service remuneration	1,199	Due to lengthy delays in the PAS clearance process in respect of new recruits to DAFM, the expected level of PRD receipts was less than originally provided for in the estimate.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	54	—
Surrender of suspense account balances	—	198
Legal expenses	19	16
Bord Bia pension contributions	2	3
Surrender of food processing industry assistance	—	37
Final distribution from liquidated company	—	163
Interest received for overpaid sugar production levies	—	716
Conscience money	1	4
Repayment of redundancy by former employee of the Dublin & Cork Milk Board	13	—
Surrender of sundry receipts	2	—
Surrender of pre-2001 EAGF uncashed cheques	205	—
Transferred to the Exchequer	(90)	(1,083)
Balance at 31 December	206	54

5 Employee Numbers and Pay

The following employee numbers and pay information relates to the Department and its associated State bodies.

	2015	2014
Number of staff at year end (full time equivalents)	4,383	4,421

	2015 €000	2014 €000
Pay	205,241	204,076
Higher, special or additional duties allowance	2,984	2,561
Other allowances	1,174	1,252
Overtime	3,510	3,451
Employer's PRSI	10,871	10,644
Total Pay	**223,780**	**221,984**

The allowance, overtime and other remuneration details in note 5.1, 5.2 and note 5.3 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to the remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	498	10	20,836	25,827
Other allowances	387	21	19,888	20,686
Overtime	739	93	32,269	31,970
Number of individuals who received extra remuneration in more than one category	348	110	37,693	40,241

5.2 Other Remuneration Arrangements

€1,423,964 in total was paid to 62 retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. Fees paid were consistent with the principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.3 Payroll Overpayments

Overpayments at the year end were €551,565 (345 cases) (2014 €500,731 323 cases). Of this, €318,391 (100 cases) have recovery plans in place.

6 Miscellaneous

6.1 EU Funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes. In May 2015 a new EAFRD Programme 2014-2020 for Ireland was formally adopted by the EU, whilst eligibility of expenditure under the EAFRD 2007-2013 ceased as at 31 December 2015.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Programmes C & D include expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programme C includes expenditure in respect of activities co-financed by the EU through the Financial Instrument for Fisheries Guidance, 2000-2006 (FIFG) and the European Fisheries Fund, 2007-2013 (EFF). Programme D includes a charge to the Vote of €68.13 million for EU Funding which has been disallowed due to overclaims on area based schemes.

The Account includes interest of €431,644 paid on short-term borrowings of €677 million borrowed in 2014 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2015 along with interest.

A total of €599 million in short-term funds were borrowed in 2015 to fund EAGF Guarantee expenditure pending EU recoupment in 2016. These loans are not reflected in Note 2.

EU-funded expenditure managed by the Department of Agriculture, Food and the Marine

EAGF Guarantee (measures fully funded by the EU)	**2015**	**2014**
	€m	**€m**
Direct Payment/Single Payment Scheme	1,122	1,178
Grassland Sheep, Dairy Efficiency, Burren Life (EU Reg 73/2009 Article 68 Measures)	11	24
Intervention/Aid to Private Storage	13	—
Other market supports	5	—
Milk superlevy	(71)	(10)
Other	(5)	2

Other programmes (measures co-funded by EU)[a]	**2015**	**2014**
	€m	**€m**
Agriculture		
EAFRD Rural Development Programme 2014-2020 [b]	364	—
Veterinary Fund	13	12
Other co-financing receipts	3	2
Fisheries		
FIFG - aquaculture development/fisheries development	—	2
EFF - European Fisheries Fund 2007-2013	3	—
	1,458	1,210

[a] Only the EU co-funding on these programmes is shown in this table.

[b] *Under the 2007-2013 EAFRD Programme, 5% of receipts are retained until Programme closure per EU Regulation 1290/2005 Article 24.4, resulting in nil receipts in 2015. Final Annual Accounts for EAFRD 2007-2013 RDP will be submitted by June 30th 2016. Following the final clearance by the EU of the last Certified Annual Account, the 5% retained will be reimbursed.*

6.2 GLAS

The Green, Low-Carbon Agri-Environment scheme (GLAS) was introduced in May 2015. A manual system was used to pay the first batch of payments in December 2015 as the IT system supporting the scheme was not yet fully operational. The manual system was deficient which led to overpayments. The Department did not quantify the level of overpayments made. The balance outstanding 31 August 2016 was €168,000. It is expected that the remaining amounts will be recouped before the end of 2016.

6.3 Overpayments

	2015	**2014**
	€000	**€000**
Scheme overpayments at 1 January	3,022	4,257
Adjustment for Early Retirement Scheme	(20)	9
Overpayments raised in the year	8,701	6,479
Corrections	(1,070)	(1,221)
Recoveries	(7,016)	(6,424)
Write-offs (note 6.4)	(363)	(78)
Scheme overpayments at 31 December	3,254	3,022

6.4 Write-offs

The following sums were written off in the year:

	2015	2014
	€	€
Schemes:		
Early retirement from farming	7,098	14,260
Afforestation schemes	2,664	43,910
Miscellaneous EU premia and area based schemes	34,207	—
NDP Farm Improvement Scheme	208,664	—
BioEnergy Scheme	90,446	—
Miscellaneous Vote premia	20,368	19,732
	363,447	77,902
Other:		
Veterinary inspection fees unpaid by companies no longer in business	24,531	11,356
Late interest written-off	—	2,232
Other reasons	48	2,465
	24,579	16,053

6.5 Legal costs and Compensation

Legal costs paid during the year are categorised as follows:

					2015	2014
	Number of cases	Legal costs by the Department	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote	183	92	—	793	885	224
Claims by members of the public	14	317	—	134	451	1,316
		409	—	927	1,336	1,540

For reasons of claimant confidentiality this note is compiled at aggregate level.

6.6 Contingent Liability

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

On foot of a Government decision, the Department took charge of the remediation work on the site of Haulbowline from 2012. The future cost of land remediation at this site is not yet known, pending planning permission for a specific scheme for remediation.

6.7 Food Aid Donations

The World Food Programme is the food aid organisation of the UN and operates on the basis of voluntary contributions pledged at irregular intervals. The programme provides food aid to needy countries, assists in implementing economic and social development projects and provides relief to the victims of natural and other disasters. The programme operates in approximately 80 countries. Ireland's contribution to the World Food Programme in 2015 was €18.476 million (2014: €8.436 million).

The Food Aid Convention is the main international agreement on food aid provision and serves as both a best practice code of conduct and an annual food aid commitment. Aid donated under the Convention is held by the World Food Programme and used to provide aid in emergency situations. Ireland's contribution to the Food Aid Convention in 2015 was €1.524 million (2014: €1.524 million).

6.8 Ex-Gratia Payments

Ex-gratia payments totalling €2,620,050 were made to 141 animal welfare organisations (2014: €1,892,200).

An ex-gratia payment of €9,252 was made to a serving staff member in respect of a settlement made under the Civil Service Conciliation and Arbitration Scheme.

An ex-gratia payment of €4,000 was made to the Chairperson of the Farm Animal Welfare Advisory Council.

Ex-gratia payments totalling €3,000 were made to three organisations to promote and preserve rare livestock breeds.

An ex-gratia payment of €933 was made to a farmer for emergency animal feed.

Ex-gratia payments totalling €900 were made to Agri-Environment Options Scheme grantees.

Ex-gratia payments were made to a number of organisations towards the cost of running various agricultural shows as follows:

	2015 €
Irish Shows Association Ltd	85,000
Macra na Feirme	34,000
Irish Country Womens Association	9,000
Irish Country Markets Ltd	6,000
International Sheep Dog Society	6,000
Agricultural Science Association	4,000
Castlebridge Agriculture & Horticultural Show Committee	750

6.9 Suspected Irregularity

The investigation into suspected inappropriate expenditure is nearing completion in respect of certain payments made under a European Agricultural Fund for Rural Development co-funded agri-environmental scheme. Inappropriate national expenditure in excess of €130,000 has been identified to date and a number of claimants have been excluded from receiving support under the measure for two years.

6.10 Deferred Surrender

Deferred surrender comprises savings of €12 million in capital expenditures in the following subheads.

B.3	Food safety (and public health), animal health and welfare and plant health
C.6	Forestry and bioenergy
C.8	Sea Fisheries Protection Authority
C.10	Haulbowline remediation project

7. Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2015

	2015 €000	2014 €000
Balance at 1 January	—	—
Receipts (subhead A.11)	68,000	54,220
Payments		
Horse Racing Ireland	54,400	43,376
Bord na gCon	13,600	10,844
Balance at 31 December	—	—

Schedule of Land and Buildings

Property	Area (Hectares)
Cavan	
Lands, Teagasc College, Ballyhaise	17.0
Forest plot, Kingscourt	0.3
Cork	
Haulbowline Island (including bridge and access road)	45.7
Blood testing laboratory, Model Farm Road	—
Dairy science laboratory, Model Farm Road	—
Regional veterinary laboratory, Model Farm Road	—
Lands, Model Farm Road	4.0
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Ballynoe	29.7
Forest plot, Bandon	1.4
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Dunhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato testing centre, Raphoe	78.0
Potato testing laboratory, Raphoe	—
Forest plot, Ardara	6.5
Forest plot, Letterkenny	0.2
Forest plots, Killygordon	0.4
Dublin	
Forest plot, Killakee	0.7
Galway	
Lands, Teagasc College, Athenry	59.0
Forest plot, Ballygar	0.5
Forest plot, Oughterard	7.0
Kerry	
Forest plot, Kenmare	0.2
Forest plot, Killarney	1.0
Forest plot, Killorglin	28.6
Kildare	
Testing centre, Backweston	—
Stacumny Cottage, Backweston	—
Lands, Backweston	113.0
Forest plot, Athy	2.6
Forest plots, Donadea	0.2
Kilkenny	
Lands, Kildalton Teagasc College, Pilltown	18.0
Laois	
Forest plot, Durrow	2.2

Property	Area (Hectares)
Leitrim	
Forest plot, Glenfarne	11.0
Forest plots, Dowra	107.3
Limerick	
Forest plot, Broadford	2.7
Forest plot, Foynes	1.8
Forest plots, Adare	3.0
Forest plots, Kilfinane	9.9
Longford	
Forest plot, Granard	0.7
Mayo	
Forest plot, Foxford	3.0
Offaly	
Forest plot, Tullamore	2.5
Roscommon	
Forest plots, Lough Key	32.0
Sligo	
Forest plot, Beltra	141.0
Forest plot, Manorhamilton	2.0
Forest plots, Benbulbin	3.8
Forest plots, Collooney	1.3
Forest plots, Lough Gill	12.1
Tipperary	
Forest plot, Clonmel	3.2
Forest plot, Neir	2.8
Forest plot, Rear Cross	0.5
Forest plots, Carrick-on-Suir	4.0
Forest plots, Clogheen	1.3
Forest plots, Kilsheelan	1.9
Waterford	
Forest plots, Kilmacthomas	17.5
Westmeath	
Forest plots, Castlepollard	1.0
Forest plot, Lough Ennel	14.5
Wexford	
Forest plot, Forth	4.8
Forest plots, Gorey	11.1
Wicklow	
Forest plot, Ballinaninch	60.7
Forest plot, Glen of Imaal	3.0
Forest plot, Waterville	59.0
Forest plots, Avonmore	1.0
Forest plots, Enniskerry	4.0
Forest plots, Glendalough	7.6
Forest plots, Saggart	1.4

As successor to the Irish Land Commission, the Minister had a further 11 hectares of agricultural land and 384 hectares of non-agricultural land on hand at 31 December 2015.

Property at Fishery Harbours

In addition, land and buildings at six fishery harbour centres are vested in the Minister. They are accounted for separately in the Fishery Harbours Fund account.

Appropriation Account 2015

Vote 31

Transport, Tourism and Sport

Introduction

As Accounting Officer for Vote 31, 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 2015 for the salaries and expenses of the Office of the Minister for Transport, Tourism and Sport, including certain services administered by that Office, for payment of certain grants and certain other services.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
(b) provided for capital supply services in 2015 out of unspent 2014 appropriation, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €5.97 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 have been applied in the preparation of the account except for the following;

Depreciation

The Department's policy is to depreciate assets from the date of purchase up to and including the year prior to the year of disposal at the following rates:

Land and buildings - no depreciation

Furniture and fittings - 10%

Office equipment - 20%

Motor vehicles - 20%

Specialist equipment - 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 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.

Assurance on Shared Services

Payroll and human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also and is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by firms of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that Letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial Control Environment

- 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

Administrative controls and management reporting

I confirm that 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
- the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines

In addition, the Finance Division of the Department has been certified as compliant with ISO: 9001:2008 and retains certification up to 21st February 2017, with respect to its management procedures.

Significant financial risks

The Department has a Risk Management Policy in place along with a Risk Register for all strategic and business related risks. The policy defines Financial Risk as a failure to maintain effective financial management and accountability arrangements in all the department's activities. Risks are assessed and scored on the basis of impact, likelihood and the effectiveness of the controls in place. At present, the Department has no financial risks rated high. There are a number of Strategic Risks and Business Risks identified in the Risk Register which are classified as financial/corporate governance related. These are all rated low given the likelihood of occurrence and the effectiveness of the internal controls in place to mitigate them, in particular the annual application of a detailed Procedure for Internal Financial Control at a Divisional level.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Graham Doyle
Accounting Officer
Department of Transport, Tourism and Sport

29 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 31 Transport, Tourism and Sport

I have audited the appropriation account for Vote 31 Transport, Tourism and Sport for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 31 Transport, Tourism and Sport for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Transport, Tourism and Sport. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

30 June 2016

Vote 31 Transport, Tourism and Sport
Appropriation Account 2015

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Civil aviation		26,416	24,792	25,539
B	Land transport				
	Original	1,285,438			
	Supplementary	112,200	1,397,638	1,391,660	1,471,950
C	Maritime transport and safety				
	Current year provision	90,597			
	Deferred surrender	1,140	91,737	89,519	93,831
D	Sports and Recreation Services				
	Original	90,441			
	Supplementary	800			
	Deferred surrender	23,965	115,206	102,088	73,016
E	Tourism services				
	Original	119,796			
	Supplementary	1,000			
	Deferred surrender	4,000	124,796	120,574	134,538
	Gross expenditure				
	Original	1,612,688			
	Supplementary	114,000			
	Deferred surrender	29,105			
			1,755,793	**1,728,633**	**1,798,874**
	Deduct				
F	**Appropriations-in-aid**				
	Original	396,756			
	Supplementary	14,000	**410,756**	**405,663**	**390,277**
	Net expenditure				
	Original	1,215,932			
	Supplementary	100,000			
	Deferred surrender	29,105			
			1,345,037	**1,322,970**	**1,408,597**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	22,066,761	33,872,830
Deferred surrender	(16,100,000)	(29,105,000)
Surplus to be surrendered	5,966,761	4,767,830

Analysis of administration expenditure

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,025	26,770	26,611
ii	Travel and subsistence	1,147	985	1,017
iii	Training and development and incidental expenses	1,605	1,861	2,321
iv	Postal and telecommunications services	520	373	364
v	Office equipment and external IT services	1,584	1,621	1,583
vi	Office premises expenses	564	594	551
vii	Consultancy services and value for money and policy reviews	1,065	360	429
		34,510	**32,564**	**32,876**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		1,696,068	1,765,998
Pay		26,770	26,611
Non pay		5,795	6,265
Gross expenditure		**1,728,633**	**1,798,874**
Deduct			
Appropriations-in-aid		**405,663**	**390,277**
Net expenditure		**1,322,970**	**1,408,597**
Changes in capital assets			
Purchases cash	(5,344)		
Disposals cash	69		
(Profit)/loss on disposals	(69)		
Depreciation	3,184		
		(2,160)	68
Changes in net current assets			
Increase in closing accruals	3,666		
Increase in stock	(613)		
		3,053	(2,559)
Direct expenditure		**1,323,863**	**1,406,106**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		15,504	19,803
Notional rents		742	714
Net programme cost		**1,340,109**	**1,426,623**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 31 borne elsewhere.

		2015	2014
		€000	€000
Vote 7 Finance	e	—	93
Vote 9 Office of the Revenue Commissioners	e	105	75
Vote 12 Superannuation and Retired Allowances	e	10,102	14,845
Vote 13 Office of Public Works	e	4,812	4,369
Vote 18 Shared Services	e	39	21
Central Fund - Ministerial pensions	e	446	400
		15,504	**19,803**

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**12,165**	**10,005**
		12,165	**10,005**
Current assets			
Bank and cash	2.3	18,774	33,274
Stocks	2.4	1,204	591
Prepayments		671	2,551
Accrued income		—	2,000
Other debit balances	2.5	556	1,598
Total current assets		**21,205**	**40,014**
Less current liabilities			
Accrued expenses		2,090	2,304
Other credit balances	2.6	461	401
Net liability to the Exchequer	2.7	18,869	34,471
Total current liabilities		**21,420**	**37,176**
Net current (liabilities)/assets		**(215)**	**2,838**
Net assets		**11,950**	**12,843**
Represented by:			
State funding account	2.1	**11,950**	**12,843**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			12,843	10,316
Disbursements from the Vote				
Estimate provision	Account	1,345,037		
Deferred surrender	Account	(16,100)		
Surplus to be surrendered	Account	(5,967)		
Net vote			1,322,970	1,408,597
Expenditure (cash) borne elsewhere	1		15,504	19,803
Non cash expenditure – notional rent	1		742	714
Net programme cost	1		(1,340,109)	(1,426,623)
Capital asset adjustment	2.2		—	36
Balance at 31 December			**11,950**	**12,843**

2.2 Capital Assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Specialist equipment	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2015	2,396	18,951	2,317	10,763	18,518	52,945
Adjustment *	—	450	(410)	—	(40)	—
Additions	—	1,283	4	2,796	1,261	5,344
Disposals	—	—	—	(528)	—	(528)
Cost or valuation at 31 December 2015	2,396	20,684	1,911	13,031	19,739	57,761
Accumulated depreciation						
Opening balance at 1 January 2015	—	15,988	1,454	8,484	17,014	42,940
Adjustment	—	324	(324)	—	—	—
Depreciation for the year	—	1,159	240	1,176	609	3,184
Disposals	—	—	—	(528)	—	(528)
Cumulative depreciation at 31 December 2015	—	17,471	1,370	9,132	17,623	45,596
Net assets at 31 December 2015	**2,396**	**3,213**	**541**	**3,899**	**2,116**	**12,165**
Net assets at 31 December 2014	**2,396**	**2,963**	**863**	**2,279**	**1,504**	**10,005**

* The adjustment arose as a result of the re-categorisation of assets.

2.3 Bank and Cash at 31 December	**2015** €000	**2014** €000
PMG balances and cash	18,703	33,162
Commercial bank accounts	71	112
	18,774	**33,274**

2.4 Stocks at 31 December	**2015** €000	**2014** €000
Stationery and office supplies	25	26
IT consumables	18	18
Specialised consumables (Irish Coast Guard)	1,161	547
	1,204	**591**

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Retirement lump sums	46	68
OPW agency services	418	934
Other	92	596
	556	**1,598**

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State	—	—
Pay Related Social Insurance	2	3
Professional Services Withholding Tax	148	42
Value Added Tax	29	191
	179	236
Pension charges	229	165
Other	53	—
	461	**401**

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	5,967	4,768
Deferred surrender	16,100	29,105
Exchequer grant undrawn	(3,198)	598
Net liability to the Exchequer	**18,869**	**34,471**
Represented by:		
Debtors		
Bank	18,774	33,274
Debit balances: suspense	556	1,598
	19,330	34,872
Creditors		
Due to State	(179)	(236)
Credit balances: suspense	(282)	(165)
	(461)	(401)
	18,869	**34,471**

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
(a) Global commitments		
(i) Procurement subheads	415,570	474,015
(ii) Grant subheads	142,886	127,806
Total of legally enforceable commitments	**558,456**	**601,821**

Commitments under procurement subheads	2015 €000	2014 €000
Search and rescue helicopter services [a]	389,872	449,324
Airports	15,973	15,780
Vehicle/driving licencing	5,872	3,981
Sustainable Travel	800	1,080
Air Accident Investigation Unit	273	279
Information technology	545	529
Coast Guard services	2,235	3,042
	415,570	**474,015**

(b) Multi-annual capital commitments

	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
Search and rescue helicopter services [a]	34,526	—	—	—	34,526
Smarter Travel Areas	14,000	5,150	4,100	23,250	23,000

[a] Commitments in relation to the search and rescue helicopter services contract which commenced on 1 July 2012 includes commitments of both an operational and capital nature. The estimated commitment of €389.8 million relates to future payments which include monthly standing charges, hourly flying and fuel charges based on estimated flying hours and airport ancillary charges. The cost in 2015 was €62 million. Up front capital payments due under this contract were fully discharged in 2014.

2.9 Matured Liabilities

	2015	2014
	€000	€000
Estimate of matured liabilities not discharged at year end	31	46

3 Programme Expenditure by Subhead

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Civil aviation**			
A.1	Administration - pay	3,030	2,825	2,763
A.2	Administration - non pay	1,188	975	605
A.3	Regional airports	12,000	11,993	12,881
A.4	Miscellaneous aviation services	10,198	8,999	9,290
		26,416	**24,792**	**25,539**

Significant variations

Overall, the expenditure in relation to Programme A was €1.624 million lower than estimated (representing a variance of 6%). This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Miscellaneous aviation services	1,199	The Department pays the Irish Aviation Authority (IAA) to cover subscriptions costs for international organisations such as Eurocontrol and ICAO. These costs were less than anticipated.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
B	**Land transport**				
B.1	Administration - pay		10,359	9,295	9,269
B.2	Administration - non pay		2,199	2,003	2,690
B.3	Road improvement/maintenance				
	Original	728,520			
	Supplementary	35,160	763,680	764,860	793,914
B.4	Road safety agencies and expenses				
	Original	4,366			
	Supplementary	260	4,626	4,504	4,455
B.5	Vehicle and driver licencing expenses		14,500	15,471	15,323
B.6	Smarter travel and carbon reduction				
	Original	21,350			
	Supplementary	3,000	24,350	20,292	14,145
B.7	Public service provision payments		221,363	221,272	224,188
B.8	Public transport investment programme				
	Original	270,848			
	Supplementary	73,780	344,628	338,974	395,053
B.9	Public transport agencies and expenses		11,855	14,913	12,887
B.10	Miscellaneous services		78	76	26
			1,397,638	**1,391,660**	**1,471,950**

Significant variations

Overall, the expenditure in relation to Programme B was €5.978 million less than estimated, representing a variance of 0.4% This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Road improvement / maintenance	(1,180)	Expenditure in relation to road improvement/maintenance was over €36.3 million higher than the original estimate. Additional funding of €35.16 million was allocated as part of a supplementary estimate to address critical pavement works on national roads and improve sub-standard road pavements on regional and local roads. Further funding totalling €1.18 million was vired from elsewhere in the Vote to meet a €680,000 shortfall in the NRA's operating costs and €500,000 to meet on-going shortfalls in the allocation for minor schemes under the Roads Programme.

Description	Less/ (more) than provided €000	Explanation
Road safety agencies and expenses	122	A supplementary estimate of €260,000 was required to meet additional spending arising from planned legislation to enable An Garda Síochana to carry out driver narcotics testing. The total spend increased by €148,000 over the original estimate to enable the Medical Bureau of Road Safety to purchase certain drug testing equipment. The underspend of €122,000 occurred as the necessary legislation did not progress in the timeframe originally anticipated.
Vehicle and driver licencing expenses	(971)	Expenditure was higher than estimated due to increased costs associated with the Driver Licencing operations, particularly postage and charges for the use of debit cards.
Smarter travel and carbon reduction	4,058	Additional funding of €3 million was allocated by way of a supplementary estimate to complete the Mullingar – Athlone Greenway. This was fully spent. Receipts from the Local Government Fund were less than anticipated. Expenditure on this subhead is linked to receipts from the Fund. Accordingly, expenditure was reduced to take account of €2 million in lower than anticipated receipts. The balance of the underspend relates to delays in progressing the Active Towns Programme for which funding of €2 million was carried over to 2016.

Description	Less/ (more) than provided €000	Explanation
Public transport investment programme	5,654	Additional funding of almost €74 million was allocated by way of a supplementary estimate to maintain the heavy rail network, to replace and to expand the PSO Bus fleet, to expand city bike and safety measures and to meet matured liabilities arising in respect of the Luas Cross City construction costs in 2015. The supplementary funding was fully spent. Underspends totalling almost €5.6 million arose as follows: an Exchequer neutral virement of €2.9 million to Public Transport Agencies and Expenses subhead was done to ensure full staffing costs were reflected under the appropriate subhead for the newly formed Transport Infrastructure Ireland (merger of NRA and RPA); a re-prioritisation of €1.4 million from this subhead to the Tourism Programme; and slower than anticipated drawdown (of €1.3 million) in Sustainable Traffic Management Grants (carried over to 2016). These grants relate to projects across all local authority areas in the greater Dublin area. They involve local stakeholder engagement and planning consent from the relevant authorities which can delay expenditure.
Public transport agencies and expenses	(3,058)	Additional funding here reflected an Exchequer neutral virement of €2.9 million from the Public Transport Investment subhead to ensure full staffing costs were reflected under the appropriate subhead for the newly formed Transport Infrastructure Ireland (merger of NRA and RPA). There was also a further €81,000 required to meet a shortfall in the RPA's operating costs.

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C	**Maritime transport and safety**				
C.1	Administration - pay		11,882	12,119	12,223
C.2	Administration - non pay		2,444	2,429	2,554
C.3	Maritime administration and Irish Coast Guard				
	Current year provision	76,185			
	Deferred surrender	1,140	77,325	74,887	78,971
C.4	Miscellaneous services		86	84	83
			91,737	**89,519**	**93,831**

Significant variations

Overall, the expenditure in relation to Programme C was €2.218 million lower than estimated, representing a variance of 2%. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Maritime administration and Irish Coast Guard	2,438	Commissioner of Irish Lights had a saving of €1.85 million as they continued to reduce their running costs in 2015. Key drivers of cost reduction include: - consolidation and modernisation of lighthouses; - business process automation; - extended buoy maintenance schedules; - collaborative purchasing; and - transfer of local aids to navigation to third parties (local and port/harbour authorities). The balance of the saving arose mainly from delays in capital works at Greystones coast guard station, the bulk of which has been carried forward to 2016.

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D	**Sports and recreation services**				
D.1	Administration - pay		1,658	1,592	1,505
D.2	Administration - non pay		362	246	274
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)				
	Current year provision	25,500			
	Deferred surrender	3,000	28,500	28,058	20,944
D.4	Grants for provision and renovation of swimming pools				
	Current year provision	3,600			
	Deferred surrender	3,653	7,253	1,563	849
D.5	Irish Sports Council/ National Sports Campus (part funded by National Lottery)				
	Original	57,056			
	Supplementary	800			
	Deferred surrender	17,312	75,168	68,687	49,444
D. 6	Dormant accounts funding for sports measures		2,265	1,942	—
			115,206	**102,088**	**73,016**

Significant variations

Overall, the expenditure in relation to Programme D was €13.118 million less than estimated, representing a variance of 11%. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Administration - non pay	116	The underspend represents a proportionate distribution by programme heading of the savings achieved in the Department's administrative budget. These arose primarily in travel and subsistence costs, telephony costs and a lower than anticipated spend on consultancies.
Grants for provision and renovation of swimming pools	5,690	The underspend in this programme can be attributed to a number of factors including building delays, tendering issues and match funding constraints at local authority level. It is a demand-led programme and money is only paid from the subhead when all terms and conditions have been complied with by the relevant Local Authority.

Description	Less/(more) than provided €000	Explanation
Irish Sports Council/ National Sports Campus (part funded by National Lottery)	6,481	Additional funding of €800,000 was allocated to accelerate the completion of the National Indoor Arena. A capital underspend of €7 million arose from delays in progressing other elements of the Sports Campus Development including Special Olympics HQ and office accommodation projects. This was carried over to 2016. The underspend was offset by higher than anticipated programme costs for Sport Ireland totalling €500,000.
Dormant accounts funding for sports measures	323	The underspend arose as Sport Ireland, the body with responsibility for managing projects funded under this initiative did not have sufficient matured liabilities to enable drawdown of the funds from the Department.

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
E	**Tourism services**				
E.1	Administration - pay		1,096	938	851
E.2	Administration - non pay		292	144	143
E.3	Fáilte Ireland		56,247	55,831	61,008
E.4	Tourism Ireland Limited - grant for administration and general expenses		14,758	14,758	15,560
E.5	Tourism Marketing Fund		34,053	34,053	36,276
E.6	Tourism Product Development				
	Original	13,350			
	Supplementary	1,000			
	Deferred surrender	4,000	18,350	14,850	20,700
			124,796	**120,574**	**134,538**

Significant variations

Overall, the expenditure in relation to Programme E was €4.222 million lower than estimated, representing a variance of 3%. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	148	The underspend represents a proportionate distribution by programme heading of the savings achieved in the Department's administrative budget. These arose primarily in travel and subsistence costs, telephony costs and a lower than anticipated spend on consultancies.
Fáilte Ireland	416	The underspend under this programme relates to savings in pension costs as take-up from a voluntary redundancy package was slower than anticipated.
Tourism Product Development	3,500	Additional funding of €1 million was provided by way of a supplementary estimate to further develop Ireland's Ancient East and Wild Atlantic Way initiatives. However, delays occurred in other planned projects due to longer than expected planning and lead in times. This resulted in an overall underspend of €3.5 million in the subhead.

4 Receipts

4.1 Appropriations-in-aid			2015		2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
Administration					
1.	Receipts from pension-related deduction on public service remuneration		4,691	4,387	4,429
Civil Aviation					
2.	Irish Aviation Authority refund of subscriptions to international organisations		7,095	6,155	6,463
3.	Irish Aviation Authority recoupment of rents, etc.		394	394	394
4.	Irish Aviation Authority payment for associated costs		2,391	2,132	2,168
Land Transport					
5.	Road transport licence fees		479	953	828
6.	Receipts from Local Government Fund		376,443	370,043	372,443
7.	Miscellaneous land transport receipts				
	Original	2,000			
	Supplementary	14,000	16,000	16,379	2,363
Maritime Transport and Safety					
8.	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919		400	445	550
Tourism Services					
9.	Tourism Ireland pension receipts		168	280	214
Sports Services					
10.	Irish Sports Council pension receipts		90	412	175
11.	Dormant accounts funding		2,265	1,942	—
Miscellaneous Receipts					
12.	Miscellaneous receipts		340	2,141	250
	Total		**410,756**	**405,663**	**390,277**

Explanation of significant variations

Overall, the income received via Appropriations in Aid was €5m lower than estimated, representing a variance of 1%. This was mainly due to the following

Description	Less/(more) than provided €000	Explanation
Receipts from pension-related deduction on public service remuneration	304	Receipts were less than anticipated as pension deductions can be difficult to accurately estimate.
Irish Aviation Authority refund of subscriptions to international organisations	940	The Department pays annual subscription fees to International Organisations, e.g. Eurocontrol, ICAO, ECAC and ABIS, and recoups funding from the Irish Aviation Authority. In 2015, the membership fees were less than anticipated and the amounts recouped were commensurately lower.
Irish Aviation Authority payment for associated costs	259	The Department recoups certain costs from Irish Aviation Authority for insurance, salaries, T&S costs etc. where these relate to policy areas such as air navigation policy and air safety policy. In 2015, these costs were less than estimated.

Description	Less/(more) than provided €000	Explanation
Road transport licence fees	(474)	Due to the upturn in the economy, applications (and associated fees) for licences and renewals were greater than anticipated.
Receipts from Local Government Fund	6,400	The original estimate of €376 million was based on a projected increase of motor tax receipts of 1%. However, actual receipts were 1.7% less than anticipated.
Miscellaneous land transport receipts	(379)	An additional €14 million was identified as additional A-in-A receipts arising from the transfer of levies received by the Rail way Procurement Agency. The additional income was allocated under a supplementary estimate towards Luas constructions costs (under B8 subhead). The under provision of €379,000 relates to Pension contributions from NTA/CTR that were not included in the initial estimate.
Receipts under the Merchant Shipping and Wireless Telegraphy Act, 1919	(45)	Receipts were higher than anticipated owing to increased income generated fees and charges relating to seafarer examinations and certifications, radio licence applications, survey fees, covered under the Act.
Tourism Ireland pension receipts	(112)	In April 2015, the pension scheme rules were amended increasing the level of pension contributions payable by Tourism Ireland staff.
Irish Sports Council pension receipts	(322)	Following the dissolution of the Irish Sports Council and its merger with the National Sports Campus Development Authority to form Sport Ireland, pension receipts were higher than originally estimated.
Dormant accounts funding	323	The drawdown of funding is linked to payments under D.6 Dormant Accounts for Sports Measures. Progress on such measures was slower than anticipated leading to a reduced drawdown.
Miscellaneous receipts	(1,801)	Higher than anticipated EU receipts for an Interreg project (over €1.7 million) and HSE refunds for the use of the SAR helicopter gave rise to the increased receipts.

4.2 Extra Exchequer Receipts

	2015	2014
	€000	€000
Balance at 1 January	—	—
Pobal, refund of unspent grants arising from programme savings and efficiencies	—	9
Shannon Development rents [a]	10	15
Sports capital grant refunds [b]	12	25
EU refund from Northern Periphery Programme Roadex IV [c]	—	60
Medical Bureau of Road Safety refund of unspent grant [d]	—	200
Receipt from Bus Éireann for school transport	250	—
EU receipt for pre-financing of Dublin interconnector tunnel project	—	365
EU receipt for CEF (Connecting Europe Facility) project [e]	3,233	—
Pension service payment	—	2
Shipping company receipts	—	3
Valuation fee-Valentia Island	—	1
Refund of RTTP current funding	—	3
Capital sale	—	103
Road Safety Authority pension contributions and notional service	509	485
Voluntary surrender of pay	14	—
Refund of bank balance	6	—
Transferred to the Exchequer	(4,034)	(1,271)
Balance at 31 December	—	—

[a] Moneys for rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister

[b] Grant moneys were returned to the Vote because, following an examination by the Department, it concluded that the moneys had been drawn down in contravention of the terms and conditions of the Sports Capital Programme

[c] The refund is in relation to the EU road project funded via the NPPROADex IV programme

[d] The Medical Bureau of Road Safety repaid €200,000 in respect of unspent grant moneys

[e] A pre-financing payment for a Ten – T project was received by the Department from the European Commission's Trans-European Transport Network Agency for onward transmission to the Department of Finance

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	428	426
Agencies		
Commission for Aviation Regulation	17	14
Fáilte Ireland	313	320
Medical Bureau of Road Safety	35	34
National Transport Authority	71	74
Railway Safety Commission	11	10
Roads Safety Authority	312	282
Tourism Ireland	145	148
Transport Infrastructure Ireland *	267	287
Sport Ireland **	34	38
	1,633	1,633

* The National Roads Authority and the Railway Procurement Agency merged on 1 August 2015 to form Transport Infrastructure Ireland (TII).

**The Irish Sports Council and the National Sports Campus Development Authority merged on 1 October 2015 to form Sport Ireland.

	2015 €000	2014 €000
Pay	23,710	23,460
Higher, special or additional duties allowance	433	499
Other allowances	539	530
Overtime	625	694
Employer's PRSI	1,461	1,428
Total Pay	**26,768**	**26,611**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	89	39	21,406	20,703
Other allowances	99	2	22,497	7,041
Overtime	76	19	32,409	40,149
Number of individuals who received extra remuneration in more than one category	61	42	40,977	58,564

5.2 Other Remuneration Arrangements

Six retired civil servants, in receipt of civil service pensions, were re-engaged on a fee basis at a total cost of €109,495. Pension abatement rules were applied as appropriate.

5.3 Payroll overpayments

Overpayments at the year end were €115,337 (48 cases) (2014 €49,948, 34 cases). Of this, €17,660 (17 cases) have recovery plans in place.

6 Miscellaneous

6.1 National Lottery Funding

Total expenditure of €96.74 million (€70 million in 2014) under subheads D.3 and D.5 was part funded by the National Lottery.

A full list of payments to grantees under subhead D.3 is available on the Department's website, www.dttas.ie.

6.2 Legal costs

					2015	2014
	Number of cases	Legal costs of the Department	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
	—	—	—	—	—	—
Claims by members of the public						
State Claims Agency	6	46	—	41	87	60
Other	3	—	—	284	284	1,000
		46	—	325	371	1,060

6.3 Contingent Liabilities

The Department is involved in a number of legal cases. It would be premature to forecast (and publish) any potential liabilities arising from these.

6.4 Write offs

The following sums were written off in the year:

	2015	2014
	€000	€000
Suspense account balance re term time	—	17
	—	17

6.5 Carryover to 2016

Under the provision of section 91 of the Finance Act 2004, €16.1 million in unspent allocation in respect of capital elements for subheads A.3, B.3, B.6, C.3, D.5 and E.6 was carried forward to 2016.

Appropriation Account 2015

Vote 32

Jobs, Enterprise and Innovation

Introduction

As Accounting Officer for Vote 32, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2015 for the salaries and expenses of the Office of the Minister for Jobs, Enterprise and Innovation, including certain services administered by that Office, for payment of certain subsidies, grants, and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2015 out of unspent 2014 appropriations, under the deferred arrangements established by Section 91 of the Finance Act 2004.

A surplus of €27.49 million is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, €10 million will be carried over for spending in 2016 and €17.49 million will be surrendered to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Reform of Workplace Relations Programme

The Workplace Relations Act 2015, which commenced on 1st October 2015, provided for two statutorily independent bodies instead of the five previously in existence (the Labour Court, the Labour Relations Commission (LRC), the Employment Appeals Tribunal, the Equality Tribunal and the National Employment Rights Authority). From that date, there is a single body of first instance called the Workplace Relations Commission (WRC) and an expanded Labour Court. As part of this reform and as Accounting Officer for the WRC, I am now accountable for the functions of the former LRC. All assets and liabilities of the LRC transferred to the Department with effect from 1 October 2015 and the LRC was dissolved with effect from that date. Prior to the transfer, amounts provided by way of grant to the LRC were accounted for under Subhead C.3. Expenditure in relation to the services of the former LRC will continue to be accounted for under this subhead.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

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.

Assurance on Shared Services

The human resource function is provided on a shared services basis by the National Shared Service Office (Vote 18).The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also and is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to the user departments and their auditors on the controls within shared services.

The audit encompasses (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of six contracts to the value of €262,778 which were listed in my annual return in respect of Circular 40/2002. Two of these contracts were rolled-over as there were delays in the tendering process, which have now been completed and new contracts awarded. Two other contracts were rolled-over pending the finalisation by the Office of Government Procurement of a centralised framework agreement for security services in 2016. A further two contracts were rolled over as it was expected that WRC staff would relocate to a new premises in 2015. This is now scheduled for 2016.

Significant financial risks

I can confirm that I have reviewed the high level risk register of the Department and the corresponding controls in place to mitigate the risks identified.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter, which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

John Murphy
Accounting Officer
Department of Jobs, Enterprise and Innovation

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 32 Jobs, Enterprise and Innovation

I have audited the appropriation account for Vote 32 Jobs, Enterprise and Innovation for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 32 Jobs, Enterprise and Innovation for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Jobs, Enterprise and Innovation. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

30 June 2016

Vote 32 Jobs, Enterprise and Innovation
Appropriation Account 2015

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Jobs and Enterprise Development				
	Original provision	359,071			
	Deferred surrender	11,000			
	Supplementary	21,000	391,071	379,379	337,824
B	Innovation				
	Original provision	347,384			
	Deferred surrender	9,000			
	Supplementary	29,000	385,384	382,633	357,370
C	Regulation		83,731	72,833	70,366
	Gross expenditure				
	Original provision	790,186			
	Deferred surrender	20,000			
	Supplementary	50,000			
			860,186	**834,845**	**765,560**
	Deduct				
D	**Appropriations-in-aid**		**49,774**	**51,925**	**49,248**
	Net expenditure				
	Original provision	740,412			
	Deferred surrender	20,000			
	Supplementary	50,000			
			810,412	**782,920**	**716,312**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Unspent appropriations for capital supply services may be carried over for spending in the following year under Section 91 of the Finance Act 2004.

	2015	2014
	€	€
Surplus	27,492,889	38,763,031
Deferred surrender	(10,000,000)	(20,000,000)
Surplus to be surrendered	17,492,889	18,763,031

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,834	24,196	22,032
ii	Travel and subsistence	686	424	555
iii	Training and development and incidental expenses	1,096	828	785
iv	Postal and telecommunications services	587	450	408
v	Office equipment and external IT services	3,959	3,090	3,403
vi	Office premises expenses	1,750	1,271	2,310
vii	Consultancy services and value for money and policy reviews	1,210	936	1,083
viii	Advertising and information resources	581	391	106
		33,703	31,586	30,682

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		803,259	734,878
Pay		24,196	22,032
Non pay		7,390	8,650
Gross expenditure		**834,845**	**765,560**
Deduct			
Appropriations-in-aid		**51,925**	**49,248**
Net expenditure		**782,920**	**716,312**
Changes in capital assets			
Purchases cash	(773)		
Depreciation	1,834		
Loss on Disposals	6		
		1,067	915
Changes in assets under development			
Cash payments		(1,126)	(1,239)
Changes in net current assets			
Increase in closing accruals	1,310		
Decrease in stock	12		
		1,322	(904)
Direct expenditure		**784,183**	**715,084**
Expenditure borne elsewhere			
Net allied services expenditure (cash) (note 1.1)		22,694	22,601
Notional rents (non-cash) (note 1.2)		1,947	1,452
Net programme cost		**808,824**	**739,137**

1.1 Net Allied Services Expenditure

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

		2015 €000	2014 €000
Vote 9 Office of the Revenue Commissioners	e	144	67
Vote 12 Superannuation and Retired Allowances	e	16,056	15,982
Vote 13 Office of Public Works	e	6,158	6,229
Central Fund - Ministerial pensions	e	336	323
		22,694	22,601

'e' indicates an estimated value or an apportioned cost.

1.2 Notional Rent

The notional rent figure has been compiled by the Office of Public Works based on current market rental prices. The notional rent figure is in respect of two properties occupied by the Department of Jobs, Enterprise and Innovation.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	7,149	6,762
Capital assets under development	2.3	43	354
		7,192	**7,116**
Current Assets			
Bank and cash	2.4	14,294	22,212
Stocks	2.5	197	209
Prepayments		922	1,063
Accrued income		1,003	1,381
Other debit balances	2.6	1,094	2,136
Total current assets		**17,510**	**27,001**
Less current liabilities			
Accrued expenses		446	285
Deferred income		1,802	1,172
Other credit balances	2.7	2,388	4,522
Net liability to the Exchequer	2.8	13,000	19,826
Total current liabilities		**17,636**	**25,805**
Net current (liabilities)/assets		**(126)**	**1,196**
Net assets		**7,066**	**8,312**
Represented by:			
State funding account	2.1	**7,066**	**8,312**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			8,312	7,078
Disbursements from the Vote				
Estimate provision	Account	810,412		
Deferred surrender	Account	(10,000)		
Surplus to be surrendered	Account	(17,492)		
Net vote			782,920	716,312
Net assets transferred from LRC	2.2		17	-
Net assets transferred from Forfas			-	5
Prior year adjustment			-	1
Expenditure (cash) borne elsewhere	1		22,694	22,601
Non cash expenditure – notional rent	1		1,947	1,452
Net programme cost	1		(808,824)	(739,137)
Balance at 31 December			**7,066**	**8,312**

2.2 Capital Assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	34,440	6,701	41,141
Reclassification	4	(4)	-
Transfers from Labour Relations Commission [a]	378	58	436
Additions	2,125	85	2,210
Disposals	(42)	(1,367)	(1,409)
Cost or valuation at 31 December 2015	36,905	5,473	42,378
Accumulated depreciation			
Opening balance at 1 January 2015	27,850	6,529	34,379
Reclassification	4	(4)	-
Transfers from Labour Relations Commission [a]	364	55	419
Depreciation for the year	1,782	52	1,834
Depreciation on disposals	(37)	(1,366)	(1,403)
Cumulative depreciation at 31 December 2015	29,963	5,266	35,229
Net assets at 31 December 2015	**6,942**	**207**	**7,149**
Net assets at 31 December 2014	**6,590**	**172**	**6,762**

[a] ICT assets and furniture and fittings, with a net value of €17,252,were transferred to this Department following the merging of the Labour Relations Commission into the Workplace Relations Commission with effect from 1 October 2015. A difference of €38,000 arose on the net assets transferred due to differences in accounting policies in the Department.

2.3 Capital Assets under Development

	In-house computer applications
	€000
Amounts brought forward at 1 January 2015	354
Cash payments in year [a]	1,224
Brought into use in year	(1,535)
Balance at 31 December 2015	43

[a] EU funding in the amount of €97,841 was used to acquire ICT assets under the Patent Cooperation Fund projects.

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances	14,293	22,212
Commercial bank account balance	1	—
	14,294	22,212

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	137	144
IT supplies	43	49
Cleaning materials	17	16
	197	209

2.6 Other Debit Balances		**2015**	**2014**
at 31 December	**€000**	**€000**	**€000**
Advances to OPW		105	184
Miscellaneous debit balances		631	1,385
Recoupable expenditure:			
Travel	333		
Shared services	25		
		358	567
		1,094	2,136

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	56	966
Pay Related Social Insurance	60	373
Income Levy	—	8
Professional Services Withholding Tax	—	154
Value Added Tax on intra EU acquisitions	—	53
	116	1,554
Miscellaneous credit balances*	2,272	2,968
	2,388	4,522

*Miscellaneous credit balances comprise i) patent renewal fees - €1.4 million, ii) staff deductions - €0.3 million and iii) other miscellaneous balances - €0.6 million.

2.8 Net Liability to the Exchequer at 31 December	2015 €000	2014 €000
Surplus to be surrendered	17,492	18,763
Deferred surrender	10,000	20,000
Exchequer grant undrawn	(14,492)	(18,937)
Net liability to the Exchequer	13,000	19,826
Represented by:		
Debtors		
Bank and cash	14,294	22,212
Other debit balances	1,094	2,136
	15,388	24,348
Creditors		
Due to State	(116)	(1,554)
Other credit balances	(2,272)	(2,968)
	(2,388)	(4,522)
	13,000	19,826

2.9 Commitments at 31 December	2015 €000	2014 €000
(A) Global commitments		
Procurement subheads	1,717	1,586
Grant subheads [a]	1,427,488	1,453,199

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

(B) Multi-annual capital commitments

Capital grants involving total expenditure of €6.35 million or more is shown separately in the multi-annual capital commitments table

	Cumulative expenditure to 31 December 2014 [a]	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014[a]
	€000	€000	€000	€000	€000
IDA Ireland	49,000	12,400	87,000	148,400	125,700
Enterprise Ireland	199,792	57,367	188,854	446,013	407,919
Science Technology & Development Programme	196,127	61,887	280,068	538,082	523,823
Programme for Research in Third Level Institutions (PRTLI)	95,839	28,831	48,405	173,075	173,074
	540,758	160,485	604,327	1,305,570	1,230,516

[a] Excludes projects completed by end of 2014.

Significant variations

Where the programme spend has increased by more than €500,000 from 2014 to 2015, an explanation is provided as follows:

Project by Project basis	Expected total spend 2015	Expected total spend 2014	Year on year increase
	€000	€000	€000
IDA Ireland:	148,400	125,700	22,700

Explanation: one new grant approval in 2015 totalling €13.7 million and a commitment, in 2015, to make additional payments of €9 million in order to surrender a lease which was not due to expire until 2034.

Enterprise Ireland:	446,013	407,919	38,094

Explanation: increase relates to three new projects totalling €29.5 million and an increase in the value of three existing project commitments of €8.6 million.

Science, Technology and Development Programme	538,082	523,823	14,259

Explanation: increase relates to two new grant approvals in 2015.

2.10 Matured Liabilities

	2015	2014
	€000	€000
Estimate of matured liabilities not discharged at year-end	206	99

3 Programme Expenditure by Subhead

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A	**Jobs and Enterprise Development**				
A.1	Administration – pay		8,005	8,158	7,476
A.2	Administration – non pay		2,726	2,188	2,954
A.3	Agency legacy pensions		39,822	39,086	15,862
A.4	InterTrade Ireland		7,454	7,840	7,762
A.5	IDA Ireland				
	Original	130,316			
	Deferred surrender	5,000			
	Supplementary	21,000	156,316	156,599	131,150
A.6	Export Credit Insurance - refund to the Exchequer		—	—	4
A.7	Enterprise Ireland				
	Original	129,584			
	Deferred surrender	6,000	135,584	126,928	108,962
A.8	Local enterprise development		29,454	29,442	29,499
A.9	Monitoring and evaluation of EU programmes		20	—	—
A.10	INTERREG enterprise development		3,000	1,224	2,800
A.11	National Standards Authority of Ireland - grant for administration and general expenses		6,076	5,619	4,804
A.12	Temporary Loan Guarantee Scheme		500	245	196
A.13	Subscriptions to international organisations, etc.		1,796	2,049	1,827
A.14	Commissions, committees and special inquiries		1	1	1
A.15	Legal costs and other services		317	—	7
	- *Forfás*		—	—	22,565
	- *SFADCO (pensions)*		—	—	1,955
			391,071	379,379	337,824

Significant variations

Overall, the expenditure in relation to Programme A was €11.7 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
InterTrade Ireland	(386)	InterTrade Ireland's operating currency is sterling (GBP). The funding required under this subhead is calculated by reference to a rate set by Department of Public Expenditure and Reform, which is an estimate of the exchange rate between sterling and euro, which was set at 81p to the € for 2015. As the value of the euro fell significantly during the year, an additional €385,919 was required to maintain the required level of funding.
IDA Ireland	(283)	The original budget plus deferred surrender was €135 million. This was increased by €21 million by a Supplementary Estimate. The additional funding was required to meet the following variances from original estimate: (i) underspends in pay and pensions of €1.1 million; (ii) overspend in non-pay of €1.4 million on promotional and advertising costs and rental of HQ office; (iii) overspend of €9 million in respect of capital grants to industry and (iv) €12 million on property. In respect of property, sanction was given to IDA to commence spending up to a maximum of €20 million on the five year €150 million IDA Regional Property Programme, of which €12 million was spent across the three strands of the programme i.e. supporting new building, securing strategic sites and the upgrade of existing IDA Business Parks.
Enterprise Ireland	8,656	There was an underspend of €8.7 million in capital funding due to the receipt of additional unanticipated own resource income (ORI) arising mainly from trade sales by client companies where EI had a shareholding and receipts from Venture Capital Funds. This additional ORI was used to fund Financial Support to Industry expenditure instead of drawing Exchequer funds resulting in a lower drawdown.
INTERREG enterprise development	1,776	Commencement of the latest INTERREG Programme to run for the period up to 2020 was significantly delayed due to administrative issues in the EU Management Authority. This meant that some new projects anticipated to get underway earlier in 2015, in particular the research & innovation strand of a Territorial Cooperation Programme, were late coming on stream due to delays in finalising the programme. Another element which will involve enhanced industry-relevant research to two specific industrial sectors did not commence in 2015.
National Standards Authority of Ireland - grant for administration and general expenses	457	The estimate included provision for a number of retirements, however, as there was an extension of the retirement grace period, only three staff retired, resulting in an underspend of €457,289 on pay.
Temporary Loan Guarantee Scheme	255	The estimate of €500,000 for 2015 was based on the maximum amount of €150 million being lent and guaranteed under the Credit Guarantee Scheme. The estimate covers the cost of operating the Scheme, as well as, claims by participating lenders, on the 75% guarantee. The reasons for the underspend are: (i) lower than anticipated take-up of the Scheme, and (ii) there were fewer claims on the guarantee by year end than had been provided for.

Description	Less/(more) than provided €000	Explanation
Subscriptions to international organisations, etc.	(253)	Ireland's annual contribution to the World Trade Organisation's (WTO) budget and the budget of the Appellate Body is paid under this subhead. The annual subscription is payable in Swiss francs (CHF). The exchange rate at the time of payment was €1 = 1.0028CHF. The exchange rate at the time of the 2014 payment was €1 = 1.18CHF. The significant depreciation of the euro against the Swiss franc, resulted in a higher annual contribution than was estimated.
Legal costs and other services	317	The estimate covers the projected cost of miscellaneous payments which may arise across the Department, including potential legal costs, for which provision has not been made elsewhere in the Vote. The Department is obliged to make a contingency provision for such costs that may be once off in nature and where the timing of expenditure is not certain. There were no such payments in 2015.

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
B	**Innovation**				
B.1	Administration – pay		5,793	5,725	5,072
B.2	Administration – non pay		2,562	2,092	3,043
B.3	Patents Office		2,689	2,506	2,374
B.4	Science and Technology Development Programme				
	Original provision	283,806			
	Deferred surrender	9,000			
	Supplementary	5,500	298,306	297,706	288,703
B.5	Programme for Research in Third Level Institutions (PRTLI)				
	Original provision	32,014			
	Supplementary	23,500	55,514	55,514	39,054
B.6	Subscriptions to international organisations, etc.		19,011	19,086	18,991
B.7	Commissions, committees and special inquiries		1	1	1
B.8	Legal costs and other services		1,508	3	132
			385,384	382,633	357,370

Significant variations

Overall, the expenditure in relation to Programme B was €2.8 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Patents Office	183	The variance of €183,228 can be split between underspends of (i) €52,000 pay and (ii) €131,000 non-pay. The pay underspend arose as a result of the non-replacement of four staff that retired and also staff availing of shorter working year scheme. The non-pay estimate included provision for a number of ICT projects/expenditure e.g. Design e-filing, Consolidate Front Office, etc. which were funded under an Office for Harmonisation in the Internal Market Co-operation programme and as a result the original provision was not required.
Science and Technology Development Programme	(600)	The '2015 Research Infrastructure Call' programme operated by Science Foundation Ireland attracted stronger interest by the research community than initially anticipated. A supplementary estimate of €5 million was sanctioned to facilitate all qualifying applications under the programme. In respect of Tyndall Institute, there was an overspend of €0.5 million which arose from the purchase of a research equipment item of strategic importance to Tyndall (MEMS processing system). The overspend was funded by way of supplementary estimate.

Description	Less/(more) than provided €000	Explanation
Programme for Research in Third Level Institutions (PRTLI)	—	PRTLI supports the provision of top-class research infrastructure (buildings, laboratories and cutting edge equipment) across higher education institutions. Under the PRTLI, the third level institutions must meet significant costs of the capital infrastructural projects upfront, which are subsequently claimed back on production of evidence of matured liabilities. During 2015, funds were targeted at hastening the progress of reducing the outstanding matured liabilities and in this context €23.5 million was provided by a supplementary estimate which funded ten institutions' capital projects under PRTLI Cycle 5.
Legal costs and other services	1,505	The estimate covers the projected cost of miscellaneous payments which may arise across the Department, including potential legal costs, for which provision has not been made elsewhere in the Vote. The Department is obliged to make a contingency provision for such costs that may be once off in nature and where the timing of expenditure is not certain. Payments of only €3,000 were made on such costs in 2015.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Regulation**			
C.1	Administration – pay	10,036	10,313	9,484
C.2	Administration – non pay	4,581	3,110	2,653
C.3	Workplace Relations Programme	20,242	17,009	17,501
C.4	Grants for trade union education and advisory services – cash-limited	900	900	944
C.5	Health and Safety Authority - grant for administration and general expenses	17,967	18,217	17,388
C.6	Trade Union Amalgamations	30	—	—
C.7	Office of the Director of Corporate Enforcement	5,091	3,073	3,012
C.8	Competition and Consumer Protection Commission	12,230	9,124	1,725
C.9	Personal Injuries Assessment Board	55	203	152
C.10	Consumer support	45	—	—
C.11	Companies Registration Office and Registry of Friendly Societies - grant for administration and general expenses	7,425	7,244	6,751
C.12	Irish Auditing and Accounting Supervisory Authority	2,000	1,557	1,355
C.13	Low Pay Commission	500	260	—
C.14	Subscriptions to international organisations, etc.	1,411	1,555	1,367
C.15	Commissions, committees and special inquiries	220	50	57
C.16	Legal costs and other services	998	218	107
—	Competition Authority	—	—	3,969
—	National Consumer Agency	—	—	3,901
		83,731	72,833	70,366

Significant variations

Overall, the expenditure in relation to Programme C was €10.9 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Administration – non pay	1,471	Overall the non-pay expenditure across the three programmes was 25% less than estimated with expenditure on Programme C being 32% less than the estimate provision. The main underspend occurred in relation to expenditure associated with the relocation of staff in three buildings where leases were due to mature during the year. Only one of the leases was surrendered in 2015, the other two moves are now scheduled for 2016. Other savings/underspends occurred in the following areas (i) ICT area - a number of projects were postponed or delayed arising from resource constraints; (ii) consultancy services – due to the reprioritisation of certain projects during the course of the year and the fact that a number of projects which commenced during 2015 fall to be completed in 2016 and (iii) volume of official travel undertaken in 2015 was less than anticipated.

Description	Less/(more) than provided €000	Explanation
Workplace Relations Programme	3,233	Subhead C.3 is made up of a number of areas and the details of the variance for each of these is given below: i) Superannuation and pensions for retired Labour Court Members: €471,538 underspend as members who were eligible for retirement did not opt for retirement in 2015. ii) Employment Appeals Tribunal (EAT): €367,410 underspend due to reduction in staff numbers and appeal hearings listed. The adjudication of new appeals listed since 1 October 2015 are now determined by the WRC, with legacy cases being heard by the EAT. iii) Labour Court: €397,917 underspend in pay area as anticipated staff for the new division were appointed in the latter part of 2015. iv) Former NERA: €131,709 more than estimate. An overspend of €55,237 on pay overtime costs due to development and testing on new case management system and some staff returning from career break and an overspend of €76,472 on non-pay due in the main to legal fees, T&S and ICT exceeding budget estimates. v) Former Equality Tribunal: €512,876 lower than estimate due to retirement of senior staff and anticipated costs for Judicial reviews did not arise. vi) Former LRC: €1,450,226 lower than estimate. The bulk of the underspend arose due to the WRC being established in the fourth quarter of 2015 which was later than expected and the commencement of scheduling of hearings for external adjudicators at that stage, also the retirement and transfer of senior personnel had a bearing on the outturn for pay. vii) vii) Project Office: underspend of €169,651 on savings made through using Revenue's printing division for stationery, the provision of two new hearing rooms in Carlow did not proceed due to unforeseen delays and some savings also arose due to the timing of the operational date of the case management system.
Office of the Director of Corporate Enforcement	2,018	The underspend arose primarily on the non-pay side (€1.29 million). The non-pay allocation of €2,207,000 included funding in respect of several ongoing cases before the courts at the start of the year. The outcome of some of these cases was favourable to the office and therefore the associated costs did not arise. The timing and outcome of cases is largely outside the control of the office and, as a result, it is extremely difficult to anticipate the timing or level or costs which the office may have to bear. The underspend of €0.728 million on the pay side resulted from three vacancies that arose during the year and the delay in filling newly-sanctioned posts.

Description	Less/(more) than provided €000	Explanation
Competition and Consumer Protection Commission	3,106	On the pay side, approximately 20 vacancies remained unfilled during the year and the approved staff complement was not reached by year-end resulting in an underspend of €1.865 million. Provision was made in the estimates for costs relating to the amalgamation of the National Consumer Agency and the Competition Authority, which took place at the end of October 2014, and the possibility of costs relating to the intended move from the separate offices of the former NCA and CA to a single new location which did not actually arise in 2015. Also, in the non-pay area there were significant underspends across a number of budget headings, some of which were related to vacancies in the staff numbers in those areas. Some reductions in costs were achieved from new contracts entered into during the year.
Personal Injuries Assessment Board	(148)	The overspend resulted from the unexpected departure of the former CEO whose subsequent lump sum and pension were not originally included in the Pension estimate for 2015.
Irish Auditing and Accounting Supervisory Authority	443	IAASA is part funded by the Department and by the prescribed accountancy bodies. In relation to the variance, the 2015 estimate was premised upon the Authority having a full staff complement, however, there were delays in filling certain vacancies in 2015 resulting in savings of €0.3 million (see Appropriations-in-Aid). In respect of non pay, a provision of €200,000 was made for premises redevelopment. This project was delayed, and the allocation was not spent in 2015.
Low Pay Commission	240	The budget was based on a full year's expenditure. The Commission was established on an interim basis at the end of February, and on a statutory footing in mid-July, therefore a full year's costs were not drawn down. With regard to the pay budget, the staffing for the Commission came on stream on a phased basis through-out the year and the fee allocations in respect of the members of the Commission were not fully drawn down. A number of members were ineligible to receive fees and a number waived their fees. With regard to non-pay, during the start-up phase some elements of spend were borne from the Department's main administrative budget and as the Commission was only establishing, a full year's costs were not expended.
Subscriptions to international organisations, etc.	(144)	Both membership fees to the International Labour Organisation and subscription fees to Hallmarking Convention are paid in Swiss Francs (CHF) and the overspend is accounted for due to the currency fluctuations in the rate of exchange between the € and the CHF during 2015. The exchange rate at the time of payment was €1 = 1.04CHF. The exchange rate at the time of the 2014 payment was €1 = 1.17CHF.

Description	Less/(more) than provided €000	Explanation
Commissions, committees and special inquiries	170	The variation arose due to: (i) €76,000 saving arising from a reduced level of Joint Labour Committee activity in 2015, with a lower than anticipated number of meetings and subsequent level of activity; (ii) €50,000 savings by company law review group due to the completion of one legal researcher contract in May 2015 and the award of two legal researcher contracts in October 2015 which was later than planned; (iii) €17,000 savings by Business Regulation Unit; and (iv) (iv) other miscellaneous savings.
Legal costs and other services	780	It is difficult to forecast expenditure that might occur during the year under this subhead as potential legal costs are dependent on when the courts call a case for hearing. The estimate is in the nature of a contingency provision across a number of areas of the Department.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
Employment Rights and Industrial Relations				
1	Receipts from the Social Insurance Fund	600	701	782
2	Employment permit fees	4,000	5,477	4,041
3	Employment agency licences	215	319	267
Insurance and Company Law				
4	Companies Registration Office	17,000	17,667	18,535
5	Registry of Friendly Societies	50	56	63
Trade, Competition and Market Rights				
6	Receipts under the Trade Marks Act 1963 and Patents Act 1964	8,500	8,612	8,140
7	Occasional trading licences	1	—	1
8	Competition and Consumer Protection Commission	421	459	416
9	Merger notifications	280	600	344
Other				
10	ODCE legal	50	23	177
11	Miscellaneous	120	1,368	2,269
12	Enterprise policy (InterTrade Ireland)	63	75	44
13	Competition and Consumer Protection Commission – Grant for Financial Information and Education Functions	1,973	1,261	—
14	IAASA pay refund	141	340	513
15	PIAB pay and superannuation	1,209	1,180	1,377
16	HSA superannuation	672	644	589
17	IDA Superannuation	900	824	1,174
18	EI Superannuation	2,667	2,244	—
19	SFI Superannuation	252	158	—
20	SFADCo - pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act 2009	221	336	389
21	Temporary Loan Guarantee Scheme	500	249	153
22	Expert Group on Future Skills Needs	350	336	—
23	Receipts from pension - related deduction on public service remuneration	9,589	8,996	9,288
24	County Enterprise Development	—	—	83
25	NCA - grant for financial information and educational functions	—	—	603
	Total	49,774	51,925	49,248

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Receipts from the Social Insurance Fund	(101)	Section 56 of the Redundancy Payments Act 1967 sets out that the cost of administering redundancy appeals, which are administered by this Department, should be borne by the Social Insurance Fund of the Department of Social Protection (DSP). This was negotiated with DSP on the basis of 20.96% of overall Employment Appeals Tribunal costs for Quarter 4 2014 and Quarters 1, 2 and 3 2015, totalling €701,573.
Employment permit fees	(1,477)	The continued recovery in the Irish labour market has had a considerable knock-on effect on the number of permits issued. Last year's projection was based on previous years' trends, which were overly conservative given the escalation in the recovery generally during 2015. The total number of permits issued in 2015 was 7,265 which shows an increase of 1,769 over the same period in 2014, an increase of over 32% year on year in the number of permits issued.
Employment agency licences	(104)	The estimate of €215,000 was based on an expectation of 430 licences being in force at end of 2015. The actual number of licences in force was 550.
Merger notifications	(320)	The requirements regarding the notification of mergers were amended in the Competition & Consumer Protection Act 2014, with the new rules becoming applicable on 31st October 2014. The changes reduced the threshold levels above which mergers are required to be notified to the Commission. While the changes would have been expected to result in some increase in the number of mergers that would be notified in 2015, it was not possible to estimate what the increase would be. It transpired during 2015 that a significantly higher number of merger notifications were notified to the Commission than originally estimated (35).
Miscellaneous	(1,248)	It is difficult to estimate what amount of income will be received in this category. The significant amounts included: (i) €1,000,000 refund of grants paid to LEO's during 2015 and subsequently refunded, (ii) €314,000 relating to receipts from third party pensioners paid by EI under subhead A.3 Agency Legacy Pensions and (iii) various other miscellaneous amounts.
Competition and Consumer Protection Commission – Grant for Financial Information and Education Functions	712	The Competition and Consumer Protection Commission's (CCPC) financial services function is funded by a levy imposed by the CCPC on regulated financial services providers. The levy is collected mid-year and the Department prefunds the CCPC (under Subhead C.8) on the proviso that the Department is reimbursed by way of appropriations-in-aid before year end. Due to a significant surplus of levy funding (€243,000) that was carried over from 2014 and other savings made, €0.7 million of the prefunding provision was not required. As a result there was no requirement for the CCPC to reimburse the Department in respect of this amount.

Description	Less/(more) than estimated €000	Explanation
IAASA pay refund	(199)	The Irish Accounting and Auditing Standards Authority is part funded by the Department and by the prescribed accountancy bodies. The mechanism by which IAASA's funding is delivered is that its entire salary and related payments are processed by the Department on its behalf through Subhead C.12. As the aggregate of these payments usually exceeds the Exchequer's overall liability, a refund is made to the Department at year end. The Exchequer liability to IAASA in 2015 amounted to €1.24 million, whereas the amount expended by the Department was €1.55 million, therefore a refund of €0.3 million was made to the Department.
EI Superannuation	423	The voluntary early retirement/voluntary leaving programme (VER/VLP) operated by Enterprise Ireland in Q1/Q2 2015 resulted in 51 staff leaving the agency. This contributed to lower pension amounts being paid to the DJEI. Furthermore, 28 people resigned /retired outside of the VLP since December 2014.
SFADCo - pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act 2009	(115)	The increase in receipts over estimate arose as a number of staff at Shannon Development who were redeployed to other bodies during 2013, remain as members of the SFADCo pension scheme at 31 December 2015 due to issues with the transfer arrangements.
Temporary Loan Guarantee Scheme	251	The estimate of €500,000 for 2015 was based on the maximum amount of €150 million being lent and guaranteed under the Credit Guarantee Scheme during 2015. The receipts under the scheme are much less than expected as take-up has been lower than anticipated. It should be noted that the take up has improved significantly in 2015 as compared to previous years (there was a 116% increase in the value of approvals in 2015 over 2014). As a result, it would be expected that receipts under the scheme will increase over the coming years.
Receipts from pension - related deduction on public service remuneration	593	The estimate was based on the previous year, however in 2015 the decrease in numbers was higher than anticipated.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	512	—
Export credit recoveries	41	650
IDA Ireland – current	49	386
Enterprise Ireland - capital (A7, B4)	667	126
LEOs – current	2,249	57
LEOs – capital	1,421	34
NSAI – current	1,000	—
LRC – current	89	—
Enterprise Ireland - current (A7, B4)	—	596
Forfás – current	—	566
Forfás – surplus own resource income	—	615
Shannon Development – grant refund	—	477
IDA Ireland – interconnectivity project receipts	—	2,450
IDA Ireland – capital	—	2,356
PRLTI – current	—	78
PRLTI – capital	—	602
Health and Safety Authority – current	—	121
InterTrade Ireland - current	—	4
InterTrade Ireland - capital	—	17
Miscellaneous	—	19
Transferred to the Exchequer	(6,028)	(8,642)
Balance at 31 December	—	512

Enterprise Ireland - capital	This represents the balance of funds due to the Exchequer for Enterprise Ireland's 2014 excess own resource income.
LEOs – current	A significant amount of this relates to the surrender of €1,421,000 in private pensions held by some staff of the LEOs. A further amount of €444,000 relates to unused non pay funds.
LEOs – capital	These monies relate to unused capital funds.
NSAI – current	This relates to a refund of previous years' surplus operating reserves which was reduced on a once-off basis having been accumulated over a number of years.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	798	759
Agencies [a]	1,485	1,618
	2,283	2,377

[a] Includes employees of the Personal Injuries Assessment Board, a non-commercial state agency that is not in direct receipt of Exchequer funding.

	2015 €000	2014 €000
Pay	146,581	148,734
Higher, special or additional duties allowance	856	796
Other allowances	1,981	2,099
Overtime	717	526
Employer's PRSI	9,040	9,588
Total pay	**159,175**	**161,743**

The remuneration arrangements refer to the pay element of Subheads A1, A4, A5, A7, A8, A11, B1, B3, B4, C1, C3, C5, C7, C8, C11, C12 and C13.

5.1 Department

	2015 €000	2014 €000
Pay [a]	41,106	37,360
Higher, special or additional duties allowance	696	592
Other allowances	410	476
Overtime	533	266
Employer's PRSI	2,415	2,123
Total pay [b]	**45,160**	**40,817**

[a] Includes pension payments to 27 former members of Labour Court and the Competition Authority (now known as the Competition and Consumer Protection Commission).

[b] Total pay includes administration pay (A.1, B.1 and C.1) and the pay elements of the Offices of the Department (B.3, C.3, C.7, C.11 and C.13). The amount included for pay in Note 1 refers to administrative subheads only.

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	105	6	27,965	26,929
Other Allowances	82	7	81,289	76,941
Overtime	217	8	18,086	14,862
Number of individuals who received extra remuneration in more than one category	28	14	19,934	16,645

5.2 Agencies

	2015 €000	2014 €000
Pay	105,476	111,375
Higher, special or additional duties allowance	160	204
Other allowances	1,570	1,622
Overtime	184	261
Employer's PRSI	6,625	7,464
Total pay	**114,015**	**120,926**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	43	1	11,246	11,161
Other Allowances	367	43	27,303	42,728
Overtime	64	5	25,859	42,702
Number of individuals who received extra remuneration in more than one category	11	1	28,872	26,973

The agencies included above are the Local Enterprise Offices, Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority Ireland, Intertrade Ireland, Irish Auditing and Accounting Supervisory Authority and Science Foundation Ireland.

5.3 Other remuneration arrangement

Three civil servants were retained beyond retirement age.

A company car was provided to the CEO's of three agencies of the Department.

5.4 Salary overpayments

Overpayments at year end were €85,701 (14 cases) (2014 €99,687, 31 cases). All 14 cases have recovery plans in place.

6 Miscellaneous

6.1 EU Funding

In addition to grants from the Vote, the following bodies under the aegis of the Department received EU aid directly in 2015 as shown below:

Subhead	Description	2015 Outturn €	2014 Outturn €
A.7	Enterprise Ireland	340,169	207,335
B.3	Patents Office	179,560	297,661
B.4	Science Foundation Ireland	498,140	120,000
B.4	Enterprise Ireland	471,087	87,859
		1,488,956	712,855

The outturn shown in Subheads A.8, B.4 and B.5 includes payments in respect of activities which are co-financed from the ERDF. Estimates of expenditure and actual outturn were as follows:

Subhead	Description	2015 Estimate €000	2015 Outturn €000	2014 Outturn €000
A.6	Shannon Free Airport Development Company Limited	—	—	1,955
A.8	Local enterprise development	29,454	29,442	29,499
B.4	Science and Technology Development Programme	298,306	297,706	288,703
B.5	Programme for Research in Third Level Institutions (PRTLI)	55,514	55,514	39,054
		383,274	382,662	359,211

6.2 Commissions, Committees and Special Inquiries

	Year of establishment	Cumulative expenditure to end 2015	2015 Outturn	2014 Outturn
		€	€	€
Fixed term/fixed purpose				
Company Law Review Group	2000	1,039,225	38,654	43,480
Sales Law Review Group	2009	22,296	1,344	832
Permanent/open-ended				
Joint Labour Committees	1946		6,482	2,374
Business Regulation Group	2006		2,192	9,034
Departmental Audit Committee	2004		2,700	2,250
			51,372	57,970

6.3 Legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by members of the public against						
Labour Court	2	—	148,981	12,072	161,053	178,693
Employment Appeals Tribunal	1	—	50,169	—	50,169	—
		—	199,150	12,072	211,222	178,693

6.4 Miscellaneous Payments

Employment and Training Levy - Statement of payments made in accordance with Section 25(1) of the Labour Services Act, 1987.

	Total for the year ended 31 December 2015 €	Total for the year ended 31 December 2014 €
Received by Minister for Jobs, Enterprise and Innovation	714,599	604,411
Paid by Minister for Jobs, Enterprise and Innovation into the Exchequer	714,599	604,411

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department of Jobs, Enterprise and Innovation continues to receive amounts relating to historical payments of taxes. The Employment and Training Levy is collected by the Office of the Revenue Commissioner and paid over to the Department of Jobs, Enterprise and Innovation on a monthly basis. The monies are directly paid over to the Exchequer.

6.5 Contingent Liabilities

A Temporary Partial Credit Guarantee Scheme was established in November 2012. Under this scheme the Government will partially guarantee loans by traditional lenders to viable businesses that are at the margins of commercial lending decisions and have difficulties accessing credit for either of two distinct reasons:

(i) Insufficient collateral
(ii) The lender does not have the skills or experience to carry out a proper assessment of the proposition, due to a lack of knowledge of new sectors, markets or technologies.

A total of €20,385,050 of loans has been provided to date, with €1,486,443 being the maximum potential exposure to the Department arising from these guaranteed loans.

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

6.6 Write-Offs

The sums written off during the year were:

	2015 €000	2014 €000
Unrecovered Credit Insurance debt	—	16,064
Historic suspense account balances	252	9

6.7 Carryover of Funding

Under the provisions of Section 91 of the Finance Act 2004, €10,000,000 of unspent allocation in respect of subheads A.7 and A.10 was carried forward to 2016.

Appropriation Account 2015

Vote 33

Arts, Heritage and the Gaeltacht

Introduction

As Accounting Officer for Vote 33, 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 2015 for the salaries and expenses of the Office of the Minister for Arts, Heritage and the Gaeltacht, including certain services administered by that Office, and for payment of certain subsidies and grants.

The expenditure outturn is compared with the sums

a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

b) provided for capital supply services in 2015 out of unspent 2014 appropriations, under the deferred surrender arrangement established by section 91 of the Finance Act 2004.

A surplus of €2.74 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and Notes 1 to 7 form part of the account.

Up to an including 31 December 2014, the National Gallery of Ireland was funded by means of its own Vote, Vote 34. Since 1 January 2015 the National Gallery of Ireland is funded through a grant from Vote 33.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following;

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life commencing in the month the asset is placed in service.

Certain historic properties such as national parks, and heritage assets such as artefacts and manuscripts, have not been valued.

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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Department and the Financial Shared Service Centre of the Department of Justice and Equality.

I rely on a letter of assurance from the Accounting Officer of the Department of Justice and Equality and the Accounting Officer of the Department of Public Expenditure and Reform that the appropriate controls are exercised in the provision of shared services to the Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial control environment

I confirm that a control environment containing 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, and
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative controls and management reporting

I confirm that 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.

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department is compliant with the exception of five contracts to a value of €1,109,449. These contracts were included on the Circular 40/2002 return. Two contracts to a value of €358,384 related to contracts where normal tendering procedures were not appropriate as the providers in question were sole suppliers. Two contracts to a value of €367,965 were extended beyond the original contract date and steps have been taken to ensure that new contracts are put in place in 2016 for these services. The other contract with a value of €383,100 is an interim contract put in place after the cancellation of the tender process run in conjunction with the OGP with a view to ensuring no disruption in a vital public service during the progression and completion of a re-tender process.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Seosamh Ó hÁghmaill
Accounting Officer
Department of Arts, Heritage and the Gaeltacht

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 33 Arts, Heritage and the Gaeltacht

I have audited the appropriation account for Vote 33 Arts, Heritage and the Gaeltacht for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 33 Arts, Heritage and the Gaeltacht for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Arts, Heritage and the Gaeltacht. The appropriation account is in agreement with the accounting records.

Non Compliance with Procurement Rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2015.

Seamus McCarthy

Comptroller and Auditor General

18 August 2016

Vote 33 Arts, Heritage and the Gaeltacht
Appropriation Account 2015

			Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Arts, Culture and Film				
	Current year provision	156,515			
	Deferred surrender	2,216	158,731	151,245	129,288
B	Heritage				
	Current year provision	39,297			
	Deferred surrender	3,750	43,047	43,829	48,344
C	Irish Language, Gaeltacht and Islands				
	Current year provision	43,063			
	Deferred surrender	250	43,313	42,381	40,389
D	North-South Co-Operation		38,559	39,482	39,145
	Gross expenditure				
	Current year provision	277,434			
	Deferred surrender	6,216			
			283,650	**276,937**	**257,166**
	Deduct				
E	**Appropriations-in-aid**		**4,605**	**6,788**	**5,904**
	Net expenditure				
	Current year provision	272,829			
	Deferred surrender	6,216			
			279,045	**270,149**	**251,262**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	8,895,773	8,195,950
Deferred surrender	(6,158,000)	(6,216,000)
Surplus to be surrendered	2,737,773	1,979,950

Analysis of administration expenditure

		Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000
i	Salaries, wages and allowances	29,392	30,076	29,865
ii	Travel and subsistence	1,463	1,024	1,032
iii	Training and development and incidental expenses	1,007	646	496
iv	Postal and telecommunications services	626	453	494
v	Office equipment and external IT services	2,005	1,897	1,248
vi	Office premises expenses	795	632	649
vii	Consultancy services and value for money and policy reviews	100	34	7
		35,388	34,762	33,791

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		242,175	223,375
Pay		30,076	29,865
Non pay		4,686	3,926
Gross expenditure		**276,937**	**257,166**
Deduct			
Appropriations-in-aid		**6,788**	**5,904**
Net expenditure		**270,149**	**251,262**
Changes in capital assets			
Purchases cash	(4,234)		
Asset adjustments	(280)		
Depreciation	1,376		
Loss on disposals	3		
		(3,135)	47
Changes in net current assets			
Increase in closing accruals	175		
Decrease in stock	26		
		201	(239)
Direct expenditure		**267,215**	**251,070**
Expenditure borne elsewhere			
Net allied services expenditure (Note 1.1)		16,482	15,021
Notional rents		697	648
Net programme cost		**284,394**	**266,739**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 33 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	30	30
Vote 12 Superannuation and Retired Allowances	e	8,980	8,448
Vote 13 Office of Public Works	e	6,575	5,604
Vote 18 Shared Service	e	52	—
Vote 24 Justice & Equality - Financial Shared Services Centre	e	662	810
Central Fund – Ministerial pensions	e	183	129
		16,482	15,021

"e" indicates that the number is an estimated value or an apportioned cost.

The 2014 outturn in respect of Vote 12 Superannuation and Retired Allowances (€8,448,000) has been adjusted from the figure which appeared in the 2014 Account (€2,500,000) to more accurately reflect the identification of retired staff within the Vote 12 database with the Department from which they retired.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	55,166	50,031
Current assets			
Bank and cash	2.3	11,392	8,098
Stocks	2.4	298	324
Prepayments		1,526	1,676
Accrued income		104	199
Other debit balances	2.5	421	3,043
Total current assets		**13,741**	**13,340**
Less current liabilities			
Accrued expenses		2,320	390
Other credit balances	2.6	5,265	3,895
Net liability to the Exchequer	2.7	6,548	7,246
Total current liabilities		**14,133**	**11,531**
Net current assets		(392)	1,809
Net assets		**54,774**	**51,840**
Represented by:			
State funding account	2.1	**54,774**	**51,840**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			51,840	51,648
Disbursements from the Vote				
Estimate provision	Account	279,045		
Deferred surrender	Account	(6,158)		
Surplus to be surrendered	Account	(2,738)		
Net vote			270,149	251,262
Expenditure (cash) borne elsewhere	1		16,482	15,021
Non cash expenditure – notional rent	1		697	648
Net programme cost	1		(284,394)	(266,739)
Balance at 31 December			**54,774**	**51,840**

2.2 Capital Assets

	Land and buildings	Plant and machinery	Office and IT equipment[a]	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Cost or Valuation at 1 January 2015	46,424	7,006	8,747	4,004	66,181
Additions	5,312	342	548	32	6,234
Transferred in [b]	—	—	4	—	4
Adjustments [c]	58	28	84	110	280
Disposals	—	(209)	(322)	(26)	(557)
Cost or valuation at 31 December 2015	51,794	7,167	9,061	4,120	72,142
Accumulated depreciation					
Opening balance at 1 January 2015	509	6,453	6,812	2,376	16,150
Depreciation charge for the year	240	240	738	128	1,346
Depreciation on assets transferred in	—	—	4	—	4
Depreciation on adjustment	—	28	2	—	30
Depreciation on disposals	—	(208)	(321)	(25)	(554)
Cumulative depreciation at 31 December 2015	749	6,513	7,235	2,479	16,976
Net assets at 31 December 2015	**51,045**	**654**	**1,826**	**1,641**	**55,166**
Net assets at 31 December 2014	**45,915**	**553**	**1,935**	**1,628**	**50,031**

[a] The Department of Environment, Community and Local Government provide an ICT managed service for Heritage Division ICT assets on behalf of the Department of Arts, Heritage and the Gaeltacht. These are recorded on its asset register. The Department of the Environment, Community and Local Government commenced a process in 2014 to compile an agreed schedule of the assets for use in the event that the terms of the current ICT managed service is altered or ceases in the future and a transfer of assets is required.

[b] The assets transferred relate to office equipment moved from the Department of Environment, Community and Local Government to the Department.

[c] Adjustment in relation to pre 2015 items inputted to the fixed asset register in 2015

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	11,323	8,043
Commercial bank accounts [a]	69	55
	11,392	8,098

[a] The commercial bank account balance includes €66,591 in 2015 (2014: €46,000) in respect of a commercial bank account operated by the Department of Justice and Equality – Financial Shared Services.

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Building material and small plant	66	58
Fuels and fertilisers	27	32
Stationery	20	17
Equipment consumables	8	10
Janitorial supplies and first aid	21	8
IT consumables	48	51
Miscellaneous	56	87
Livestock	52	61
	298	324

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Environment Fund	130	1,589
Office of Public Works	95	527
Payroll suspense account (Paypath)	48	554
Other debit suspense items	148	373
	421	3,043

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	588	426
Pay Related Social Insurance	303	214
Professional Services Withholding Tax	143	178
Relevant Contracts Tax	13	2
Value Added Tax	133	181
Pension deductions	100	146
	1,280	1,147
Crowley Bequest Fund (Note 7.2)	408	409
Aran LIFE	581	792
Kerry LIFE	941	1,210
Raised Bog LIFE project	1,672	—
Other	383	337
	5,265	3,895

2.7 Net Liability to the Exchequer	2015	2014
at 31 December	€000	€000
Surplus to be surrendered	2,738	1,980
Deferred surrender	6,158	6,216
Exchequer grant undrawn	(2,348)	(950)
Net liability to the Exchequer	6,548	7,246
Represented by:		
Debtors		
Bank and cash	11,392	8,098
Debit balances: suspense	421	3,043
	11,813	11,141
Creditors		
Due to State	(1,280)	(1,147)
Credit balances: suspense	(3,985)	(2,748)
	(5,265)	(3,895)
	6,548	7,246

2.8 Commitments	2015	2014
at 31 December	€000	€000
Global commitments		
Turf Compensation Scheme	24,869	22,182
Islands	13,032	14,177
Gaeltacht support schemes	8,589	6,334
ACCESS (cultural development grants)	5,384	5,378
Irish language support schemes	9,210	4,520
Other capital arts projects	1,617	3,643
Decade of Centenaries 1912 – 1922	10,830	—
Cork Event Centre	11,000	—
Natural Heritage (National Parks and Wildlife Service)	3,119	1,660
Other grants and procured services and goods	3,660	2,139
Total of legally enforceable commitments	91,310	60,033

Significant Variations

An explanation is provided below where a commitment has increased by more than €500,000 from 2014 to 2015

Subhead	Amount of increase €000	Explanation
Turf Compensation Scheme	2,687	By 31 December 2015, 215 additional contracts had been agreed under the scheme, compared to the number agreed at 31 December 2014.
Gaeltacht support schemes	2,255	The increase arises from a new cycle of multi-annual commitments entered into in 2015 in relation to Gaeltacht support schemes
Irish language support schemes	4,690	The increase arises from a new cycle of multi-annual commitments entered into in 2015 in relation to Irish language support schemes
Decade of Centenaries 1912 – 1922	10,830	This reflects new commitments entered into in 2015 to deliver the Government's Ireland 2016 Centenary Programme
Cork Event Centre	11,000	This figure represents a new commitment entered into in 2015 in relation to this project, in line with the approved allocation in the Government's Capital Investment Plan 2016-2021.
Other grants and procured services and goods	1,521	This reflects new commitments entered into in 2015 to deliver the international component of the Government's Ireland 2016 Centenary Programme.

2.9 Matured Liabilities at 31 December	**2015 €000**	**2014 €000**
Estimate of matured liabilities not discharged at year end	1	16

3 Programme Expenditure by Subhead

		Estimate provision	2015 Outturn	2014 Outturn
		€000	€000	€000	€000
A	**Arts, Culture and Film**				
A.1	Administration – pay		5,874	5,866	5,771
A.2	Administration – non pay		1,405	1,030	897
A.3	Payments to match resources generated by the National Archives		40	40	40
A.4	General expenses of the National Archives and National Archives Advisory Council		1,366	1,304	1,190
A.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery		10,858	10,858	10,437
A.6	Regional museums, galleries, cultural centres and projects		3,200	3,143	3,180
A.7	Cultural infrastructure and development		13,750	11,475	5,909
A.8	Culture Ireland		2,500	2,500	3,158
A.9	An Chomhairle Ealaíon (part funded by National Lottery)		58,893	58,593	56,668
A.10	General expenses of the National Museum of Ireland		12,304	12,304	11,864
A.11	General expenses of the National Library of Ireland		7,075	7,075	6,340
A.12	Irish Film Board		13,962	14,512	13,962
A.13	General expenses of the National Gallery of Ireland [a]		7,757	7,757	—
A.14	National City of Culture		1	383	7,117
A.15	Decade of Centenaries 1912 – 1922				
	Current year provision	17,530			
	Deferred surrender	1,216	18,746	13,405	1,999
A.16	Cork Event Centre				
	Current year provision	—			
	Deferred surrender	1,000	1,000	1,000	—
A.17	EXPO Milano		—	—	756
			158,731	**151,245**	**129,288**

[a] The 2014 comparative figure for A13, General Expenses of the National Gallery of Ireland, is not included above as the National Gallery had its own Vote (34) in 2014. The gross expenditure, before appropriations-in-aid on Vote 34 in 2014 was €10,495,000. After deduction of Appropriations-in-aid of €3,231,000 the net expenditure in Vote 34 in 2014 was €7,264,000

Significant variations

Overall, the expenditure in relation to Programme A was €7.49 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – non pay	375	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored to ensure that costs are minimised.
Cultural infrastructure and development	2,275	The variation arises from the fact that a number of capital projects did not progress as quickly as previously anticipated. The bulk of the underspend relates to the National Gallery Capital Project.
National City of Culture	(382)	On foot of an application from Limerick City and County Council in 2014, the Department of Public Expenditure and Reform sanctioned a virement of up to €1.5 million to subhead A.14 National City of Culture from possible savings on the Vote. In the event, just over €1.1 million was applied to the project. In 2015, Limerick City and County Council applied for the balance of the €1.5 million allocation. A further sanction was received from the Department of Public Expenditure and Reform for virement of up to €383,000 to subhead A.14 National City of Culture from savings on the Vote in 2015
Decade of Centenaries 1912 - 1922	5,341	Savings arose due to slower than anticipated progress in relation to a number of commemorative projects. €5.3 million of this saving was carried forward as a deferred surrender into 2016

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Heritage**			
B.1	Administration – pay	18,841	19,775	19,734
B.2	Administration – non pay	2,733	2,629	2,174
B.3	Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)	4,743	4,743	4,493
B.4	Built heritage	2,363	2,316	2,323
B.5	Natural heritage (National Parks and Wildlife Service)			
	Current year provision	9,292		
	Deferred surrender	3,750	13,042	13,522	14,296
B.6	Irish Heritage Trust	324	324	324
B.7	Built Heritage Jobs Leverage Scheme	1	—	5,000
B.8	Peatlands restoration	1,000	520	—
		43,047	**43,829**	**48,344**

Significant variations

Overall, the expenditure in relation to Programme B was €782,000 higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - pay	(934)	This additional cost arose due to a refinement of the apportionment of corporate costs to better reflect support provided across the programme areas.
Peatlands restoration	480	The peatlands restoration programme did not proceed as quickly as expected as restoration plans for the sites were not sufficiently progressed to allow large-scale works to be undertaken on the designated peatlands.

			2015		2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C	**Irish Language, Gaeltacht and Islands**				
C.1	Administration – pay		3,703	3,286	3,255
C.2	Administration – non pay		1,143	613	467
C.3	Gaeltacht support schemes		7,522	7,549	7,555
C.4	Irish language support schemes (part funded by National Lottery)		3,695	3,692	3,768
C.5	An Coimisinéir Teanga		670	669	566
C.6	Údarás na Gaeltachta - administration		8,798	8,798	8,798
C.7	Údarás na Gaeltachta - current programme expenditure		3,000	3,000	3,000
C.8	Údarás na Gaeltachta - grants for projects and capital expenditure on premises		6,687	6,687	5,687
C.9	Islands		6,544	6,541	6,543
C.10	20 Year Strategy for the Irish Language 2010 – 2030		551	546	500
C.11	Decade of Centenaries – Teach an Phiarsaigh				
	Current year provision	750			
	Deferred surrender	250	1,000	1,000	250
			43,313	**42,381**	**40,389**

Significant variations

Overall, the expenditure in relation to Programme C was €932,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Administration – pay	417	This saving arose due to a refinement of the apportionment of corporate costs to better reflect support provided across the programme areas.
Administration – non pay.	530	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored to ensure that costs are minimised.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	**North-South Co-Operation**			
D.1	Administration – pay	974	1,149	1,105
D.2	Administration – non pay	715	414	388
D.3	An Foras Teanga	13,444	13,468	13,469
D.4	Waterways Ireland	23,426	24,451	24,183
		38,559	**39,482**	**39,145**

Significant variations

Overall, the expenditure in relation to Programme A was €923,000 higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay.	301	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored to ensure that costs are minimised.
Waterways Ireland	(1,025)	The Department of Public Expenditure and Reform sanctioned additional expenditure to maintain the navigational and associated infrastructure of inland waterways and to repair critical structures.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	National Archives	40	45	45
2.	Miscellaneous receipts	705	1,573	970
3.	Rents (including receipts from letting of fishing rights etc.)	100	148	128
4.	Services and charges at national parks and wildlife sites	315	1,066	871
5.	Receipts from pension-related deduction on public service remuneration	3,445	3,942	3,871
6.	Sales of property	—	12	5
7.	Haddington Road Agreement salary sacrifice	—	2	14
	Total	**4,605**	**6,788**	**5,904**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	(Less)/more than estimated €000	Explanation
Miscellaneous receipts	868	The variance relates mainly to higher than anticipated pension receipts from agencies.
Services and charges at national parks and wildlife sites	751	The variance relates to a higher than anticipated level of receipts in the national parks, reflecting good visitor numbers at these amenities
Receipts from pension –related deduction on public service remuneration	497	The variance relates to higher than anticipated pension related deduction receipts from agencies

4.2 Extra Exchequer Receipts

	2015	2014
	€000	€000
Balance at 1 January	12	9
Receipts from Gaeltacht loans	9	12
Transferred to Exchequer	(12)	(9)
Balance at 31 December	9	12

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full-time equivalents)		
Department	552	561
Agencies	1,008	917
	1,560	1,478

	2015 [a] €000	2014 [b] €000
Pay	67,286	61,921
Higher, special or additional duties allowance	90	130
Other allowances	920	934
Overtime	1,649	1,693
Employer's PRSI	5,814	5,234
Total Pay	**75,759**	**69,912**

[a] The total pay figure for 2015 includes elements of pay from the following subheads: A1, A5, A9, A10, A11, A12, A13, B1, B3, C1, C5, C6, D1, D3, D4.

The Exchequer pay figure as disclosed in the Revised Estimates does not represent the totality of pay for the staff numbers disclosed under Note 5. In the case of North / South implementation bodies, expenditure on pay is funded on an agreed pro-rata basis by the sponsoring departments in the two jurisdictions.

[b] The 2014 comparative figures do not include National Gallery of Ireland pay, as the National Gallery had its own Vote (34) in 2014.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	48	2	12,004	17,742
Other allowances	573	4	20,339	18,307
Overtime	521	32	20,352	23,435
Number of individuals who received extra remuneration in more than one category.	399	62	25,706	25,976

The details in relation to allowances and overtime payments relating to staff of bodies/agencies are based solely on returns submitted by those bodies/agencies.

5.2 Other Remuneration Arrangements

Five retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €36,651. Pension abatement was not applied as it was not deemed applicable in these instances.

5.3 Payroll Overpayments

Overpayments at the year end were €11,793 (9 cases) (2014: €10,981, 12 cases). Of this, €11,324 (7 cases) have recovery plans in place.

6 Miscellaneous

6.1 National Lottery Funding

Sub-head	Description	2015 Estimate €000	2015 Outturn €000	2014 Outturn €000
A.9	An Chomhairle Ealaíon (part funded by National Lottery)	58,893	58,593	56,668
B.3	Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)	4,743	4,743	4,493
C.4	Irish language support schemes (part funded by National Lottery)	3,695	3,692	3,768
		67,331	67,028	64,929

A full list of grantees under subhead C.4 is available on the Department of Arts, Heritage and the Gaeltacht website (www.ahrrga.gov.ie).

6.2 Legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	Legal costs awarded €000	2015 Total €000	2014 Total €000
Claims by employees of the Vote	1	—	36	—	36	1
Claims by members of the public	12	60	81	—	141	55
		60	117	—	177	56

6.3 Late Payment Interest

	2015 €000	2014 €000
Total of interest payments paid	3	23

6.4 Loss of Heritage Assets

The investigation commenced in 2012 by An Garda Síochána in relation to the loss of a number of items held in private storage on behalf of the Department of Arts, Heritage and the Gaeltacht is ongoing. No adjustment has been made to the recorded figures in Note 2.2, pending the completion of the Garda investigation.

6.5 Carryover to 2016

Under section 91 of the Finance Act 2004, €6.158 million in unspent allocation in respect of capital elements for subheads A7 (€0.858 million) and A15 (€5.3 million) was carried forward to 2016.

7 Miscellaneous Accounts

7.1 Payments towards general expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Subhead A.5).

	2015	2014
	€000	€000
Payments		
Irish Museum of Modern Art	4,807	4,707
Chester Beatty Library	2,400	2,300
National Concert Hall	2,400	2,300
Crawford Gallery, Cork	1,251	1,130
	10,858	10,437

7.2 The Crowley Bequest Fund

The bequest was accepted by the State in 1997, to be used to undertake a project involving the listing, microfilming and publishing of records of the Chief Secretary's Office for the period 1815–1853. The charge on the fund represents conservation and salary costs associated with this project.

Accounts of receipts and payments for year ended 31 December 2015

	2015	2014
	€000	€000
Balance on 1 January	409	411
Receipts	75	35
Payments	(76)	(37)
Balance at 31 December	408	409

7.3 Statement of Loans for Gaeltacht Housing

Loans issued towards Gaeltacht housing under the Housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof:

		2015	2014
	€000	€000	€000
Opening balance on 1 January		189	201
Annual penal interest accrued		4	4
Write-off of loans		—	—
Interest written off		(1)	(4)
Repayments			
Principal	(7)		
Interest	(2)	(9)	(12)
Closing balance on 31 December		183	189

Appendix

State-owned lands and buildings controlled or managed by the Department which do not have valuations

The Department currently manages six National Park locations, namely

1 Ballycroy National Park
2 The Burren National Park
3 Connemara National Park
4 Glenveagh National Park
5 Killarney National Park
6 Wicklow Mountains National Park

In 2013, the Department commenced a long-term project aimed at developing an electronic property information database for land and buildings acquired by the Department. This work continued in 2015.

Appropriation Account 2015

Vote 34

Environment, Community and Local Government

Introduction

As Accounting Officer for Vote 34, 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 2015 for the salaries and expenses of the Office of the Minister for the Environment, Community and Local Government, including grants to Local Authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies and grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €42.94 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 have been applied in the preparation of the account except for the following:

Multi-Annual Capital Commitments

Legally enforceable capital commitments are reported on at the threshold of €12.697 million.

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.7).

Capital assets

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset was placed in service. Buildings are depreciated at 5% per annum while land is not depreciated. Motor vehicles are depreciated at 20% per year over 5 years, plant and machinery are depreciated over 10 years at 10% per year and radar equipment depreciation is over 15 years.

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.

Since 23 November 2015 the Department's payroll function is provided on a shared services basis by Shared Services (Vote 18) and I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and Shared Services.

The Accounting Officer of the Department of Public Expenditure and Reform is also the Accounting Officer for Vote 18 and is responsible for the operation of controls within the Shared Services Centres.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of five contracts (in excess of €25,000, ex VAT) to the value of €343,509 (ex VAT) which were awarded without competitive tender for exceptional reasons. The Department has provided details of these exceptional one-off contracts as part of the annual return in respect of Circular 40/2002 to the Office of the Comptroller and Auditor General and the Department of Public Expenditure and Reform. These contracts primarily relate to expenditure on IT licences, specialist radar equipment and services contracts.

Significant financial risks

The Department continues to have regard to significant financial and other business related risks via the Departmental Risk Register. The Register is a living document and is updated to take account of new risks identified or of changes to existing risks.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

John McCarthy
Accounting Officer
Department of the Environment, Community and Local Government

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Environment, Community and Local Government

I have audited the appropriation account for Vote 34 Department of Environment, Community and Local Government for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 34 Department of Environment, Community and Local Government for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Environment, Community and Local Government. The appropriation account is in agreement with the accounting records.

Reporting on matters arising from audit

Chapter 4 and 5 of my report on the accounts of the public services for 2015 refer to certain matters relating to Vote 34 Department of Environment, Community and Local Government.

Seamus McCarthy

Comptroller and Auditor General

21 July 2016

Vote 34 Environment, Community and Local Government

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Housing	686,708	646,329	594,593
B	Water services	168,601	130,700	36,450
C	Environment and waste management	35,036	30,315	33,184
D	Local Government	269,885	275,096	36,237
E	Community and rural development	133,298	124,065	181,640
F	Planning	16,357	21,383	18,955
G	Met Éireann	19,072	15,410	15,061
	Gross expenditure	**1,328,957**	**1,243,298**	**916,120**
	Deduct			
H	**Appropriations-in-aid**	**47,558**	**45,920**	**85,607**
	Net expenditure	**1,281,399**	**1,197,378**	**830,513**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	84,020,997	15,078,353
Deferred surrender	(41,078,000)	—
Surplus to be surrendered	42,942,997	15,078,353

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	47,291	46,350	45,786
ii	Travel and subsistence	1,465	1,327	1,227
iii	Training and development and incidental expenses	1,642	798	974
iv	Postal and telecommunications services	1,284	777	779
v	Office equipment and external IT services	8,486	6,577	6,126
vi	Office premises expenses	1,339	418	512
vii	Consultancy services and value for money and policy reviews	171	27	—
		61,678	**56,274**	**55,404**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		1,187,024	860,716
Pay		46,350	45,786
Non pay		9,924	9,618
Gross expenditure		**1,243,298**	**916,120**
Deduct			
Appropriations-in-aid		**45,920**	**85,607**
Net expenditure		**1,197,378**	**830,513**
Changes in capital assets			
Purchases cash	(958)		
Depreciation	1,035		
Loss on disposals	6		
		83	309
Changes in assets under development			
Cash payments		(117)	(295)
Changes in net current assets			
Decrease in closing accruals	(165)		
Decrease in stocks	158		
		(7)	(3,431)
Direct expenditure		**1,197,337**	**827,096**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		19,978	19,059
Notional rents		3,125	3,016
Net programme cost		**1,220,440**	**849,171**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 34 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	19	12
Vote 12 Superannuation and Retired Allowances		18,567	17,542
Vote 13 Office of Public Works		1,129	1,296
Vote 18 Shared Services		8	—
Central Fund – Ministerial pensions		255	209
		19,978	19,059

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	3,561	3,649
Capital assets under development	2.3	549	432
		4,110	**4,081**
Current assets			
Bank and cash	2.4	52,098	596
Stocks	2.5	201	359
Prepayments		3,455	4,022
Accrued income		5,299	4,117
Other debit balances	2.6	1,627	1,804
Total current assets		**62,680**	**10,898**
Less current liabilities			
Accrued expenses		7,252	7,482
Deferred income		769	109
Other credit balances	2.7	12,649	2,712
Net liability to the exchequer	2.8	41,076	(312)
Total current liabilities		**61,746**	**9,991**
Net current assets		**934**	**907**
Net assets		**5,044**	**4,988**
Represented by:			
State funding account	2.1	**5,044**	**4,988**

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			4,988	1,316
Disbursements from the Vote				
Estimate provision	Account	1,281,399		
Deferred surrender		(41,078)		
Surplus to be surrendered	Account	(42,943)		
Net vote			1,197,378	830,513
Expenditure (cash) borne elsewhere	1		19,978	19,059
Non cash expenditure – notional rent	1		3,125	3,016
Capital asset adjustments	2.2		15	255
Net programme cost	1		(1,220,440)	(849,171)
Balance at 31 December			**5,044**	**4,988**

2.2 Capital Assets

	Land and buildings	Plant, machinery and motor vehicles	Office and IT equipment	Furniture and fittings	Total
Gross assets	**€000**	**€000**	**€000**	**€000**	**€000**
Cost or valuation at 1 January 2015	427	281	24,509	3,510	28,727
Adjustments [a]	—	—	2	3	5
Additions	—	—	928	10	938
Disposals	—	(25)	(462)	(34)	(521)
Transfers to other Departments [b]	—	—	(43)	—	(43)
Cost or valuation at 31 December 2015	427	256	24,934	3,489	29,106
Accumulated depreciation					
Opening balance at 1 January 2015	24	213	21,858	2,983	25,078
Adjustments [a]	—	—	(11)	1	(10)
Depreciation for the year	—	21	889	125	1,035
Depreciation on disposals	—	(25)	(460)	(30)	(515)
Transfers to other Departments [b]	—	—	(43)	—	(43)
Cumulative depreciation at 31 December 2015	24	209	22,233	3,079	25,545
Net assets at 31 December 2015[c]	**403**	**47**	**2,701**	**410**	**3,561**
Net assets at 31 December 2014	**403**	**68**	**2,651**	**527**	**3,649**

[a] In order to reflect the most accurate valuation of assets, adjustments were required to the cost or valuation of gross assets at 1 January 2015, and to the accumulated depreciation at 1 January 2015 for the addition of furniture provided by the Office of Public Works for the decentralised offices at Newtown Road, Wexford, the removal of incorrectly capitalised IT hardware and the addition of IT hardware purchased in a prior year but not previously included on the asset register.

[b] The assets transferred relate to application licences for the Oracle Financial Management System moved to the Department of Justice and Equality and office equipment moved to the Department of Arts, Heritage and the Gaeltacht.

[c] The Department provides some accommodation and ICT services to the Heritage Division of the Department of Arts, Heritage and the Gaeltacht. The capital assets purchased by the Department of Environment, Community and Local Government up to 31 December 2012 and used in the provision of these services are recorded on its asset register. A process relating to the possible transfer of these assets to the Department of Arts, Heritage and the Gaeltacht commenced in 2014. It is intended that a schedule of all ICT Heritage Assets managed on behalf of the Department of Arts, Heritage and the Gaeltacht will be provided to that Department by mid-2016.

2.3 Capital Assets under Development

at 31 December	**€000**
Amounts brought forward at 1 January 2015	432
Cash payments in year	117
Transferred to asset register	—
Balance at 31 December 2015	549

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	51,970	(1,109)
Commercial bank account balance and cash	128	1,705
	52,098	596

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Meteorological consumables	98	255
IT consumables	43	45
Stationery	48	42
Cleaning materials	2	2
Other	10	15
	201	359

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable salary costs	310	422
Recoupable travel pass scheme	158	94
Recoupable travel costs	24	81
Imprests	5	8
Other debit suspense items	1,130	1,199
	1,627	1,804

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	1,148	793
Pension contributions	167	284
Pay Related Social Insurance	411	274
Value Added Tax	139	192
Professional Services Withholding Tax	36	35
	1,901	1,578
Payroll deductions held in suspense	389	284
Urban Development Fund	9,616	—
Other credit suspense items	743	850
	12,649	2,712

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	42,943	15,078
Deferred surrender	41,078	—
Exchequer grant undrawn	(42,945)	(15,390)
Net liability to the Exchequer	41,076	(312)
Represented by:		
Debtors		
Bank and cash	52,098	596
Debit balances: suspense	1,627	1,804
	53,725	2,400
Creditors		
Due to State	(1,901)	(1,578)
Credit balances: suspense	(10,748)	(1,134)
	(12,649)	(2,712)
	41,076	(312)

2.9 Matured Liabilities	**2015**	**2014**
at 31 December	**€000**	**€000**
Estimate of matured liabilities not discharged at 31 December	31	2

2.10 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
(a) Global commitments		
(i) Procurement subheads	—	—
(ii) Grant subheads	1,161,075	431,084
	1,161,075	431,084

(b) Multi-annual capital commitments

(Projects costing €12,697,380 or more)

1 Rural Water Programme	**Cumulative expenditure to 31 December 2014**	**Expenditure in 2015**	**Project commitments in subsequent years**	**Expected total spend lifetime of project 2015**	**Expected total spend lifetime of project 2014**
Project	**€000**	**€000**	**€000**	**€000**	**€000**
Galway DBO Bundle No 2[1]	18,295	503	172	18,970	18,766

2 Housing Projects	**Cumulative expenditure to 31 December 2014**	**Expenditure in 2015**	**Project commitments in subsequent years**	**Expected total spend lifetime of project 2015**	**Expected total spend lifetime of project 2014**
Construction Projects	**€000**	**€000**	**€000**	**€000**	**€000**
Fortunestown, Phase B1, Tallaght, Dublin 24	30,819	—	1,069	31,888	30,819
Pearse Street, Sallynoggin, Co. Dublin	16,424	—	53	16,477	16,477
Priory Hall Refurbishment, Donaghmede, Dublin 13 [2]	4,045	7,991	24,864	36,900	6,471
Bunratty (Phase 1C), Coolock, Dublin 17 [3]	—	—	13,540	13,540	—
Kilbride Lane, Bray, Co. Wicklow [3]	—	—	14,700	14,700	—
Total	51,288	7,991	54,226	113,505	53,767

[1] List of cumulative spend to end December 2014 revised since 2014.

[2] Excluded from 2014 account as the estimated cost of the scheme was under €12.7 million.

[3] New project entered into in 2015.

	Cumulative expenditure to 31 December 2014	**Expenditure in 2015**	**Project commitments in subsequent years**	**Expected total spend lifetime of project 2015**	**Expected total spend lifetime of project 2014**
Voluntary Housing	**€000**	**€000**	**€000**	**€000**	**€000**
Respond, Springfield, Tallaght, Dublin 24	22,681	—	1,175	23,856	23,699
Catholic Housing Aid, Fr. Scully House, Grenville Street, Dublin 1	16,388	—	555	16,943	16,943
Total	39,069	—	1,730	40,799	40,642

Regeneration Projects	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
Glen Phase 2, Cork City	12,776	—	3,500	16,276	12,832
Liberty House, Dublin City	13,231	—	338	13,569	13,569
Regeneration of Ballymun Flats	761,286	2,845	2,000	766,131	765,398
St. Michael's Estate, Dublin City	18,709	4,000	—	22,709	19,533
Total	806,002	6,845	5,838	818,685	811,332

Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Total cost increase in 2015 €000	Explanation
Fortunestown, Phase B1, Tallaght, Dublin 24	1,069	There was an increase due to a revised budget at the final account stage following the settlement of a contract dispute.
Priory Hall Refurbishment, Donaghmede, Dublin 13	30,429	The increase is due to this project being developed and approved on a phased basis. At the end of 2014 only the early phases had been approved. This project continues to be developed and approved in phases with one to five being approved at 31 December 2015. It's expected that phases six and seven will be approved in 2016.
Glen Phase 2, Cork City	3,444	The increase was due to a revised budget following the settlement of a contract dispute.
Regeneration of Ballymun Flats	733	There was an increase of less than 1% in the project cost at the final account stage due to routine variations between budgeted and actual expenditure.
St. Michael's Estate, Dublin City	3,176	There was an increase in the final account due to variations on the initial contract and additional professional fees associated with the delivery of the project.

2.11 Landfill Remediation

Cumulatively to 31 December 2015, a total of €126.487 million was expended from both the Vote and the Environment Fund on remediation of 51 landfill sites (€73.655 million from the Vote and €52.832 million from the Environment Fund). Future expenditure of €13.180 million is anticipated on remediation of 15 sites in 2016, the most significant single project being Kerdiffstown landfill in Co. Kildare. The precise funding requirement of Kerdiffstown landfill will become known when procurement at local authority level has concluded.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Housing**			
A.1	Administration - pay	8,550	8,218	7,728
A.2	Administration - non pay	1,934	1,533	1,470
A.3	Local authority housing	354,385	303,261	257,288
A.4	Voluntary and co-operative housing	114,537	106,718	101,201
A.5	Social inclusion	61,458	73,783	57,414
A.6	Estate regeneration - social housing improvements	99,830	106,580	120,944
A.7	Private housing grants	24,090	25,028	37,076
A.8	Subsidies and allowances	4,679	3,822	5,611
A.9	Other services	17,245	17,386	5,861
		686,708	**646,329**	**594,593**

Significant variations

Overall, the expenditure in relation to the Programme A was €40.38 million lower than provided. A significant element of these savings has been carried forward into Housing programmes in 2016. The lower than provided expenditure was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Local authority housing	51,124	Savings of €25.8 million arose mainly due to the utilisation of the Rental Accommodation Scheme reserves by local authorities and lower than anticipated demand for the long-term leasing initiative. Additional savings of €17.6 million arose due to the reclassification of expenditure on returning vacant properties to productive use, A.6 (Estate regeneration – social housing improvements). Further savings of €7.6 million arose from slower than anticipated delivery of the Housing Assistant Payment (HAP) scheme in the first half of 2015.
Voluntary & co-operative housing	7,819	Expenditure was lower than expected on the Capital Assistance Scheme due to projects not progressing as quickly as anticipated. However, there were higher than expected level of claims submitted by local authorities on the Capital Loans & Subsidy Scheme.
Social inclusion	(12,325)	Additional expenditure arose due to the rising demands for homeless services and additional support costs in respect of traveller accommodation services.

Description	Less/ (more) than provided €000	Explanation
Estate regeneration - social housing improvements	(6,750)	Additional expenditure arose on returning some 2,700 social housing units to productive use compared to the expected 1,000 units.
Subsidies and allowances	857	Expenditure was lower than anticipated due to the decrease in the number of applications under the mortgage allowance scheme and the affordable housing and shared ownership schemes.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	**Water Services**			
B.1	Administration - pay	5,442	4,824	5,097
B.2	Administration - non pay	1,175	973	929
B.3	Water quality programme	11,000	13,589	13,947
B.4	Rural water programme	17,535	16,881	16,005
B.5	Foreshore	3,415	110	472
B.6	Water conservation grant	130,000	94,323	—
B.7	Other services	34	—	—
		168,601	**130,700**	**36,450**

Significant variations

Overall, the expenditure in relation to the Programme B was €37.90 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Water quality programme	(2,589)	Expenditure relating to road opening protocols incurred by local authorities in respect of the Irish Water metering programme was greater than anticipated.
Foreshore	3,305	Spending in respect of legal costs, valuations and contingencies was less than anticipated.
Water conservation grant	35,677	The Water Conservation Grant is a demand led scheme and savings arose due to a lower than anticipated level of applications.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Environment and Waste Management**			
C.1	Administration - pay	5,932	5,481	5,736
C.2	Administration - non pay	1,844	1,671	1,609
C.3	Environmental Protection Agency	18,713	18,646	15,738
C.4	Environmental radiation policy	—	—	2,398
C.5	Carbon Fund	—	—	—
C.6	International climate change commitments	—	—	—
C.7	Landfill remediation	8,500	4,506	7,673
C.8	Other services	47	11	30
		35,036	**30,315**	**33,184**

Significant variations

Overall, the expenditure in relation to the Programme C was €4.72 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Landfill remediation	3,994	The savings arose because the landfill remediation at Kerdiffstown, County Kildare and other projects did not progress as quickly as anticipated.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	**Local Government**		.	
D.1	Administration - pay	8,757	7,925	7,995
D.2	Administration - non pay	2,004	1,703	1,681
D.3	Local Government Fund	233,100	241,100	—
D.4	Fire and emergency services	8,792	6,574	7,460
D.5	Local authority library and archive service	2,400	2,597	2,199
D.6	Franchise	2,585	1,138	235
D.7	Other services	12,247	14,059	16,667
		269,885	**275,096**	**36,237**

Significant variations

Overall, the expenditure in relation to the Programme D was €5.21 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Local Government Fund	(8,000)	Additional expenditure arose in supporting local authorities in their response to the severe flooding event in December 2015.
Fire and emergency services	2,218	The savings arose due to the expenditure on the Joint Procurement of Fire Appliances project and a number of other projects not progressing as quickly as anticipated.
Local authority library and archive service	(197)	Additional expenditure arose to meet greater than expected library lease recoupment payments to local authorities.
Franchise	1,447	The savings arose due to the Department sponsoring fewer than anticipated referendums in 2015.
Other services	(1,812)	Additional expenditure arose mainly due to exceptional costs borne by local authorities in relation to tourism infrastructure, certain piers, harbours and other facilities following storm damage in early 2014. Total storm damage related expenditure in the year was €11.73 million. Funding of storm damage that occurred in early 2014 is now closed.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E	**Community and Rural Development**			
E.1	Administration – pay	4,661	6,249	6,088
E.2	Administration - non pay	663	680	668
E.3	Supports for community and voluntary sector (part funded by National Lottery)	12,624	10,794	10,184
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	45,407	45,134	47,971
E.5	RAPID	500	317	170
E.6	Dormant accounts measures	6,726	3,346	2,342
E.7	Western Development Commission	1,488	1,283	1,413
E.8	National rural development schemes	3,816	3,945	5,182
E.9	LEADER – rural economy sub-programme	45,000	35,268	92,358
E.10	Programme for Peace and Reconciliation	11,174	16,129	12,445
E.11	INTERREG programme	511	227	2,149
E.12	Tidy Towns competition (note 6.6)	1	1	1
E.13	Irish Water Safety	657	657	657
E.14	Other services	70	35	12
		133,298	**124,065**	**181,640**

Significant variations

Overall, the expenditure in relation to the Programme E was €9.23 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - pay	(1,588)	The budget allocation for this programme under performance budgeting was underestimated because of administrative changes to the Community and Rural Development Division. This is offset by savings in pay across other programme areas. Overall, there were savings in pay of €0.941 million across the Department.
Supports for community and voluntary sector	1,830	Savings of €1 million arose due to delay in establishment of the arrangements for implementation of a Community Sector Redundancy Fund. Savings also arose due to the slower than projected transition of the management and administration of the Seniors Alert scheme to Pobal.
RAPID	183	The saving arose as expenditure by other public bodies to be co-funded under the scheme was lower than expected.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts measures	3,380	Savings arose due to lower than anticipated drawdown of funding by certain projects. Further savings arose due to delay in implementation of the Gateway Initiative and Youth Employment Initiative.
Western Development Commission	205	The savings arose due to unfilled staff vacancies and lower than anticipated pension related costs.
LEADER - rural economy sub-programme	9,732	Savings arose mainly because the roll-out of the Rural Development Programme 2014-2020 was delayed as the operational programme was not approved by the European Commission until May 2015.
Programme for Peace and Reconciliation	(4,955)	Additional funding was required in order to meet claims in advance of the closure of the Peace III Programme.
INTERREG programme	284	The savings arose due to lower than expected final claims on projects under the Environment and Community measures of the INTERREG (IV) Programme.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	**Planning**			
F.1	Administration - pay	1,552	1,506	1,257
F.2	Administration - non pay	92	101	85
F.3	An Bord Pleanála	13,558	15,036	12,250
F.4	Planning Tribunal	1,045	4,740	5,326
F.5	Other services	110	—	37
		16,357	**21,383**	**18,955**

Significant variations

Overall, the expenditure in relation to the Programme F was €5.03 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
An Bord Pleanála	(1,478)	Additional funding was required to meet legal costs following the implementation of new European Union measures.
Planning Tribunal	(3,695)	Additional funding was required to meet third party legal costs arising from the work of the Planning Tribunal.
Other services	110	Expenditure was lower than expected on legal services because of a lower level of activity arising.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
G	**Met Éireann**			
G.1	Administration - pay	12,397	12,147	11,885
G.2	Administration - non pay	6,675	3,263	3,176
		19,072	**15,410**	**15,061**

Significant variations

Overall, the expenditure in relation to the Programme G was €3.66 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – non pay	3,412	Savings arose due to the Aviation Modernisation and Automation Project (AMAP) and some other projects not progressing as quickly as anticipated.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Fees payable by local authorities, etc., for audit of their accounts	1,830	2,506	2,169
2.	Receipts from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation) Act, 2005)	741	741	741
3.	Met Éireann receipts	9,300	9,242	9,507
4.	Miscellaneous receipts	250	836	314
5.	Foreshore receipts	2,000	2,163	1,418
6.	Programme for Peace and Reconciliation	13,311	9,973	9,669
7.	Dormant accounts - administration	750	750	400
8.	Dormant accounts - programme expenditure	5,976	2,595	1,942
9.	LEADER rural economy programme expenditure	8,100	11,450	53,790
10.	Receipts from pension-related deduction on public service remuneration	5,300	5,664	5,657
	Total	**47,558**	**45,920**	**85,607**

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Fees payable by local authorities, etc., for audit of their accounts	(676)	Demands for audit fees are issued on an ongoing basis as audits are completed. Income was higher than expected due to the receipt of outstanding fees.
Miscellaneous receipts	(586)	An unexpected EU advance payment in relation to the adoption of the Programme for Employability, Inclusion and Learning (PEIL) 2014-2020 under the ESF was received.
Foreshore receipts	(163)	Foreshore receipts are difficult to predict reliably and were higher than expected.
Programme for Peace and Reconciliation	3,338	There were lower than expected receipts from EU funds due to the impact of a variety of factors, such as the fluctuation in the euro/sterling exchange rate and delays by projects in the submission of actual vouched expenditure, which affected the amount and timing of payments.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts - programme expenditure	3,381	This receipt relates to recoupment from the Dormant Accounts Fund of programme expenditure arising under E.6 (Dormant accounts measures). Expenditure from E.6 was less than expected in 2015 due to lower than anticipated drawdown of funding by certain projects. Further savings arose due to delay in implementation of the Gateway Initiative.
LEADER - rural economy programme expenditure	(3,350)	The greater than expected receipts arose due to the revision of the programme financial plan in 2015 by the Department of Agriculture, Food and the Marine.
Receipts from pension-related deductions on public service remuneration	(364)	The increase arose due to greater than estimated intake of pension related deductions from staff in the Department and in the state agencies under its remit.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	—	—
Emissions trading scheme[a]	52,183	39,597
Proceeds of the Hatherton Fund from National Building Agency	1,000	—
Refund from The World Bank/European Investment Bank	710	—
Payment under Pyrite Resolution Act 2013	484	—
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	196	22
Refund from Dublin City Council	117	—
PRTB pension contributions	33	33
Proceeds from sale of property	—	21
Voluntary surrender of pay	—	4
Transfer to the Exchequer	(54,723)	(39,677)
Balance at 31 December	—	—

[a] Since the start of the third trading period in 2013, auctioning has become the main method for allocating carbon allowances under the EU Emissions Trading Scheme. Ireland, in common with other member states, participates in the EU centralised auctioning facility where the allowances are auctioned on the open market. Following completion of the auctions, the proceeds are distributed among the member states concerned. The EPA was appointed EU Emissions Trading Auctioneer for Ireland. The EPA retained €1,279,531 of emission receipts in 2015 for carrying out these regulatory and administrative functions for the scheme in accordance with the Department of Public Expenditure and Reform sanction. The 2015 gross emission trading receipts were €53,462,360 before the EPA costs were deducted.

5 Employee Numbers and Pay

		2015	2014
Number of staff at year end (full time equivalents)			
	Department	721	721
	Agencies	681	678
		1,402	1,399

The number of staff at year end in the Department's agencies includes a number of non-commercial state agencies that are not in direct receipt of Exchequer funding.

	2015	2014
	€000	€000
Pay	41,532	41,146
Higher, special or additional duties allowance	315	329
Other allowances	1,745	1,748
Overtime	442	422
Employer's PRSI	2,497	2,387
Total pay	**46,531**	**46,032**

5.1 Allowances and Overtime Payments [1]

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	61	7	18,313	17,602
Other allowances	144	78	25,759	20,867
Overtime	95	15	20,347	20,285
Number of individuals who received extra remuneration in more than one category	74	66	41,326	40,089

[1] The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to G. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned.

5.2 Other Remuneration Arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €95,362. Pension abatement applied.

5.3 Payroll Overpayments

Overpayments at the year end were €16,476 (12 cases) (2014 €16,837, 29 cases). Recovery plans are in place for four of these cases and the Department is in the process of implementing recovery plans for the remaining cases.

6 Miscellaneous

6.1 EU Funding

The outturn shown in subheads A.6, E.10 and E.11 includes payments in respect of activities co-financed by the European Regional Development Fund. The outturn shown in subhead E.4 includes payments in respect of activities co-financed by the European Social Fund. The outturn shown in subhead E.9 includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development. Estimates of EU funding and outturns, based on expenditure and co-financing rates, were as follows:

		2015		2014
		Estimate	Outturn	Outturn
			€000	€000
Sub-head	Description			
A.6	Estate regeneration – social housing improvements	5,741	5,741	—
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	4,000	3,834	—
E.9	LEADER - Rural economy sub-programme	34,950	28,487	78,504
E.10	Programme for peace and reconciliation	6,035	8,790	6,783
E.11	INTERREG programme	308	170	1,611
		51,034	47,022	86,898

6.2 Committees and Commissions

	Year of appointment	Cumulative expenditure to end 2015	2015 Outturn	2014 Outturn
		€000	€000	€000
Tribunal of Inquiry into certain planning matters and payments	1997	116,020	4,740	5,326

There will be further payments associated with the Tribunal of Inquiry into certain planning matters and payments. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. Expenditure to the end of 2015 was €116 million. On the basis of a Tribunal estimate and expenditure to the end of 2015, additional costs of €43 million may arise, primarily relating to third party legal representation.

6.3 National Lottery Funding

Sub-head	Description	2015 Estimate €000	2015 Outturn €000	2014 Outturn €000
A.4	Voluntary and co-operative housing	737	200	764
A.7	Private housing grants	4,150	4,150	5,570
E.3	Supports for community and voluntary sector (part funded by National Lottery)	7,750	6,881	6,029
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	4,024	4,569	5,347
		16,661	15,800	17,710

Details are available on the Department's website:
http://www.housing.gov.ie/corporate/finance/national-lottery-funding/national-lottery-funding

6.4 Legal Costs

	Number of cases	Compensation awarded €000	Legal costs awarded €000	2015 Total €000	2014 Total €000
Claims by employees of the Vote	—	—	—	—	—
Claims by external organisations/ individuals	7	2,894	396	3,290	310
		2,894	396	3,290	310

A payment of €2,904,332 made up of compensation and legal costs, was made following a High Court judgement in respect of a land-swap arrangement with a house building company under the affordable housing initiative in line with Department of Public Expenditure and Reform sanction.

6.5 Contingent Liability

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

6.6 Tidy Towns Funding

In addition to voted money (€1,000 - subhead E.12), sponsorship totalling €493,898 was administered and expended on the Tidy Towns competition through a vote suspense account.

6.7 Payments to Pobal

In accordance with the Department's accounting policy, the total paid to Pobal in the year (€21.993 million) was charged to the relevant subheads as set out below.

		2015	2014
		€000	€000
Sub-head	**Description**		
E.3	Supports for community and voluntary sector (part funded by National Lottery)	4,764	1,934
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	13,130	42,520
E. 6	Dormant accounts measures	2,379	764
E. 9	LEADER – rural economy sub-programme	1,720	196
		21,993	45,414

At 31 December 2015, Pobal had accrued balances totalling €3.20 million in relation to programmes it delivers for the Department (2014: €2.56 million).

6.8 Deferred Surrender

Under the provisions of Section 91 of the Finance Act 2004, €41,078,000 of unspent allocation in respect of the capital elements of subheads A.4, A.9, B.7, C.3 and C.6 was carried forward to 2016.

6.9 Write-Offs

Sanction was obtained from the Department of Public Expenditure and Reform to write off €72,101 under the Programme for Peace and Reconciliation 2007 – 2013.

Appropriation Account 2015

Vote 35

Army Pensions

Introduction

As Accounting Officer for Vote 35, 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 2015 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015 including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €23,896 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 have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Shared Services

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

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.

Significant financial risks

No significant financial risks have been identified for Vote 35 Army Pensions.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Maurice Quinn
Accounting Officer
Department of Defence

26 February 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 35 Army Pensions

I have audited the appropriation account for Vote 35 Army Pensions for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 35 Army Pensions for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Defence. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

8 September 2016

Vote 35 Army Pensions
Appropriation Account 2015

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Provision for Defence Forces' pension benefits				
	Original	220,990			
	Supplementary	6,500			
			227,490	227,442	225,674
	Gross expenditure				
	Original	220,990			
	Supplementary	6,500			
			227,490	**227,442**	**225,674**
	Deduct				
B	**Appropriations-in-aid**		**5,400**	**5,376**	**5,503**
	Net expenditure				
	Original	215,590			
	Supplementary	6,500			
			222,090	**222,066**	**220,171**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	23,896	19,326

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015 €000	2014 €000
Programme cost	227,369	225,604
Pay	58	56
Non pay	15	14
Gross expenditure	**227,442**	**225,674**
Deduct		
Appropriations-in-aid	**5,376**	**5,503**
Net expenditure	**222,066**	**220,171**
Net allied services expenditure (note 1.1)	2,079	1,672
Net programme cost	**224,145**	**221,843**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 35 borne elsewhere in respect of administration salaries and other services.

		2015 €000	2014 €000
Vote 18 Shared Services		229	—
Vote 36 Defence	e	1,850	1,672
		2,079	1,672

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Current assets			
Bank and cash	2.2	40	61
Other debit balances	2.3	5	1
Total current assets		**45**	**62**
Less current liabilities			
Other credit balances	2.4	23	45
Net liability to the Exchequer	2.5	22	17
Total current liabilities		**45**	**62**
Net current assets		—	—
Net assets		—	**—**
Represented by:			
State funding account	2.1	—	—

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	222,090		
Surplus to be surrendered	Account	(24)		
Net vote			222,066	220,171
Expenditure (cash) borne elsewhere	1.1		2,079	1,672
Net programme cost	1		(224,145)	(221,843)
Balance at 31 December			**—**	**—**

2.2 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances	36	61
Commercial bank account	4	—
	40	61

2.3 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Other debit suspense items	5	1
	5	1

2.4 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax, etc.	3	3
	3	3
Payroll payments held in suspense	20	42
	23	45

2.5 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus appropriations to be surrendered	24	19
Exchequer grant undrawn	(2)	(2)
Net liability to the Exchequer	22	17
Represented by:		
Debtors		
Bank and cash	40	61
Debit balances: suspense	5	1
	45	62
Creditors		
Due to State	(3)	(3)
Credit balances: suspense	(20)	(42)
	(23)	(45)
	22	17

3 Programme Expenditure by Subhead

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A	**Provision for Defence Forces' pension benefits**				
A.1	Administration – pay		70	73	70
A.2	Defence Forces pensions schemes and payments in respect of transferred service				
	Original	211,395			
	Supplementary	7,210	218,605	218,563	216,717
A.3	Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces				
	Original	8,700			
	Supplementary	(428)	8,272	8,256	8,281
A.4	Payments to dependents of veterans of the War of Independence				
	Original	500			
	Supplementary	(77)	423	426	563
A.5	Compensation payments				
	Original	225			
	Supplementary	(152)	73	73	4
A.6	Medical appliances and travelling and incidental expenses				
	Original	100			
	Supplementary	(53)	47	51	39
			227,490	227,442	225,674

Significant variations

A supplementary estimate of €7.21 million was required on Subhead A2 to meet the costs of increased numbers of army pensioners. This was partly offset by savings of €0.71 million arising on Subheads A3 to A6, which are demand driven. In any given year, it is very difficult to accurately predict the exact numbers of voluntary retirements from the Defence Forces with entitlement to immediate retirement benefits, the level of which will vary depending on service, retiring rank and pensionable pay. This can contribute to greater than expected expenditure. The original allocation was not sufficient to meet all requirements in 2015.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Contributions to Defence Forces Spouses' and Children's Pension Schemes	3,747	3,809	3,952
2.	Contributions to Defence Forces Contributory (Main) Pensions Schemes	1,500	1,513	1,514
3.	Recoveries of overpayments	40	43	22
4.	Payments received in respect of transferred service	40	2	12
5.	Miscellaneous	70	6	—
6.	Receipts from pension-related deduction on public service remuneration	3	3	3
	Total	5,400	5,376	5,503

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	1	1

	2015 €000	2014 €000
Pay	57	55
Employer's PRSI	1	1
Total pay	**58**	**56**

One staff member provides administrative support to the Army Pensions Board

Currently there are 17.8 employees (FTEs) of the Department of Defence engaged solely in the administration of pensions and other related payments. (The numbers so engaged has reduced as a result of the transfer of the military pensions payroll and its associated 6.5 employees (FTEs) in October 2015 to the Payroll Shared Services Centre in the Department of Public Expenditure and Reform). The payroll costs in 2015 amounted to some €1.1 million which was charged to Vote 36.

5.1 Retirement pension (annual) – average payments to retired Defence Forces personnel[a]

Category of pensioner	Number of pension recipients at year-end		Average individual payment (rounded)	
	2015	2014	2015 €	2014 €
Retired officers	1,736	1,696	30,500	30,600
Retired NCOs and privates	8,425	8,309	16,400	16,500
Dependants and other[b]	1,967	2,033		
Totals	**12,128**	**12,038**		

[a] Table 5.1 shows the total headcount for all categories of recipient from all subheads within Vote 35 as at year-end. Superannuation-type benefits by way of pension and gratuity (lump sum) payable to former members of the Permanent Defence Force and the dependants of deceased members account for some 95% of all military pensions' expenditure. Some retired personnel are in receipt of both a military retirement pension and a military disability pension, and similar payments are also payable to some spouses/children of deceased personnel: such dual recipients are counted only once for headcount purposes above.

[b] The average payment has not been recorded above under 'Dependants and other' as the amounts vary due to the different categories of recipients within this sub-group. The overall average dependants' superannuation-related pension in 2015 was €9,000, broadly the same as in 2014.

5.2 Retirement gratuity (lump sum) – average payments where retiring on pension[a]

Category of pensioner	Number of recipients		Average individual payment (rounded)	
	2015	2014	2015	2014
			€	€
Officers – new retirees on pension during the year	59	71	73,100	85,500
NCOs and privates – new retirees on pension during the year	259	188	35,300	42,500

[a] The level of pension and retirement gratuity will vary with retiring rank, pensionable earnings, overall reckonable service and so on.

6 Miscellaneous

6.1 Overpayments

There were 56 overpayment cases at year end (2014: 81) amounting to €31,193, of which €5,698 relates to previous years. Overpayments of €62,287 came to light in 2015 of which €35,885 was recovered and €907 written off. Efforts are ongoing to recover the outstanding amounts.

	€	2015 €	2014 €
Opening balance		**50,303**	**46,015**
Identified overpayment in year		62,287	58,921
		112,590	104,936
Recouped			
Overpayments Identified 2015	35,885		
Overpayments Identified Pre-2015	29,934		
		65,819	51,395
		46,771	53,541
Written off			
Overpayments Identified 2015	907		
Overpayments Identified Pre-2015	14,671		
		15,578	3,238
Closing balance		**31,193**	**50,303**

Appropriation Account 2015

Vote 36

Defence

Introduction

As Accounting Officer for Vote 36, 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 2015 for the salaries and expenses of the Office of the Minister for Defence, including certain services administered by that Office; for the pay and expenses of the Defence Forces; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €13.68 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 have been applied in the preparation of the account except for the following:

Stock valuation

Military and Air Corps stocks include certain items that have been refurbished. Military stocks are valued at average cost. Air Corps stocks are valued at purchase price. Departmental stocks are valued at their most recent purchase price.

Depreciation

Military assets are depreciated to residual values at rates varying between 3% and 20% per annum using the straight line method.

Capital assets

Capital assets include military equipment with a valuation of less than €1,000.

A schedule of land and buildings administered by the Department of Defence is attached. As valuations for all of these properties are not available, they are not included in capital assets (Note 2.2).

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.

Financial Control Environment

I confirm that a control environment containing 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.

Administrative Controls and Management Reporting

I confirm that 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

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of 71 contracts to the value of €14 million which were listed in my annual return in respect of Circular 40/2002. These contracts primarily relate to expenditure on specialised defensive equipment, IT licences and military aircraft and naval vessels parts and equipment.

Shared Services

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

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Significant financial risks

The Department has a system of internal controls in place to identify all financial risks. Risks are identified, assessed, categorised and recorded on the Department's risk register, along with the controls which mitigate against those risks.

Military stock and inventory

Given the variety and volume of military stock required to be held by the Defence Forces, the valuation of inventory is a significant task. The value of military stock has been significantly reduced in recent years following the re-organisation of the Defence Forces and initiatives to identify and remove slow moving and obsolete stock items. Considerable work has also been undertaken on the on-going project to re-classify certain categories of inventory as fixed assets (including the re-classification of low value high volume items from inventory to assets). An external review of military inventory has been carried out and the recommendations are being progressed. These processes are on-going and will result in enhanced validity and accuracy of inventory valuation and reporting.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Maurice Quinn
Accounting Officer
Department of Defence

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 36 Defence

I have audited the appropriation account for Vote 36 Defence for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 36 Defence for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Defence. The appropriation account is in agreement with the accounting records.

Reporting on matters arising from audit

Chapter 8 of my report on the accounts of the public services for 2015 refers to certain other matters relating to Vote 36 Defence.

Seamus McCarthy

Comptroller and Auditor General

27 September 2016

Vote 36 Defence
Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Defence policy and support, military capabilities and operational outputs	677,291	670,539	672,960
	Gross expenditure	**677,291**	**670,539**	**672,960**
	Deduct			
B	**Appropriations-in-aid**	**37,887**	**44,819**	**45,345**
	Net expenditure	**639,404**	**625,720**	**627,615**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	13,684,310	13,577,097

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	18,373	17,236	17,046
ii	Travel and subsistence	520	461	504
iii	Training and development and incidental expenses	210	217	175
iv	Postal and telecommunications services	675	609	576
v	Office equipment and external IT services	2,547	2,230	2,361
vi	Office premises expenses	1,125	687	957
vii	Consultancy services and value for money and policy reviews	25	14	—
viii	EU Presidency	—	—	7
		23,475	21,454	21,626

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		649,085	651,334
Administration pay		17,236	17,046
Administration non pay		4,218	4,580
Gross expenditure		**670,539**	**672,960**
Deduct			
Appropriations-in-aid		**44,819**	**45,345**
Net expenditure		**625,720**	**627,615**
Changes in capital assets			
Purchases cash	(65,587)		
Depreciation	38,756		
Loss on disposals	7,040		
Disposals cash	586		
		(19,205)	(43,379)
Changes in assets under development			
Cash payments		(7,833)	(6,412)
Changes in net current assets			
Decrease in closing accruals	(5,230)		
Decrease in stock	23,148		
		17,918	19,655
Direct expenditure		**616,600**	**597,479**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		8,891	8,226
Notional rents		1,207	1,071
Net programme cost		**626,698**	**606,776**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 36 borne elsewhere and amounts borne on the vote in respect of other services.

		2015	2014
		€000	€000
Vote 1 President's Establishment	e	(408)	(409)
Vote 2 Department of the Taoiseach	e	(72)	(58)
Vote 9 Revenue Commissioners	e	1	2
Vote 12 Superannuation and Retired Allowances	e	10,129	9,504
Vote 13 Office of Public Works	e	886	742
Vote 18 Shared Services	e	63	-
Vote 35 Army Pensions	e	(1,850)	(1,672)
Central Fund – Ministerial pensions	e	142	117
		8,891	**8,226**

"e" indicates that the number is an estimate value or an apportioned cost

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	430,214	363,934
Capital assets under development	2.3	5,507	365
		435,721	**364,299**
Current assets			
Bank and cash	2.4	8,320	5,665
Stocks	2.5	220,422	243,570
Prepayments	2.6	70,530	110,394
Accrued income		6,232	1,695
Other debit balances	2.7	825	618
Total current assets		**306,329**	**361,942**
Less current liabilities			
Accrued expenses		4,169	2,156
Deferred income		39	45
Other credit balances	2.8	7,018	5,432
Net liability to the Exchequer	2.9	2,127	851
Total current liabilities		**13,353**	**8,484**
Net current assets		292,976	353,458
Net assets		**728,697**	**717,757**
Represented by:			
State funding account	2.1	**728,697**	**717,757**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			717,757	693,330
Disbursements from the Vote				
Estimate provision	Account	639,404		
Surplus to be surrendered	Account	(13,684)		
Net vote			625,720	627,615
Expenditure (cash) borne elsewhere	1		8,891	8,226
Non cash expenditure – notional rent	1		1,207	1,071
Transfers – capital assets under development	2.3		(2,691)	(9,115)
Asset reclassifications	2.2		4,511	3,406
Net programme cost	1		(626,698)	(606,776)
Balance at 31 December			**728,697**	**717,757**

2.2 Capital Assets

	Military equipment	Civil Defence equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2015	903,162	2,647	40,969	3,628	950,406
Reclassification from stock[a]	18,034	—	238	—	18,272
Additions	103,108	773	4,233	37	108,151
Disposals	(66,584)	(59)	(2,137)	(16)	(68,796)
Cost or valuation at 31 December 2015	957,720	3,361	43,303	3,649	1,008,033
Accumulated depreciation					
Opening balance at 1 January 2015	547,667	754	35,655	2,396	586,472
Depreciation on reclassified items[a]	13,606	—	155	—	13,761
Depreciation for the year	36,515	287	1,747	207	38,756
Depreciation on disposals	(59,077)	(15)	(2,068)	(10)	(61,170)
Cumulative depreciation at 31 December 2015	538,711	1,026	35,489	2,593	577,819
Net assets at 31 December 2015	**419,009**	**2,335**	**7,814**	**1,056**	**430,214**
Net assets at 31 December 2014	**355,495**	**1,893**	**5,314**	**1,232**	**363,934**

[a] Certain items which were previously recorded as stock have been reclassified as capital assets, including military equipment with a valuation of less than €1,000.

The Department of Defence administers land (approx. 8,300 hectares) and buildings at approx. 63 different locations, as well as 19 properties outside of barracks which serve as married quarters. Land and buildings are not included in capital assets.

2.3 Capital Assets under Development

at 31 December	Construction contracts
	€000
Amounts brought forward at 1 January 2015	365
Cash payments in year	7,833
Transferred to asset register [a]	(2,691)
Amounts brought forward at December 2015	5,507

[a] Notional transfer to asset register.

2.4 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balance	7,834	4,662
Other bank and cash balances	486	1,003
	8,320	5,665

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Military stocks		
Opening balance 1 January	242,986	264,448
Purchases during the year	42,617	41,029
Issues during the year	(39,438)	(50,710)
Write-offs, obsolete stock, etc.[a]	(8,226)	(4,900)
Adjustment	—	2,726
Reclassification to fixed assets[b]	(18,585)	(9,607)
	219,354	242,986
Civil Defence	1,017	529
Stationery	22	29
IT consumables	29	26
	220,422	243,570

[a] Work is ongoing to identify and remove slow moving and obsolete military stock items.

[b] Some military stock items were reclassified as assets in 2015 (see note 2.2).

2.6 Prepayments	**2015**	**2014**
at 31 December	**€000**	**€000**
Naval vessels construction (note 2.10 (c))	58,425	81,295
Other	12,105	29,099
	70,530	110,394

€58 million represents the cumulative advance payments for the third naval vessel, as part of the Naval Vessels Replacement Project.

2.7 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Suspense	825	618
	825	618

2.8 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Value Added Tax	6,802	5,185
Professional Services Withholding Tax	87	115
Income Tax	59	46
Pension contributions	27	25
Relevant Contracts Tax	15	16
Universal Social Charge	(13)	(12)
Pay Related Social Insurance	(8)	(25)
	6,969	5,350
Payroll deductions held in suspense	19	5
Other credit suspense items	30	77
	7,018	5,432

2.9 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus appropriations to be surrendered	13,684	13,577
Exchequer grant undrawn	(11,557)	(12,726)
Net liability to the Exchequer	2,127	851
Represented by:		
Debtors		
Bank and cash	8,320	5,665
Debit balances: suspense	825	618
	9,145	6,283
Creditors		
Due to State	(6,969)	(5,350)
Credit balances: suspense	(49)	(82)
	(7,018)	(5,432)
	2,127	851

2.10 Commitments at 31 December	2015 €000	2014 €000
Total of legally enforceable commitments	33,063	76,286

(A) Global commitments

The figure of €33 million includes €15 million for the purchase of defensive equipment, €10 million for the Naval Vessel Replacement Programme and €5 million for built infrastructure.

(B) Multi-annual capital commitments

Expenditure in 2015 and commitments to be met in subsequent years on foot of projects, to be funded from subheads containing voted capital provisions, where legally enforceable contracts were in place:

	2015 €000	2014 €000
Expenditure	89,418	6,412
Commitments to be met in subsequent years	28,901	4,812

In 2015 certain categories of expenditure, previously classified as current, were reclassified as capital expenditure in order to comply with the European System of Accounts.

(C) Major projects

Expenditure on projects where the total estimated cost will exceed €6.35 million.

Project	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
Naval vessel replacement programme	142,655	46,740	9,963	199,358	199,358
Naval service new vessel armament project	9,521	3,069	510	13,100	13,100
Armoured personnel carrier conversion project	7,352	912	73	8,337	8,337

In 2015, the second vessel in the Naval Vessel Replacement Programme was delivered. The third vessel is due to be delivered in 2016.

2.11 Matured Liabilities	2015	2014
at 31 December	€000	€000
Estimate of matured liabilities not discharged at year end	637	479

3 Programme Expenditure by Subhead

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	**Defence policy and support, military capabilities and operational outputs**			
A.1	Administration - pay	18,373	17,236	17,053
A.2	Administration - non pay	5,102	4,218	4,573
A.3	Permanent Defence Force: pay	417,466	389,935	395,573
A.4	Permanent Defence Force: allowances	35,279	34,286	34,337
A.5	Reserve Defence Force: pay, etc.	2,150	1,736	1,858
A.6	Chaplains and officiating clergymen: pay and allowances	1,225	1,048	1,187
A.7	Defence Force civilian support: pay and allowances, etc.	32,941	24,913	25,472
A.8	Defensive equipment	21,136	23,786	25,877
A.9	Air Corps: aircraft, equipment and support	15,450	17,080	16,936
A.10	Military transport	8,690	9,473	10,856
A.11	Naval Service: vessels, equipment and support	45,179	64,733	70,553
A.12	Barrack expenses and engineering equipment	13,510	13,763	13,200
A.13	Defence Force built infrastructure: construction and maintenance	18,522	15,191	13,743
A.14	Defence Force uniforms, clothing, equipment and catering	11,970	12,873	11,633
A.15	Defence Force communications and IT	7,140	10,810	7,623
A.16	Military education and training	2,050	2,225	1,912
A.17	Defence Force logistics and travel	2,218	2,796	2,707
A.18	Defence Force medical and healthcare support	2,555	3,625	2,599
A.19	Lands	1,000	1,221	1,215
A.20	Equitation	860	908	943
A.21	Litigation and compensation costs	5,000	3,730	4,244
A.22	Miscellaneous expenditure	3,066	2,621	2,401
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	1,300	1,202	1,191
A.24	Civil Defence	4,240	5,261	4,405
A.25	Irish Red Cross Society	869	5,869	869
	Total	**677,291**	**670,539**	**672,960**

Significant variations

Overall, the expenditure in relation to Programme A was **€6.75** million lower than provided. This was mainly due to the following variations at subhead level:

Description	Less/ (more) than provided €000	Explanation
Permanent Defence Force: pay	27,531	The saving is due to higher than projected retirements and lower than projected recruitment in 2015. This resulted in lower than anticipated numbers of personnel serving in the PDF during the year.
Reserve Defence Force: pay, etc.	414	The saving is mainly due to lower than anticipated uptake of paid training by reservists.
Chaplains and officiating clergymen: pay and allowances	177	The saving is mainly due to retirements of chaplains in 2015.
Defence Force civilian support: pay and allowances, etc.	8,028	The saving is mainly due to the fact that the number of civilian employees was less than provided for in the estimate.
Defensive equipment	(2,650)	The excess is due to the requirement to purchase additional essential defensive equipment, including mine clearance equipment and protective suits for Engineer Specialist Search and Clearance personnel.
Air Corps: aircraft, equipment and support	(1,630)	The excess is due mainly to additional aircraft maintenance, equipment and training requirements and is partly offset by reduced fuel consumption and cost.
Military transport	(783)	The excess is due to the requirement to purchase additional military vehicles and is partly offset by reduced fuel and replacement parts costs.
Naval Service: vessels, equipment and support	(19,554)	The excess is due mainly to payments under the Naval Vessels Replacement Programme being made earlier than anticipated because of the rate of progress in the build. Also additional Naval Service equipment and maintenance costs arose.
Defence Force built infrastructure: construction and maintenance	3,331	The saving is mainly due to slower than expected progress on projects, including upgrades in accommodation in the Defence Force training centre and in Casement Aerodrome.
Defence Force uniforms, clothing, equipment and catering	(903)	The excess is mainly due to the procurement of Defence Force clothing for 2016 Centenary events and a requirement for additional overseas equipment.
Defence Force communications and IT	(3,670)	The excess is due to the requirement to upgrade network software and communication systems, including office information software and IT hardware, to support operational requirements.

Description	Less/ (more) than provided €000	Explanation
Military education and training	(175)	The excess is due mainly to the purchase of additional military training equipment.
Defence Force logistics and travel	(578)	The excess is due to additional costs incurred as a result of a change in the United Nations arrangement for payment for rotational flights.
Defence Force medical and healthcare support	(1,070)	The excess is mainly due to the purchase of additional medical equipment to support clinical and operational requirements.
Lands	(221)	The excess is due to environmental and maintenance works on property required under Health and Safety regulations and in advance of the 2016 Centenary events.
Litigation and compensation costs	1,270	Expenditure under this subhead is subject to a number of unpredictable variables, including the timing of court hearings, the progress of cases, and the number, value and timing of awards and settlements.
Miscellaneous expenditure	445	The saving is mainly due to slower than anticipated progress and deferral of some projects, and reduced administrative costs.
Civil Defence	(1,021)	The excess is mainly due to the requirement to upgrade the Civil Defence fleet and the purchase of additional personal protective equipment.
Irish Red Cross Society	(5,000)	The excess arose from a Government decision to issue €5 million to the IRCS for administration of an Emergency Humanitarian Support Scheme for small businesses, following severe weather and flooding.

4 Receipts

4.1 Appropriations-in-aid		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from United Nations in respect of overseas allowances, etc.	4,313	10,642	6,133
2.	Receipts from EU in respect of fishery protection costs	50	—	—
3.	Receipts from banks and other organisations	6,800	5,508	8,924
4.	Receipts from occupation of official quarters	240	206	224
5.	Receipts from rations on repayment	870	804	997
6.	Receipts from other issues on repayment	50	35	41
7.	Receipts for aviation fuel	70	38	40
8.	Receipts on discharge by purchase	50	134	75
9.	Lands and premises			
	(a) rents, etc.	450	512	525
	(b) sales	2,200	1,848	3,258
10.	Sale of surplus stores	200	739	109
11.	Refunds in respect of services of seconded personnel	30	103	79
12.	Miscellaneous	515	2,805	2,389
13.	Receipts from pension-related deduction on public service remuneration	22,049	21,445	22,551
	Total	**37,887**	**44,819**	**45,345**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000 and by more than 5%.

Description	Less/(more) than provided	Explanation
	€000	
Receipts from United Nations in respect of overseas allowances, etc.	(6,329)	The surplus is due to higher than anticipated UN receipts in 2015 in respect of pay and equipment costs. The timing of receipts is difficult to forecast.
Receipts from banks and other organisations	1,292	The shortfall is due to a reduction in the number of cash in transit escort services provided by the Defence Forces.
Lands and premises (b) sales	352	The shortfall is due to delays in sales of military property.
Sale of surplus stores	(539)	The surplus is due to the sale of an aircraft and military vehicles with associated spare parts in 2015.
Miscellaneous	(2,290)	The surplus is due mainly to higher than anticipated receipts in respect of the Emergency Aeromedical Support Service.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	9,982	10,147

	2015 €000	2014 €000
Pay	391,435	397,583
Higher, special or additional duties allowance	260	230
Overtime	434	414
Shift and roster allowance	188	207
Military and other allowances	28,160	28,001
Employer's PRSI	36,127	36,407
Total Pay	**456,604**	**462,842**

The overall totals do not include the Office of the Ombudsman for the Defence Forces which accounts for three personnel and total pay of €210,853. This office produces a separate account.

The total pay figures above exclude non-pay expenditure charged to some pay subheads.

5.1 Civil Servants

	2015	2014
Number of staff at year end (full time equivalents)	329	339

	2015 €000	2014 €000
Pay	16,358	16,208
Higher, special or additional duties allowances	100	100
Overtime	110	103
Other allowances	11	7
Employer's PRSI	657	635
Total Pay	**17,236**	**17,053**

Allowances and Overtime Payments	**Number of recipients**	**Recipients of €10,000 or more**	**Maximum individual payment**	**Maximum individual payment**
			2015 €	**2014 €**
Higher, special or additional duties	23	3	16,173	15,574
Overtime	66	—	8,643	9,777
Other allowances	12	—	3,119	2,123
Number of individuals who received extra remuneration in more than one category	11	—	9,787	15,574

5.2 Civilian Employees

	2015	2014
Number of staff at year end (full time equivalents)	489	508

	2015 €000	2014 €000
Pay	17,677	18,462
Higher, special or additional duties allowances	160	130
Overtime	324	311
Shift and roster allowance	188	207
Travel time allowance	535	533
Tool and other allowances	268	276
Employer's PRSI	1,909	1,949
Total Pay	**21,061**	**21,868**

The pay figure includes severance and redundancy payments totalling €71,028 paid in 2015.

Allowances and Overtime Payments	**Number of recipients**	**Recipients of €10,000 or more**	**Maximum individual payment 2015 €**	**Maximum individual payment 2014 €**
Higher, special or additional duties	70	—	8,657	8,026
Overtime	142	1	10,922	15,833
Shift and roster allowance	30	4	13,047	15,039
Travel time allowance	79	10	12,261	12,030
Tool and other allowances	298	—	3,298	3,235
Number of individuals who received extra remuneration in more than one category	193	43	25,073	30,872

5.3 Permanent Defence Force (incl. Army Nursing Service and Chaplaincy)

	2015	2014
Number of staff at year end (full time equivalents)	9,164	9,299

	2015 €000	2014 €000
Pay and military service allowance	357,400	362,913
Overseas allowances	13,113	12,127
Security duty allowances	7,745	8,066
Border duty allowance	2,841	3,009
Patrol duty allowance	2,171	2,519
Miscellaneous allowances	1,476	1,464
Employer's PRSI	33,561	33,823
Total pay	**418,307**	**423,921**

Allowances	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Overseas allowances	1,466	514	37,139	37,139
Security duty allowances	7,642	10	18,022	15,070
Border duty allowance	710	—	5,416	9,748
Patrol duty allowance	746	—	9,599	10,819
Miscellaneous allowances	869	—	7,168	7,294
Number of individuals who received extra remuneration in more than one category	2,512	563	32,964	37,365

5.4 Seconded Staff

This account includes a total of €454,502 in respect of the remuneration of personnel (military and civil) on secondment.

5.5 Revenue Settlement

An amount of €16,875 was paid to Revenue as an unprompted voluntary disclosure relating to PAYE, PRSI and USC in respect of the provision of certain medical services to members of the Defence Forces.

5.6 Payroll Overpayments

Overpayments at the year end were €39,047 (39 cases). Of this, €35,095 (32 cases) have recovery plans in place.

6 Miscellaneous

6.1 Overseas Mission

This account includes the sums indicated below in respect of the remuneration of military personnel serving with UN and EU peace support operations and various organisations, together with travel and subsistence and transportation costs:

	2015	2014
	€000	€000
UN and EU Missions:		
UNIFIL (Lebanon)	15,958	15,956
UNDOF (Golan Heights)	11,295	9,667
KFOR (Kosovo)	1,353	1,221
EUFOR (Bosnia Herzegovina)	798	817
Other UN and EU Missions	3,851	3,974
	33,255	31,635
Other:		
Military representatives and advisors	1,635	1,819
Battle Groups (Nordic, German, UK and EU)	2,179	1,234
Organisation for Security and Co-operation in Europe	254	397
Operation Pontus (Search and Rescue Mediterranean)	2,549	—
Total	39,872	35,085

Of the sum of €33 million for UN and EU missions, €6 million relates to missions the full costs of which are borne by the State. The remaining €27 million relates to UNIFIL and UNDOF in respect of which arrangements for the reimbursement of certain costs have been agreed with the UN. The timings of re-imbursements from the UN is dependent on various factors including the funding available to that organisation. The amount actually received from the UN by way of appropriations-in-aid in 2015 was €10.6 million (Note 4.1), of which €4.4 million related to personnel costs and €6.2 million to equipment costs. The amount outstanding at year end was €1.9 million (€0.73 million personnel costs and €1.17 million equipment costs).

A claim that was submitted to the UN relating to costs associated with the withdrawal from MINURCAT (Chad) is expected to be finalised in 2016.

6.2 Support for Defence Forces' Representative Associations

This account includes a total of €488,067 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.3 Write-Offs	2015	2014
	€000	€000
Loss of, or damage to, stores, equipment or property [a]	4,114	5
Damage to military vehicles	62	88
Bad debts (rent)	15	5

[a] Includes €4 million write-off in respect of an aircraft damaged in an accident.

6.4 Personal Injury and Employment Case Claims

at 31 December	2015	2014
Numbers of settled claims:		
State Claims Agency	97	95
Other	20	42
Numbers of claims on hand:	379	338
Of which referred to State Claims Agency	316	289

6.5 Legal costs

					2015
	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	Total
		€000	€000	€000	€000
Claims by employees of the Vote	215	644	831	1,783	3,258
Claims by members of the public	39	58	117	431	606
		702	948	2,214	3,864

The above figures in respect of legal fees and compensation relate to cases where payment was made in 2015. These include cases that were settled in prior years, those settled in 2015 and those still open. No further breakdown of these figures can be provided for reasons of confidentiality.

6.6 Medical Treatment

Institutional and outpatient services were afforded to Defence Forces personnel and to the dependants of enlisted personnel in civilian hospitals without application of the statutory charge and in military hospitals without charge to the Health Service Executive.

Schedule of Land and Buildings

1. Vested in the Minister for Defence

Property	Area (Hectares)[1]
Clare	
Knockalisheen Camp	53.17
Cork	
Murphy Barracks, Ballincollig	0.89
Collins Barracks, Cork	24.20
Portion of Camp Field, Collins Barracks	—
Old Barracks & Graveyard, Fermoy	4.45
Fitzgerald Camp, Fermoy	0.401
RDF Premises, Kilcrohane	0.405
Michael Collins Memorial Plot, Beál na Bláth	0.0040
RDF Premises, Skibbereen	0.20
RDF Premises, Mallow	0.028
RDF Premises, Youghal	0.045
Part of old Military Barracks, Buttevant	—
Dublin	
Casement Aerodrome, Baldonnel including sewage farm & land adjacent	277.21
Esplanade, Collins Barracks	0.20
Site at Islandbridge, Dublin 8.	0.405
Galway	
Oranmore Rifle Range	216.10
Springfield Water Supply to Oranmore Range	—
Dún Uí Mhaoilíosa, Galway	29.95
Kerry	
Ballymullen Barracks, Tralee	6.07
Fort Shannon, Tarbert	0.81
RDF Premises, Kilorglin	0.10
Kildare	
Curragh Camp and Lands	1,970.82
Curragh Lands – Kildare By-Pass	—
Houses at Orchard Park (2,23,78,85,96), Curragh	—
Magee Barracks, Kildare	22.79
Lands at Blackrath, Curragh.	14.37
Kilkenny	
Stephens' Barracks, Kilkenny	5.67
Louth	
Red Barns Rifle Range, Dundalk	5.46
Meath	
Gormanston Camp and Aerodrome	105.62
RDF Premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	1.98

[1] Hectarages stated are approximate. Most of the properties contain buildings thereon.

Property	Area (Hectares)[1]
Roscommon	
Rifle Range, Carna	114.53
Tipperary	
Rifle Range, Kilcoran	5.46
Barnane Rifle Range, Templemore	—
Waterford	
Military Barracks, Waterford	0.32
Westmeath	
Columb Barracks, Mullingar	9.61
Custume Barracks, Athlone	5.26
Garrynafela Lands, Athlone	5.97
Wicklow	
Glen of Imaal Artillery Range	2,698.85
Coolmooney Camp and Lands	97.53
Rockbrae House and Lands, Bray	1.95
Range Warden's Post, Seskin	0.405

Schedule of Land and Buildings

2. Vested in the Minister for Public Expenditure and Reform

Property	Area (Hectares)[2]
Clare	
RDF Premises, Ennis	0.10
Cork	
Kilworth Camp and Range	1,377.55
Portion at Kilworth Camp for provision of road services to NRA	10.69
Bere Island	91.05
Naval Base, Haulbowline[2]	33.99
Fort Davis, Whitegate	29.95
Fort Templebreedy, Crosshaven	14.97
Furious Pier, Castletownbere	—
Landing Pier, Cobh	—
Donegal	
Finner Camp, Bundoran	339.94

[1] Hectarages stated are approximate. Most of the properties contain buildings thereon.

[2] Temporarily transferred to the Department of Agriculture, Food & the Marine for remedial work on the ISPAT site.

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Property	Area (Hectares)[1]
Dublin	
Cathal Brugha Barracks, Rathmines	18.62
Cathal Brugha Barracks No 17 – 28 Quarters	—
McKee Barracks, Blackhorse Avenue	18.21
McKee Park, No 64	—
St. Bricin's Hospital, D7.	3.24
Old School House, Arbour Hill	—
2 Tomar Court, Arbour Hill	—
Laois	
RDF Premises, Portlaoise	0.03
Limerick	
Sarsfield Barracks, Limerick	5.99
Longford	
Connolly Barracks, Longford	4.35
Louth	
Aiken Barracks, Dundalk	7.28
Mayo	
Military Barracks, Castlebar	2.43
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20
Tipperary	
Military Barracks, Nenagh	1.09
Part of McCann Bks., Templemore	0.16
Wexford	
Military Barracks, Wexford	0.405
Wicklow	
Kilbride Camp and Rifle Range	636.98

[1] Hectarages stated are approximate. Most of the properties contain buildings thereon.

Appropriation Account 2015

Vote 37

Social Protection

Introduction

As Accounting Officer for Vote 37, 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 2015 for the salaries and expenses of the Office of the Minister for Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €52.06 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.

Provision of Agency Services

During 2015, the Department was authorised by the Department of Finance to be an approved person in relation to Waterford Crystal pensioner's lump sum payments under Section 48B of the Pensions Act 1990. The Department will pay the sums due, using funds advanced from the Central Fund of the Exchequer. The amounts paid are reported in the Finance accounts.

Also during 2015, the Department acted as a paying agent for the Department of the Environment, Community and Local Government (DECLG) under Section 5 of the Water Services Act 2014 to pay the water conservation grants on its behalf. The amounts paid are reported in the appropriation account for Vote 26 Environment, Community and Local Government.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a Bank Holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in Post Offices, which refer to the subsequent year, are normally recognised as prepayments.

Under a Government Decision dated 24 November 2015 provision was made for the early payment on 31 December 2015 of certain Department of Social Protection (DSP) pensions and other related schemes previously due on 1 January 2016. There are no early scheme payments recognised as prepayments at 31 December 2015.

Treatment of recovered overpayments

Recovery of debts in respect of general scheme overpayments are brought to account as follows:

- cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year
- cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of HR shared service.

I rely on a letter of assurance from the Accounting Officer for the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department.

Following the identification of deficiencies in previous audits with regard to the reconciliation of the Department's asset registers and capital assets under development to the appropriation account, a fixed asset working group was established in 2013 to address the issues raised, and this group has continued its work during 2015. The work of the group initially focused on reconciling the asset registers to the appropriation account and is now concentrating on the physical registers. During 2015, inventories were conducted at 42 of the Department's locations, and an electronic inventory of the Department's IT assets is currently in the process of being reconciled back to the registers. The reconciliation of the electronic inventory is approximately 40% complete. The value of both the physical and electronic inventories reconciled to the asset registers is €5 million out of a total asset value of €348 million. A full reconciliation of the electronic inventory is scheduled for completion by year end 2016. Further physical inventories are being planned. An electronic bar coding system, for use in tagging assets, has been evaluated and is scheduled to go live in mid-2016.

A new debt and receipts accounting system (DRAS) was introduced in the Department in November 2014. The system allows for the automatic recording and posting of debt recovered in its local offices, from its receipting bank accounts and by way of deduction from DSP payments to customers.

The debtor balance at 31 December 2015 was €467 million

- €377 million relates to amounts paid from the Vote (See Note 6.1)
- €90 million relates to schemes administered through the Social Insurance Fund (SIF).

Reports are extracted from the DRAS system to

- identify the value of transactions in the year e.g. new overpayments recorded and amounts recovered and written off
- produce a listing of balances outstanding at year end.

In calculating the debtor balance at 31 December 2015, the Department noted a difference of €515,000 between the closing balance as calculated by reference to the reports from DRAS on the transactions in the account in the year, and the year end debtor listing.

In addition, the amount of debt recovered, as recorded on DSP's accounting system was €78.7 million while the amount recorded on DRAS was €79.8 million — a difference of €1.1 million, of which €827,000 is Vote related and €287,000 is SIF related. For the purpose of presenting debtor information in note 6.1, the amount recovered as per DSP's accounting system is used.

Local offices collect money and record this on DRAS as cash-on-hand until it has been lodged. The local offices complete a report on a monthly basis of the amount of cash held by them. There was a discrepancy of €54,494 at 31 December 2015 between the local offices report which showed cash-on-hand of €68,330 compared to the accounting system which showed cash-on-hand of €122,824.

The Department is working to resolve the discrepancies outlined above.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department is compliant, with the exception of 6 contracts to the value of €0.6 million which were not subject to a competitive procurement process. These exceptions occurred for business continuity reasons.

In 3 out of the 6 cases, open procurements have since been completed and contracts have been awarded. In 2 other cases, the DSP is working with The Office of Government Procurement (OGP) to have DSP requirements addressed as part of the OGP framework agreements which were scheduled for delivery in Q1 2016. The final contract was an extension of a single tender contract for specialised actuarial advice at 100% of the original contract value. Details of all these contracts are included in the Department's annual 40/2002 return to the Department of Public Expenditure and Reform and the Comptroller and Auditor General.

Significant financial risks

The appropriation account records all the assets and liabilities of Vote 37 together with explanatory notes and balances allowing for financial risk assessment at 31 December 2015. There are no significant financial risks in respect of contingent assets or liabilities not disclosed in the account.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Niamh O'Donoghue
Accounting Officer
Department of Social Protection
27 September 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Social Protection

I have audited the appropriation account for Vote 37 Social Protection for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by her Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 37 Social Protection for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Social Protection. The appropriation account is in agreement with the accounting records.

Regularity of expenditure

Chapter 9 of my report on the accounts of the public services for 2015 relates to welfare payments in excess of entitlement included in the 2015 account for Vote 37. I consider the estimated level of irregular payment to be material.

Reporting on matters arising from audit

Chapter 10 of my report on the accounts of the public services for 2015 relates to the roll-out of the public services card.

Seamus McCarthy

Comptroller and Auditor General

27 September 2016

Vote 37 Social Protection

Appropriation Account 2015

		2015		2014
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
Original	523,800			
Supplementary	(24,000)	499,800	490,268	470,372
Pensions				
Original	941,620			
Supplementary	32,760	974,380	972,206	954,411
Working age – income supports				
Original	3,446,595			
Supplementary	209,895	3,656,490	3,670,246	4,053,150
Working age – employment supports				
Original	1,079,740			
Supplementary	(11,162)	1,068,578	1,066,525	1,025,378
Illness, disability and carers				
Original	2,083,115			
Supplementary	55,135	2,138,250	2,153,132	2,041,232
Children				
Original	2,410,025			
Supplementary	33,305	2,443,330	2,444,454	2,264,756
Supplementary payments, agencies and miscellaneous services				
Original	655,478			
Supplementary	15,452	670,930	669,848	720,155
Subvention to the Social Insurance Fund		179,880	119,074	541,798
Gross expenditure				
Original	11,320,253			
Supplementary	311,385			
		11,631,638	**11,585,753**	**12,071,252**
Deduct				
Appropriations-in-aid				
Original	251,990			
Supplementary	12,385			
		264,375	**270,552**	**252,543**
Net expenditure				
Original	11,068,263			
Supplementary	299,000			
		11,367,263	**11,315,201**	**11,818,709**

Surplus for surrender

	2015	2014
	€	€
Surplus to be surrendered	52,061,869	38,190,523

Analysis of administration expenditure

			2015		2014
			Estimate Provision	Outturn	Outturn
			€000	€000	€000
i.	Salaries, wages and allowances				
	Original	308,070			
	Supplementary	(3,000)	305,070	303,335	297,315
ii.	Travel and subsistence				
	Original	4,975			
	Supplementary	(600)	4,375	4,283	4,453
iii.	Training and development and incidental expenses				
	Original	13,590			
	Supplementary	(6,000)	7,590	5,624	4,745
iv.	Postal and telecommunications services				
	Original	21,000			
	Supplementary	(1,000)	20,000	17,843	19,195
v.	Office equipment and external IT services		35,201	35,469	32,813
vi.	Office premises expenses				
	Original	43,220			
	Supplementary	(1,400)	41,820	41,703	32,839
vii.	Consultancy services		1,975	493	1,327
viii.	Payments for agency services				
	Original	86,349			
	Supplementary	(12,000)	74,349	72,725	70,941
ix.	eGovernment related projects		9,420	8,793	6,744
			499,800	**490,268**	**470,372**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		11,095,485	11,600,880
Pay		303,335	297,315
Non pay		186,933	173,057
Gross expenditure		**11,585,753**	**12,071,252**
Deduct			
Appropriations-in-aid		**270,552**	**252,543**
Net expenditure		**11,315,201**	**11,818,709**
Changes in capital assets			
Purchases cash	(7,609)		
Depreciation	14,016		
Loss on disposals	52	6,459	(1,116)
Changes in assets under development			
Cash payments		(8,872)	(5,179)
Changes in net current assets			
Decrease in closing accruals	(19,139)		
Increase in stock	(206)		
		(19,345)	(11,609)
Direct expenditure		**11,293,443**	**11,800,805**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		49,815	43,369
Notional rents		10,927	10,377
Net programme cost		**11,354,185**	**11,854,551**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of Revenue Commissioners	e	557	30
Vote 12 Superannuation and Retired Allowances	e	35,074	31,959
Vote 13 Office of Public Works	e	13,910	11,262
Vote 20 Garda Síochána	e	245	91
Central Fund - Ministerial pensions	e	29	27
		49,815	43,369

“e” indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	60,710	56,749
Capital assets under development	2.3	19,799	20,163
		80,509	**76,912**
Current assets			
Stocks	2.5	653	447
Prepayments		69,367	67,300
Social Insurance Fund suspense account [1]		239,788	228,862
Other debit balances	2.6	146,664	67,795
Total current assets		**456,472**	**364,404**
Less current liabilities			
Bank and cash	2.4	343,314	300,828
Accrued expenses		54,802	71,874
Other credit balances	2.7	12,909	19,392
Net liability to the Exchequer	2.8	30,229	(23,563)
Total current liabilities		**441,254**	**368,531**
Net current liabilities		15,218	(4,127)
Net assets		**95,727**	**72,785**
Represented by:			
State funding account	2.1	**95,727**	**72,785**

[1] Represents advances from Vote 37 to the Social Insurance Fund (SIF) subvention suspense account which were not expended by year end.

2.1 State Funding Account	**Note**	**€000**	**2015 €000**	**2014 €000**
Balance at 1 January			72,785	54,305
Adjustment	2.3		1,184	576
Disbursements from the Vote				
Estimate provision	Account	11,367,263		
Surplus to be surrendered	Account	(52,062)		
Net Vote			11,315,201	11,818,709
Expenditure (cash) borne elsewhere	1		49,815	43,369
Non cash expenditure – notional rent	1		10,927	10,377
Net programme cost	1		(11,354,185)	(11,854,551)
Balance at 31 December			**95,727**	**72,785**

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	294,968	35,089	330,057
Additions	16,510	1,519	18,029
Disposals	(53)	(271)	(324)
Cost or valuation at 31 December 2015	311,425	36,337	347,762
Accumulated depreciation			
Opening balance at 1 January 2015	244,266	29,042	273,308
Depreciation for the year	12,528	1,488	14,016
Depreciation on disposals	(53)	(219)	(272)
Cumulative depreciation at 31 December 2015	256,741	30,311	287,052
Net assets at 31 December 2015	**54,684**	**6,026**	**60,710**
Net assets at 31 December 2014	**50,702**	**6,047**	**56,749**

2.3 Capital Assets under Development

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2015	20,163
Adjustment[1]	1,184
Cash payments for the year[2]	8,872
Transferred to asset register	(10,420)
Balance at 31 December 2015	19,799

[1] Adjustment relates to cash payments in previous years for development of computer applications not previously included in capital assets under development.

[2] Cash payments do not include in-house developed software which is fully developed during the course of the year. Those payments are included in capital asset additions.

2.4 Bank and Cash

at 31 December	2015 €000	2014 €000
An Post advance balances	99,003	161,919
PMG balances (overdraft)	(448,557)	(476,506)
Commercial bank and cash	6,240	13,759
	(343,314)	(300,828)

An Post accounts are pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2015, the combined balance held by An Post in respect of Vote 37 and the SIF was €196,105,089. The combined corresponding balance at the end of 2014 was €245,745,465.

2.5 Stocks

at 31 December	2015 €000	2014 €000
Stationery	615	402
IT consumables	38	45
	653	447

2.6 Other Debit Balances

at 31 December	2015 €000	2014 €000
Advances to An Post for postage expenditure	1,007	1,209
Advances to OPW for office furniture, building and electrical work	309	1,218
Advances to Pobal	8,122	8,780
Scheme prepayments[1]	—	37,233
Other debit suspense	2,245	13,250
Due from Social Insurance Fund (SIF) in respect of SIF schemes [2]	134,981	6,105
	146,664	67,795

[1] Under a Government Decision dated 24 November 2015, provision was made for the early payment on 31 December 2015 of certain DSP pensions and other related schemes otherwise due on 1 January 2016. There are no early scheme payments recognised as prepayments at 31 December 2015.

[2] A €120 million transfer from the SIF PMG account to the SIF commercial bank was inadvertently drawn on the Vote PMG account in December 2015, creating an inter Vote and SIF balance at year end. The balance was corrected in January 2016.

2.7 Other Credit Balances

at 31 December	2015	2014
	€000	€000
Amounts due to the State		
Income Tax	3,718	2,731
Superannuation contributions	827	632
Pay Related Social Insurance	2,300	1,839
Interstat Value Added Tax	82	19
Professional Services Withholding Tax	605	439
Local Property Tax[1]	23	144
Extra Exchequer receipts	6	4
	7,561	5,808
Payroll deductions	3,590	2,875
Due to SIF in respect of Vote schemes	125	8,802
Other credit suspense items	1,633	1,907
	12,909	19,392

[1] Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct DSP to make deductions from certain scheme payments in respect of liable persons for Local Property Tax.

DSP also make voluntary deductions from some staff salaries in respect of the tax. These deductions commenced in 2013 and are paid to the Revenue Commissioners in the month following deduction.

In 2015, an amount of €17,576 was paid to the Revenue Commissioners in respect of 2014 which was inadvertently omitted from the 2014 balance of €144,000.

2.8 Net Exchequer Funding due

at 31 December	2015	2014
	€000	€000
Surplus to be surrendered	52,062	38,191
Exchequer grant undrawn	(21,833)	(61,754)
Net Exchequer funding due	30,229	(23,563)
Represented by:		
Debtors		
Debit balances: suspense	386,452	296,657
Creditors		
Banks and cash	(343,314)	(300,828)
Due to State	(7,561)	(5,808)
Credit balances: suspense	(5,348)	(13,584)
	(356,223)	(320,220)
	30,229	(23,563)

2.9 Commitments

at 31 December	2015	2014
	€000	€000
Total of legally enforceable commitments	52,654	43,038

Multi-annual Capital Commitments

Project	Cumulative Expenditure to 31 December 2014	Expenditure in 2015	Project Commitments in Subsequent Years	Expected Total Spend Lifetime of Project 2015	Expected Total Spend Lifetime of Project 2014
	€000	€000	€000	€000	€000
Public Services Card[1]	16,358	5,186	9,271	30,815	27,797
Local Office Modernisation Project[2]	6,866	838	680	8,384	8,384

[1] Expenditure figures for 2015 and prior years relate only to future legally binding commitments for the Public Services Card. The project has been extended to the end of 2017. The increase in the estimated cost of the project is as a result of the extension of the contract, activation costs for 2016 and necessary change requests previously omitted.

[2] Expenditure figures for 2015 and prior years relate only to future legally binding commitments for the Local Office Modernisation Project.

Capital commitments are reported upon where the anticipated spend exceeds the threshold of €6.35 million. Expenditure on this project up to 31 December 2014 exceeded this threshold but was inadvertently omitted from the 2014 appropriation account. The project is now included and the expenditure for all years up to 31 December 2015 is €7.7 million.

2.10 Matured Liabilities

at 31 December	2015	2014
	€000	€000
Estimate of matured liabilities not discharged at year end	195	20

3 Programme Expenditure by Subhead

A. Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Administration					
A.1	Administration – pay				
	Original	308,070			
	Supplementary	(3,000)	305,070	303,335	297,315
A.2	Administration – non pay				
	Original	215,730			
	Supplementary	(21,000)	194,730	186,933	173,057
Pensions					
A.3	State Pension (Non-Contributory)				
	Original	941,620			
	Supplementary	32,760	974,380	972,206	954,411
Working Age – Income Supports					
A.4	Jobseeker's Allowance				
	Original	2,607,900			
	Supplementary	120,110	2,728,010	2,742,505	2,923,291
A.5	One-Parent Family Payment				
	Original	607,600			
	Supplementary	63,200	670,800	670,564	867,307
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension				
	Original	16,190			
	Supplementary	(570)	15,620	15,865	16,464
A.7	Deserted Wife's Allowance				
	Original	1,900			
	Supplementary	270	2,170	2,132	2,504
A.8	Basic Supplementary Welfare Allowance Payments[1]				
	Original	70,200			
	Supplementary	24,380	94,580	91,729	81,718
A.9	Farm Assist				
	Original	88,700			
	Supplementary	(1,710)	86,990	88,487	93,632
A.10	Pre-retirement Allowance				
	Original	14,700			
	Supplementary	1,520	16,220	16,268	24,319
A.11	Other Working Age – income supports[1]				
	Original	39,405			
	Supplementary	2,695	42,100	42,696	43,915
Working Age - Employment Supports					
A.12	Community Employment Programme				
	Original	373,300			
	Supplementary	(10,000)	363,300	364,991	359,474
A.13	Rural Social Scheme		45,000	44,105	43,762
A.14	Tús – Community Work Placement Scheme				
	Original	112,700			
	Supplementary	6,975	119,675	124,576	116,052
A.15	Jobs Initiative				
	Original	21,200			
	Supplementary	365	21,565	21,698	23,364

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A.16	Community Services Programme		45,110	42,730	43,028
A.17	Back to Work Allowance				
	Original	123,300			
	Supplementary	5,360	128,660	129,037	118,825
A.18	National Internship Scheme – JobBridge				
	Original	77,210			
	Supplementary	(14,140)	63,070	63,489	76,030
A.19	Back To Education Allowance		146,600	143,965	162,450
A.20	Gateway[2]				
	Original	22,375			
	Supplementary	9,305	31,680	29,543	7,576
A.21	Back to Work Family Dividend				
	Original	22,000			
	Supplementary	(7,350)	14,650	14,422	—
A.22	Other Working Age – Employment Supports[2]				
	Original	90,945			
	Supplementary	(1,677)	89,268	87,969	74,817
Illness, Disability And Carers					
A.23	Disability Allowance				
	Original	1,267,900			
	Supplementary	11,030	1,278,930	1,281,589	1,238,310
A.24	Blind Pension				
	Original	14,115			
	Supplementary	305	14,420	14,379	14,428
A.25	Carer's Allowance				
	Original	564,300			
	Supplementary	34,740	599,040	611,139	559,325
A.26	Domiciliary Care Allowance				
	Original	112,600			
	Supplementary	8,660	121,260	120,882	110,669
A.27	Respite Care Grant				
	Original	124,200			
	Supplementary	400	124,600	125,143	118,500
Children					
A.28	Child Benefit				
	Original	1,971,965			
	Supplementary	18,510	1,990,475	1,990,299	1,902,353
A.29	Family Income Supplement				
	Original	349,200			
	Supplementary	17,540	366,740	367,872	297,907
A.30	Back-To-School Clothing And Footwear Allowance				
	Original	44,300			
	Supplementary	(3,150)	41,150	41,342	42,452
A.31	School Meals Schemes		39,000	38,777	16,572
A.32	Child Related Payments				
	Original	5,560			
	Supplementary	405	5,965	6,164	5,472

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Supplementary Payments, Agencies and Miscellaneous Services					
A.33	Rent Supplement				
	Original	298,415			
	Supplementary	11,585	310,000	311,059	338,203
A.34	Mortgage Interest Supplement				
	Original	11,930			
	Supplementary	(580)	11,350	11,922	20,878
A.35	Household Benefits Package				
	Original	87,260			
	Supplementary	(2,008)	85,252	74,932	88,481
A.36	Free Travel		77,000	75,244	75,487
A.37	Fuel Allowance				
	Original	123,200			
	Supplementary	10,100	133,300	143,797	147,869
A.38	Grant to the Citizens Information Board		46,013	46,000	45,000
A.39	Office of the Pensions Ombudsman				
	Original	1,074			
	Supplementary	(191)	883	877	935
A.40	Miscellaneous services				
	Original	10,586			
	Supplementary	(3,454)	7,132	6,017	3,302
Subvention To The Social Insurance Fund					
A.41	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005		179,880	119,074	541,798
Total			**11,631,638**	**11,585,753**	**12,071,252**

[1] In 2014, expenditure for Direct Provision Allowance (DPA) was borne under subhead (A.8) Basic Supplementary Welfare Allowance Payments. DPA expenditure is now borne under subhead (A.11) Other Working Age – income supports.

[2] In 2014, the (A.20) Gateway expenditure was borne under subhead (A.22) Other Working Age – Employment Supports.

Significant variations

Overall, the expenditure was €45.9 million lower than provided. An explanation is provided below in the case of each heading where the outturn varied from the original estimate by more than €100,000 and by 25% in the case of administration subheads and 5% in the case of all other subheads.

Description	Less/ (more) than provided €000	Explanation
Administration		
Training and development and incidental expenses (A.2.iii)	1,966	Expenditure in relation to training and development and incidental expenses was €7.97 million lower than the original estimate. The estimate included a contingency provision for 2015 that was not required allowing a supplementary estimate reduction of €6 million. Savings of €1.97 million were also achieved during the year on advertising, staff training, legal fees and room hire. The saving was used to fund excess expenditure on other subheads.
Consultancy services (A.2.vii)	1,482	Expenditure on consultancy services was lower than estimated due to the following (i) expenditure profiled did not arise, and (ii) following a review of all contracts undertaken by the Project Governance Committee, a number of contracts were re-assigned to the 'Office Equipment and External IT Services' subhead as it was deemed more appropriate. The saving was used to fund excess expenditure on other subheads.
Working Age – Income Supports		
Jobseekers Allowance (A.4)	(14,495)	Expenditure in relation to Jobseekers Allowance was €134.605 million higher than the original estimate. This was mainly due to the following (i) €77.1 million due to a higher number of recipients (264,070) than provided for in the estimate (256,500). (ii) €46.7 million due to higher average payment values (€199.20) than provided in the estimate (€195.81) of which €31 million was for the payment of a Christmas Bonus not originally provided for in the estimate. (iii) €10.5 million due to the bringing forward payments normally paid on Friday, 1st January 2016 to Thursday, 31st December 2015. Additional funding of €120.11 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €14.495 million.

Description	Less/ (more) than provided €000	Explanation
One-Parent Family Payment (A.5)	236	Expenditure in relation to One-Parent Family Payment was €62.964 million higher than the original estimate. This was mainly due to the following (i) €39.6 million due to higher recipient numbers (55,420) than provided in the estimate (52,000). (ii) €16.9 million due to higher average payment values (€224.76) than provided in the estimate (€218.99) of which €8.4 million was for the payment of the Christmas Bonus not provided in the original estimate. (iii) €5.5 million due to higher inter-scheme adjustment transfers from other subheads than was provided in the original estimate. An inter-scheme adjustment represents the re-direction of scheme expenditure already paid between expenditure subheads or between Vote and SIF scheme expenditure, following the final adjudication on customer entitlement. Additional funding of €63.2 million was allocated as part of a supplementary estimate. The saving of €0.2 million was used to meet excess expenditure on other subheads.
Deserted Wife's Allowance (A.7)	38	Expenditure in relation to Deserted Wife's Allowance was €0.2 million higher than the original estimate. This €0.2 million overspend was due to higher recipient numbers (224 per week) and values than provided in the estimate (200 per week) of which approximately €4,000 was for the payment of the Christmas bonus not provided in the original estimate. Additional funding of €0.3 million was allocated as part of a supplementary estimate. The saving of approximately €38,000 was used to meet excess expenditure on other subheads.
Basic Supplementary Welfare Allowance Payments (A.8)	2,851	Expenditure in relation to Basic Supplementary Welfare Allowance Payments was €21.529 million higher than the original estimate. This was mainly due to the following (i) €15.3 million due to higher average payment values (€188.62) than provided in the estimate (€170.06) of which €0.5 million was for the payment of the Christmas Bonus not provided in the original estimate. (ii) €24.2 million due to less inter-scheme adjustments transfers to other subheads than was provided in the original estimate. (iii) The excess was offset by savings of €18.5 million from a lower number of payment recipients (15,600) than provided in the original estimate (17,670). Additional funding of €24.38 million was allocated as part of a supplementary estimate. The saving of €2.851 million was used to meet excess expenditure on other subheads.

Description	Less/ (more) than provided €000	Explanation
Pre-retirement Allowance (A.10)	(48)	Expenditure in relation to Pre-retirement Allowance was €1.568 million higher than the original estimate. This was mainly due to the following (i) €2.1 million due to higher recipient numbers (1,490) than provided in the estimate (1,300). (ii) Offset by €0.6 million in a reduction in average payment values (€207.92) over that provided in the estimate (€215.37). Additional funding of €1.52 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of approximately €48,000.
Other Working Age – income supports (A.11)	(596)	Expenditure in relation to Other Working Age – income supports was €3.291 million higher than the original estimate. This was mainly due to the following (i) €3 million arising from higher average payment values (€314.05) for Exceptional and Urgent Needs Payments over that provided in the estimate (€285.15) on 98,700 payments. (ii) €0.25 million due to higher average (2,350) recipient numbers than provided in the estimate (2,050) for Direct Provision Allowance payments. Additional funding of €2.695 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €0.6 million.
Working Age – Employment Supports		
Tús – Community Work Placement Scheme (A.14)	(4,901)	Expenditure in relation to the Tús – Community Work Placement Scheme was €11.876 million higher than the original estimate. This was mainly due to the following (i) €9.0 million due to higher recipient numbers (7,870) than provided in the estimate (7,250). (ii) €2.1million due to higher average payment values, of which €1.6 million was for the payment of the Christmas Bonus not originally provided in the original estimate. (iii) €0.8 million due to higher material costs and service fees than provided in the estimate. Additional funding of €6.975 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €4.901 million.

Description	Less/ (more) than provided €000	Explanation
Community Services Programme (A.16)	2,380	Expenditure in relation to the Community Services Programme was €2.38 million lower than the original estimate. This was mainly due to the following (i) A reduction in the number of companies receiving funding from 425 (2014) to 398 as at December 2015. (ii) A reduction in funding awards to certain existing more sustainable projects at lower contract values. (iii) A decrease in number of Full Time Equivalent (FTE) grants awarded from 1,723 in mid-2014 to 1,665 in December 2015. The saving of €2.38 million was used to fund excess expenditure on other subheads.
National Internship Scheme – JobBridge (A.18)	(419)	Expenditure in relation to National Internship Scheme – JobBridge was €13.721 million lower than the original estimate. The underspend was due to the number of recipients (5,105) being less than provided in the estimate (6,200). A supplementary estimate of €14.14 million funding was used to fund excess expenditure on other subheads. Funding was vired elsewhere in the Vote to meet a subsequent shortfall on this subhead of €419,000.
Gateway (A.20)	2,137	Expenditure in relation to Gateway was €7.168 million higher than the original estimate. This was mainly due to the following (i) €5.8 million due to higher (2,130) average weekly recipient numbers than provided in the estimate (1,690). (ii) €1.3 million due to higher average payment values - new scheme with first payments in December 2013 took time to forecast recipient numbers and average payment values. Additional funding of €9.305 million was allocated as part of a supplementary estimate. The saving of €2.137 million was used to meet excess expenditure on other subheads.
Back to Work Family Dividend (A.21)	228	Expenditure in relation to Back to Work Family Dividend was €7.578 million lower than the original estimate. The underspend was due to it being a new scheme announced in 2015 Budget and introduced in May 2015, and therefore difficult to predict accurately in the absence of expenditure trend analysis. A supplementary estimate of €7.35 million saving was used to fund excess expenditure on other subheads. A further saving of €0.2 million was used to meet excess expenditure on other subheads.

Description	Less/ (more) than provided €000	Explanation
Illness, Disability and Carers		
Carer's Allowance (A.25)	(12,099)	Expenditure in relation to Carer's Allowance was €46.839 million higher than the original estimate. This was mainly due to the following (i) €24.1 million due to higher recipient numbers (61,010) than provided in the estimate (58,500). (ii) €17 million due to higher average payment values (€186.90) than provided in the estimate (€181.62) of which €8.4 million was for the payment of the Christmas Bonus not originally provided in the estimate. (iii) €5.7 million due to other factors, including higher inter-scheme adjustment transfers from other subheads than was provided in the original estimate. Additional funding of €34.74 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €12.099 million.
Domiciliary Care Allowance (A.26)	378	Expenditure in relation to Domiciliary Care Allowance was €8.282 million higher than the original estimate. This was mainly due to the following (i) €2.4 million due to higher (28,100) average monthly recipient numbers than provided in the estimate (27,500). (ii) €5.8 million due to higher average monthly payment values (€358.08) than provided in the estimate (€341.21) of which €1.7 million was for the payment of the Christmas Bonus not provided in the original estimate. Additional funding of €8.66 million was allocated as part of a supplementary estimate. The saving of €0.4 million was used to meet excess expenditure on other subheads.
Children		
Family Income Supplement (A.29)	(1,132)	Expenditure in relation to Family Income Supplement was €18.672 million higher than the original estimate. The overspend was due to higher average payment values (€132.22) than provided in the estimate (€125.38). Additional funding of €17.54 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €1.132 million.

Description	Less/ (more) than provided €000	Explanation
Back-To-School Clothing And Footwear Allowance (A.30)	(192)	Expenditure in relation to Back-To-School Clothing And Footwear Allowance was €2.958 million lower than the original estimate. This was mainly due to the following (i) €2.7 milion due to lower recipient numbers (159,960) than provided in the estimate (170,300). (ii) €0.3 million due to lower average payment values (€258.51) than provided in the estimate (€260.13). A supplementary estimate of €3.15 million funding was used to fund excess expenditure on other subheads. Funding was vired elsewhere in the Vote to meet a subsequent shortfall of €0.2 million.
Child Related Payments (A.32)	(199)	Expenditure in relation to Child Related Payments was €0.6 million higher than the original estimate. The overspend was mainly due to €0.5 million additional expenditure on Guardian's Payment (Non-Contributory) of which €0.3 million related to higher average payment values and €0.1 million due to bringing forward payments due on Friday, 1st January 2016 to 31st December 2015. Additional funding of €0.4 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €0.2 milion.
Supplementary Payments, Agencies and Miscellaneous Services		
Household Benefits Package (A.35)	10,320	Expenditure in relation to the Household Benefits Package was €12.328 million lower than the original estimate. This was due to the following Household Benefits (HHB) are also paid as supplementary payments to persons in receipt of SIF related Pensions. While Vote 37 HHB expenditure was €12.3 million below estimate this was offset by an overspend of €6.1 million on SIF HHB. Overall the combined HHB expenditure (Vote 37 and SIF) outturn was €6.2 million (2.7%) below estimate. A supplementary estimate of €2.008 million saving was used to fund excess expenditure on other subheads. The saving of €10.32 million was vired elsewhere in the Vote to meet excess expenditure on other subheads.

Description	Less/ (more) than provided	Explanation
	€000	
Fuel Allowance (A.37)	(10,497)	Expenditure in relation to Fuel Allowance was €20.597 million higher than the original estimate. This was mainly due to the following (i) €15.5 million due to a higher number of recipients (271,400) than provided in the original estimate (235,500). (ii) €5 million due to bringing forward payments due on Friday, 1st January 2016 to 31st December 2015. Additional funding of €10.1 million was allocated as part of a supplementary estimate. Further funding was vired elsewhere in the Vote to meet the additional shortfall of €10.497 million.
Office of the Pensions Ombudsman (A.39)	6	Expenditure in relation to the Office of the Pensions Ombudsman was €0.2 million lower than the original estimate. The underspend was due to less expenditure (approximately €197,000) on salaries, original estimate was €0.55 million and the outturn was €0.35 million. A supplementary estimate of €0.2 million saving was used to fund excess expenditure on other subheads. The saving of approximately €6,000 was vired elsewhere in the Vote to meet excess expenditure on other subheads.
Miscellaneous services (A.40)	1,115	Expenditure in relation to Miscellaneous services was €4.569 million lower than the original estimate This was mainly due to the following (i) €3.5 million due to Food Aid operations not being in place for 2015. The application process to the fund closed at the end of November 2015 and appraisals took place then in Q1 2016. (ii) €0.5 million due to lower recipient numbers (259) than provided in the estimates (304) for ex-gratia payments to women from Magdalen Laundries and other institutions. (iii) €0.6 million less spent on training for carers in areas of economic and social disadvantage – the Carers initiative scheme is dependent upon collaboration with Pobal and funding from the Dormant Accounts Fund. €0.9 million was received from Dormant Accounts Fund in December 2015. A supplementary estimate of €3.454 million funding was used to fund excess expenditure on other subheads. The saving of €1.115 million was vired elsewhere in the Vote to meet excess expenditure on other subheads.

Description	Less/ (more) than provided	Explanation
	€000	
Subvention to the Social Insurance Fund		
Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005 (A.41)	60,806	Expenditure in relation to the Subvention to the Social Insurance Fund was €60.806 million lower than the original estimate This was mainly due to the following: (i) €262.3 million due to higher social insurance income from higher PRSI receipts. (ii) Offset by €201.5 million higher expenditure on Social Insurance Fund schemes including: • €96.1 million due to bringing forward payments due on Friday, 1st January 2016 to 31st December 2015. • €95 million due to payment of a Christmas Bonus to recipients of SIF schemes not provided in the original estimate. • €10.4 million due to a range of other offsetting factors. The saving of €60.806 million was vired elsewhere in the Vote to fund excess expenditure on other subheads.

4 Receipts

4.1 Appropriations-in-aid

			2015		2014
			Estimated	Realised	Realised
			€000	€000	€000
Social Insurance Fund Transfer to Vote 37					
1.	Recovery of administration expenses from the Social Insurance Fund		177,280	177,600	177,280
Appropriations-in-aid: Other					
2.	Recoveries of Social Assistance overpaid				
	Original	32,810			
	Supplementary	20,872	53,682	56,213	36,336
3.	Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance				
	Original	9,400			
	Supplementary	(3,480)	5,920	5,470	7,309
4.	Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare (Consolidation) Act 2005				
	Original	420			
	Supplementary	(70)	350	346	409
5.	Receipts from the General Register Office				
	Original	480			
	Supplementary	(40)	440	454	487
6.	Receipts from European Social Fund for activation and participation of people with disabilities				
	Original	3,630			
	Supplementary	(3,630)	—	—	—
7.	Receipts from pension-related deduction on public service remuneration				
	Original	15,000			
	Supplementary	(1,900)	13,100	15,167	15,503
8.	Receipts from EURES European Job Mobility Fund				
	Original	160			
	Supplementary	159	319	430	425
9.	Receipts from National Training Fund (Community Employment)				
	Original	7,400			
	Supplementary	10	7,410	7,400	7,400
10.	Receipts from Pensions Board – staff superannuation				
	Original	810			
	Supplementary	(243)	567	578	779

			2015		2014
			Estimated	Realised	Realised
			€000	€000	€000
11.	Receipts from Department of Health – Drugs Task Force supports (Employment Programme)[1]				
	Original	930			
	Supplementary	(930)	—	(10)	1,028
12.	Homeless Unit operational costs – contributions from external agencies				
	Original	200			
	Supplementary	121	321	321	366
13.	Recovery of Social assistance from Insurance claims				
	Original	2,000			
	Supplementary	(74)	1,926	1,999	—
14.	Receipts for services relating to the administration of the Water Conservation Grant				
	Original	10			
	Supplementary	(10)	—	—	—
15.	Miscellaneous				
	Original	1,460			
	Supplementary	(300)	1,160	3,650	5,071
—	Receipts from the European Commission for the Youth Guarantee Scheme				
	Original	—			
	Supplementary	1,900	1,900	27	150
—	Dormant account receipts		—	907	—
	Total		**264,375**	**270,552**	**252,543**

[1] Refund of unspent funds to the Department of Health.

Significant variations

Overall, Appropriations-in-Aid were €6.177 million more than estimated, representing a variance of 2.3%. An explanation is provided below in the case of each heading where the amount realised varied from the original estimate by more than €100,000 and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Recoveries of Social Assistance overpaid	(2,531)	Social assistance overpayments recovered were €23.4 million more than originally estimated. This is attributed to difficulties in assessing the impact of the change in accounting treatment of welfare overpayment recoveries for 2015. Previously, overpayments recovered by way of deduction from scheme entitlements were netted against scheme expenditure. From 2015, prior year recoveries are treated as appropriations-in-aid. Additional receipts of €20.87 million were reallocated as part of a supplementary estimate. The additional €2.53 million in social assistance overpayments recovered were used to fund income and expenditure variances elsewhere in the Vote.
Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	450	Repayments from the Social Insurance Fund of amounts paid initially as social assistance were €3.93 million less than the original estimate. This was due to difficulties in predicting income from such receipts which can vary from €150,000 to over €1 million per month. Outturn in 2015 was less than provided for in the estimate. An amount of €3.48 million was reallocated as part of a supplementary estimate due to the anticipated shortfall. The additional shortfall of €0.45 million was vired from elsewhere within the Vote to fund the final shortfall balance.
Receipts from European Social Fund for activation and participation of people with disabilities	-	The €3.63 million original estimate to be received from the European Social Fund for activation and participation of people with disabilities did not materialise in 2015. This was due to the following There can be a significant lead in time of up to a year between making a claim and receiving a recoupment from the European Social Fund (ESF). A claim was made during 2015 - however, following feedback from the ESF management authority, a revised claim was made in June 2016, with recoupment from ESF now expected in 2017. The amount of €3.63 million was reallocated as part of a supplementary estimate due to the anticipated shortfall.

Description	Less/ (more) than provided €000	Explanation
Receipts from EURES European Job Mobility Fund	(111)	Receipts received from the EURES European Job Mobility Fund were €0.27 million more than the original estimate. This was mainly due to difficulties in accurately predicting the timing of receipts. Two items were received in 2015 which had not been included in the original estimate. (i) An amount of €0.3 million was received from the Employment and Social Innovation programme (EaSI) in respect of European Employment Services (EURES) Ireland/Northern Ireland partnership to facilitate the free movement of workers. (ii) An amount of €129,064 was received from the EU in respect of EURES to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member states by the Public Employment Service. Additional receipts of approximately €159,000 were reallocated as part of a supplementary estimate. Further receipts of approximately €111,000 were used to fund income and expenditure variances elsewhere in the Vote.
Receipts from Pensions Board – staff superannuation	(11)	Pensions Board – staff superannuation receipts were €0.23 million less than originally estimated. This was due to the retirement of two staff who retired from the Pensions Board during 2015, which lowered the amount of monthly superannuation receipts. An amount of €0.24 million was reallocated as part of a supplementary estimate due to the anticipated shortfall. The additional receipts of approximately €11,000 were used to fund income and expenditure variances elsewhere in the Vote.
Homeless Unit operational costs – contributions from external agencies	-	Receipts received in relation to the Homeless Unit operational costs – contributions from external agencies were €0.12 million more than the original estimate This was due to difficulties in accurately predicting the timing of receipts. Additional receipts of €0.12 million were re-allocated as part of a supplementary estimate.

Description	Less/ (more) than provided €000	Explanation
Miscellaneous	(2,490)	Miscellaneous receipts were €2.19 million more than originally estimated. This was mainly due to the realisation of funds from two specific sources which had not been envisaged when the original estimate was prepared. (i) €1.9 million from PEIL, the EU programme aimed at making Europe a more attractive place to invest and work, enhancing knowledge and innovation for growth and more and better jobs. (ii) €0.5 million recouped in respect of staff on loan to another department. An amount of €0.3 million was re-allocated as part of a supplementary estimate. The amount realised however significantly exceeded the estimate. An amount of €2.49 million was vired elsewhere to fund other income and expenditure variances within the Vote.
Dormant account receipts	(907)	The original estimate did not include a provision for any Dormant account receipts. Receipts received however, in relation to Dormant accounts were €0.9 million. The €0.9 million funding provided by Pobal from the Dormant Accounts Fund was to support expenditure on training for carers under the Carers initiative before the end of 2015 and had not been anticipated at the start of the year. The €0.9 million receipts received were used to fund income and expenditure variances elsewhere in the Vote.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	4	8
Conscience money	10	7
Witness expenses	1	2
Pensions Board fines	14	2
Transferred to Exchequer	(23)	(15)
Balance at 31 December	6	4

5 Employee Numbers and Pay

	2015	2014
Number of Staff at Year End (full time equivalents)		
Department	6,473	6,551
Agencies	123	120
	6,596	**6,671**

Remuneration of All Staff (Department and agencies)	2015 €000	2014 €000
Pay	304,717	300,155
Higher, special or additional duties allowance	1,062	796
Other allowances	440	422
Overtime	3,360	3,018
Employer's PRSI	17,689	17,294
Total pay	**327,268**	**321,685**

5.1 Department

The following remuneration arrangements refer to pay element Subheads A.1 (i), A.2 (viii), A.2 (ix), A.22.

	2015 €000	2014 €000
Pay	297,144	293,178
Higher, special or additional duties allowance	1,015	739
Other allowances	440	422
Overtime	3,360	3,016
Employer's PRSI	17,094	16,649
Total pay	**319,053**	**314,004**

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	523	15	68,593[1]	18,589
Other allowances	58	17	12,258	13,806
Overtime	2,051	24	15,796	17,881
Number of individuals who received extra remuneration in more than one category	3	1	10,912	2,033

[1] Two employees received higher duty allowance arrears for previous years of €50,520 and €50,323 respectively.

5.2 Agency

The remuneration referred to below relates to the Citizens Information Board, the Pensions Authority and the Pensions Ombudsman.

	2015 €000	2014 €000
Pay	7,573	6,977
Higher, special or additional duties allowance	47	57
Other allowances	—	—
Overtime	—	2
Employer's PRSI	595	645
Total pay	**8,215**	**7,681**

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	12	1	15,263	15,556
Other allowances	—	—	—	—
Overtime	—	—	—	971

5.3 Other Remuneration Arrangements

Redundancy payments of €19,531 were paid to six staff under the Redundancy Payments Acts 1967 to 2007.

A retired Chief Medical Officer and a Medical Assessor were re-employed in 2014 in the public interest and by way of open competition respectively. They continue to be re-employed in 2015 and were paid salaries of €129,274 and €39,326 respectively. Pension abatement was applied.

A member of the Citizens Information Board staff received €11,405 in respect of a director's allowance.

5.4 Payroll Overpayments

Overpayments at the year end were €3 million (1,361 cases) (2014 €1.2 million, 756 cases). Of this, 721 cases have recovery plans in place.

6 Miscellaneous

6.1 Recovery of Welfare Overpayments

The summary position on assistance overpayments at 31 December 2015 was as follows:

	2015		2014	
		Outturn		Outturn
	€000	€000	€000	€000
Overpayments outstanding at 1 January		346,205		323,936
Adjustment[1]		8,499		—
Net overpayments recorded				
Fraud	39,915		45,045	
Claimant error	30,057		30,943	
Departmental error	1,809		3,146	
Estate cases	16,655	88,436	16,101	95,235
		443,140		419,171
Less:				
Amounts recovered[2]		(64,682)		(64,369)
Amounts written off as irrecoverable		(1,607)		(8,597)
Overpayments outstanding at 31 December		376,851		346,205

[1] In previous years the overpayment debt balance was computed from summary postings without reconciliation to individual debtors. The adjustment of €8.5 million is necessary to align the opening debt balance being carried forward from the 2014 Vote statutory account with the actual list of debtors recorded on DRAS at 1 January 2015.

[2] The amount recovered includes

- €56.2 million posted to income in respect of previous year debt (cash recoveries €31 million and deductions withheld €25.2 million)
- €8.5 million posted against expenditure in respect of current years debt (cash €5.3 million and deductions withheld €3.2 million)

6.2 Legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Department						
Personal Injuries[1]	22	62	101	361	524	64
Breach of HR/Employment Policies[2]	4	5	23	19	47	1
Claims by members of the public						
Personal Injuries[3]	11	52	53	115	220	159
Department Schemes[4]	501	218	199	3,459	3,876	2,368
Miscellaneous[5]	4	197	89	47	333	159
		534	465	4,001	5,000	2,751

[1] Payments ranged from €92 to €178,495.

[2] Payments ranged from €32 to €36,606. The cases related to a breach of personal data, unfair dismissal, discrimination under dignity at work legislation and defamation under positive working environment policy.

[3]Payments ranged from €32 to €96,944.

[4]Ex-gratia payments, loss of purchasing power payments and legal costs payments up to €94,642 were made in respect of Carer's Allowance, Jobseeker's Allowance, Supplementary Welfare Allowance basic payment, Child Benefit, Free Travel, JobBridge, One-Parent Family payment, Guardians (Non-Contributory), Magdalen Laundries and other institutions and the Office of the Pensions Ombudsman.

[5] Payments ranged from €15 to €196,627. The cases related to pension entitlements, amendment of the birth register, hygiene supplies and employment contract.

6.3 EU Funds

Funding of €1.9 million was received from the EU for the ESF (European Social Fund) programme for Employability, Inclusion and Learning. The ESF is the European Union's financial instrument for investing in people. The mission of the ESF is to help prevent and fight unemployment, to make Europe's workforce and companies better equipped to face new challenges and to prevent people losing touch with the labour market.

A total of €300,817 was received from the EaSI (Employment and Social Innovation) programme in respect of EURES (European Employment Services) Ireland/Northern Ireland partnership to facilitate the free movement of workers which is organised centrally by the European Commission and is administered in the member states by the Public Employment Service.

An amount of €129,064 was received from the EU in respect of EURES (European Employment Services) to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member states by the Public Employment Service.

An amount of €27,290 was received from the EU in respect of the Ballymun Youth Guarantee (BYG) Project. BYG is a project funded under an EU flagship initiative launched in September 2010, “Youth on the Move”, that supports access to employment for unemployed persons between the ages of 18 and 24 years through access to career guidance, education, training programmes and work experience. This project is one of sixteen projects being run concurrently in various EU Member States.

Funding of €3,302 was received from the EU in respect of the EU Presidency. This amount was an outstanding final payment to cover the costs for a Heads of PES (Public Employment Services) meeting organised by the Irish Council Presidency in 2013.

6.4 Possible Misappropriation

There was one case of possible misappropriation of public monies by an employee with a current estimated value of €6,735. This possible misappropriation occurred during the period August 2011 to May 2012.

6.5 Late Payment Interest

	2015	**2014**
	€	**€**
Total of interest payments due	8,209	9,841
Recipients of €10,000 or more	—	—

6.6 Contingent Liabilities

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

6.7 Write-Offs

The following sums were written off in the year:

	2015	2014
	€000	€000
Suspense account balance re: OPW	95	—
Suspense account balance re: petty cash	1	—
	96	—

Annex
Department of Social Protection
Summary of Programme Expenditure

	2015 €m	2014 €m
Vote 37 gross expenditure	11,586	12,071
Less non scheme expenditure		
Administration	(490)	(470)
SIF subvention	(119)	(542)
Grant to Citizens Information Board	(46)	(45)
Grant to Pensions Ombudsman	(1)	(1)
Miscellaneous services	(6)	(3)
Vote 37 scheme expenditure	**10,924**	**11,010**
SIF gross expenditure	**8,980**	**8,771**
Less non scheme expenditure		
Administration	(271)	(271)
National Training Levy	(364)	(338)
SIF scheme expenditure	**8,345**	**8,162**
Total Department scheme expenditure	**19,269**	**19,172**

Scheme Expenditure Breakdown

Payments by scheme and category	2015	2014
	€m	€m
Pensions		
State Pensions	5,450	5,214
Widows'/Widowers'/ Surviving Civil Partners' Pension	1,430	1,378
Bereavement Grant	—	4
Total	**6,880**	**6,596**
Working Age Income Supports		
Jobseeker's Allowance	2,742	2,923
One Parent Family Payment	670	867
Jobseeker's Benefit	387	420
Redundancy and Insolvency Benefit	43	88
Maternity Benefit	260	270
Basic Supplementary Welfare Allowance	92	82
Farm Assist	88	94
Deserted Wife's Benefit	77	79
Other Working Age - Income Supports	43	44
Pre-Retirement Allowance	16	24
Treatment Benefits	30	29
Widows' /Widowers'/ Surviving Civil Partners' Pension (Non Contributory)	16	16
Deserted Wife's Allowance	2	3
Adoptive Benefit	1	—
Health and Safety Benefit	1	1
Total	**4,468**	**4,940**
Supplementary Payments		
Rent Supplement	311	338
Household Benefits Package	221	232
Fuel Allowance	216	218
Free Travel	75	75
Mortgage Interest Supplement	12	21
Total	**835**	**884**
Working Age Employment Supports		
Employment Programmes	365	359
Back to Education Allowance	144	163
Back to Work Allowance	129	119
Back to Work Family Dividend	14	—
TÚS Community Work Placement Scheme	125	116
National Internship Scheme - JobBridge	63	76
Other Working Age - Employment Supports	88	75
Community Services Programme	43	43
Rural Social Scheme	44	44
Gateway	30	7
Jobs Initiative	22	23
Partial Capacity Benefit	11	10
Total	**1,078**	**1,035**

	2015	2014
	€m	€m
Illness, Disability and Carers		
Disability Allowance	1,282	1,238
Illness Benefit	620	626
Invalidity Pension	649	652
Carer's Payment	641	583
Respite Care Grant	125	118
Domiciliary Care Allowance	121	111
Disablement Benefit	77	77
Blind Pension	14	14
Injury Benefit	17	17
Total	**3,546**	**3,436**
Children		
Child Benefit	1,990	1,902
Family Income Supplement	368	298
Back to School Clothing and Footwear Allowance	41	42
School Meals	39	17
Child Related Payments	24	22
Total	**2,462**	**2,281**
Net Expenditure on all Schemes	**19,269**	**19,172**

Appropriation Account 2015

Vote 38

Health

Introduction

As Accounting Officer for Vote 38, 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 2015 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including grants to the Health Service Executive and miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

Changes to Vote 38: Health in 2015

Up to 31 December 2014, the HSE was funded through Vote 39: Health Service Executive. The Health Service Executive (Financial Matters) Act 2014 provided for the disestablishment of Vote 39: Health Service Executive from 1 January 2015. Funding for the HSE is now provided through Vote 38 - Health.

The figures shown as 2014 outturn in this Account in respect of HSE subheads are those reported in Vote 39 in 2014. It should be noted that in 2014 (and in previous years) the funding provided and the expenditure incurred in relation to individual subheads was the gross expenditure. The HSE received receipts from a number of sources which were reported as Appropriations - in-aid.

In 2015, some of the income previously reported as Appropriations – in –aid is retained by the HSE. In 2015, the amount provided for in the estimate and the expenditure outturn in Vote 38 in relation to the HSE is on a net grant basis.

The amounts spent on three subheads (A.1, A.2 and B.7) by the HSE in 2014, are now included on a net grant basis in Vote 38: Health 2015 in subheads I.1 to I.4.

Accordingly, the outturn for 2014 and 2015 may not be directly comparable.

A surplus of €8.43 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 have been applied in the preparation of the account.

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.

The Human Resource function is provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also and is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer of the Vote for Shared Services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls that are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial control environment

I confirm that a control environment containing 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.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of one arrangement to the value of €55,000 (excluding VAT) which is listed in my annual return in respect of Circular 40/2002. This concerns a review of matters related to disability services in the South East by a Senior Counsel at the request of the Minister of State for Mental Health, Primary Care and Social Care (Disabilities and Older People).

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Jim Breslin
Accounting Officer
Department of Health

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 38 Health for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Health. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

23 September 2016

Vote 38 Health
Appropriation Account 2015

Service			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Administration					
A.1	Salaries, wages and allowances				
	Original	25,462			
	Supplementary	(2,500)	22,962	22,477	22,078
A.2	Travel and subsistence		654	349	356
A.3	Training and development and incidental expenses		944	766	663
A.4	Postal and telecommunication services		528	378	400
A.5	Office equipment and external IT services		1,824	1,669	1,352
A.6	Office premises expenses		625	576	496
A.7	Consultancy services and value for money and policy reviews				
	Original	1,650			
	Supplementary	(500)	1,150	814	1,554
—	*HSE – Salaries, wages and allowances and other administration expenses of Corporate HSE*		—	—	63,955
—	*Value for money and policy reviews*		—	—	377
Grants					
B.1	Grants to research bodies and other research grants		36,500	34,566	34,852
B.2	Grants to health agencies and other similar organisations (part funded by National Lottery)		3,286	3,286	3,286
B.3	Drugs initiative		6,358	6,347	7,267
Other services					
C.	Expenses in connection with the World Health Organisation and other international bodies		2,600	2,590	2,347
D.	Statutory and non-statutory inquiries and miscellaneous legal fees and settlements				
	Original	10,093			
	Supplementary	31,300	41,393	38,261	17,047
E.1	Developmental, consultative, supervisory, regulatory and advisory bodies				
	Original	55,923			
	Supplementary	(5,000)	50,923	49,956	47,808

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Other services (continued)					
E.2	The Food Safety Promotion Board		5,474	5,474	5,712
E.3	The National Treatment Purchase Fund Board and Special Delivery Unit		5,100	5,100	5,100
E.4	Ireland/Northern Ireland INTERREG				
	Original	2,190			
	Supplementary	(1,000)	1,190	1,020	1,474
F.1	Payments in respect of disablement caused by thalidomide		745	386	384
F.2	Payments in respect of persons claiming to have been damaged by vaccination		1	—	—
F.3	Payments to a special account established under section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002				
	Original	24,786			
	Supplementary	(5,000)	19,786	17,800	24,000
F.4	Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002				
	Original	3,849			
	Supplementary	(900)	2,949	2,949	3,200
G.	Dissemination of information, conferences and publications in respect of health and health services				
	Original	1,513			
	Supplementary	(400)	1,113	1,111	1,003
Corporate Administrative					
H.	Pension lump sum payments				
	Original	72,000			
	Supplementary	24,000	96,000	92,168	91,176
HSE Regions and Other Health Agencies					
I.1	HSE – Dublin Mid Leinster Region				
	Original	1,296,543			
	Supplementary	39,000	1,335,543	1,337,688	1,432,438
I.2	HSE – Dublin North East Region				
	Original	1,153,144			
	Supplementary	36,000	1,189,144	1,191,068	1,306,142
I.3	HSE – South Region				
	Original	1,821,037			
	Supplementary	57,000	1,878,037	1,881,036	1,998,150

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
I.4	HSE – West Region				
	Original	2,023,498			
	Supplementary	66,000	2,089,498	2,092,827	2,215,638
I.5	Grants in respect of certain other health bodies including voluntary and joint hospital boards				
	Original	2,117,495			
	Supplementary	160,000	2,277,495	2,296,934	2,305,337
Other HSE Services					
J.1	Health agencies and similar organisations (part funded by the National Lottery)		7,513	4,289	4,289
J.2	Payments to Special Account – Health (Repayment) Act 2006		4,000	1,670	1,000
J.3	Payment to special account established under section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,500	—	1,650
J.4	Service developments and innovative service delivery projects		50,000	40,000	21,635
J.5	Payment to State Claims Agency				
	Original	96,000			
	Supplementary	93,000	189,000	205,227	129,403
J.6	Economic and social disadvantaged (dormant account funding)		2,700	1,915	—
—	*Hospital, inpatient, out-patient and counselling services for persons who have contracted Hepatitis C from the use of immunoglobin anti-D and the provision of services under the Health (Amendment) Act 1996*		—	—	14,210
Care Programme					
K.1	Primary care reimbursement services and community demand led schemes				
	Original	2,485,800			
	Supplementary	151,000	2,636,800	2,617,877	2,540,112
K.2	Long term residential care				
	Original	873,900			
	Supplementary	23,000	896,900	895,300	954,093

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Capital Services					
L.1	Grants in respect of building, equipping (including ICT)		14,527	11,148	14,383
L.2	Building, equipping and furnishing of health facilities and of higher education facilities		309,620	319,834	320,888
L.3	Building, equipping and furnishing of health facilities (part funded by the National Lottery)		2,539	2,539	2,539
L.4	Information services and related services for health agencies		155,000	153,353	134,432
—	*Building and equipping mental health and other health facilities (funded from the disposal of surplus assets)*		—	—	5,453
	Gross expenditure				
	Original	12,676,921			
	Supplementary	665,000	**13,341,921**	**13,340,748**	**13,737,679**
	Deduct				
M	**Appropriations-in-aid**				
	Original	455,721			
	Supplementary	65,000	**520,721**	**527,975**	**1,341,887**
	Net expenditure				
	Original	12,221,200			
	Supplementary	600,000			
			12,821,200	**12,812,773**	**12,395,792**

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered		
Vote 38 – Health	8,427,346	11,908,634
Vote 39 – Health Service Executive	—	26,764,003
Total	**8,427,346**	**38,672,637**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Expenditure on administration		27,029	26,899
Expenditure on services and programmes		13,313,719	167,863
Gross expenditure		**13,340,748**	**194,762**
Deduct			
Appropriations-in-aid		**527,975**	**4,702**
Net expenditure		**12,812,773**	**190,060**
Changes in capital assets			
Purchases cash	(141)		
Depreciation	144		
Loss on disposals	12		
		15	78
Changes in net current assets			
Increase in closing accruals	10,666		
Increase in stock	(6)		
		10,660	**(1,354)**
Direct expenditure		**12,823,448**	**188,784**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		9,383	9,329
Notional rents		2,004	2,004
Net programme cost		**12,834,835**	**200,117**

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 38 borne elsewhere.

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	167	258
Vote 12 Superannuation and Retired Allowance	e	7,486	7,288
Vote 13 Office of Public Works	e	1,466	1,536
Central Fund – Ministerial pensions	e	264	247
		9,383	**9,329**

“e” indicates that the number is an estimated value or an apportioned cost

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital Assets	2.2	**590**	**593**
Current Assets			
Stocks	2.4	71	65
Prepayments		259	173
Accrued income	2.5	156	10,595
Other debit balances	2.6	8,335	42,247
Net Exchequer due	2.8	18,534	(14)
Total Current Assets		**27,355**	**53,066**
Less Current Liabilities			
Accrued expenses		606	293
Other credit balances	2.7	1,063	203
Bank and cash	2.3	25,806	42,030
Total current liabilities		**27,475**	**42,526**
Net Current Assets/ (Liabilities)		**(120)**	**10,540**
Net Assets		**470**	**11,133**
Represented by:			
State Funding Account	2.1	**470**	**11,133**

2.1 State Funding Account	**Note**	**2015**	**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			11,133	9,857
Disbursements from the Vote				
Estimate provision	Account*	12,821,200		
Surplus to be surrendered	Account*	(8,427)		
Net vote			12,812,773	190,060
Expenditure (cash) borne elsewhere	1		9,383	9,329
Non cash expenditure – notional rent	1		2,004	2,004
Other non-cash item – capital accrual			12	—
Net programme cost	1		(12,834,835)	(200,117)
Balance at 31 December			**470**	**11,133**

**Note: "Account" refers to the face of the Appropriation Account*

2.2 Capital Assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2015	2,563	1,960	4,523
Additions	118	35	153
Disposals	(377)	(39)	(416)
Cost or valuation at 31 December 2015	2,304	1,956	4,260
Accumulated depreciation			
Opening balance at 1 January 2015	2,038	1,892	3,930
Depreciation for the year	94	50	144
Depreciation on disposals	(365)	(39)	(404)
Cumulative depreciation at 31 December 2015	1,767	1,903	3,670
Net assets at 31 December 2015	**537**	**53**	**590**
Net assets at 31 December 2014	**525**	**68**	**593**

2.3 Bank and Cash at 31 December	2015 €000	2014 €000
PMG balance	(25,807)	(42,075)
Commercial bank account balance	1	45
	(25,806)	(42,030)

2.4 Stocks at 31 December	2015 €000	2014 €000
Stationery	20	17
IT Consumables	51	48
	71	65

2.5 Accrued Income at 31 December	2015 €000	2014 €000
Pay related deductions due from IBTS*	—	10,280
Other	156	315
	156	10,595

*In January 2016, the Minister for Public Expenditure and Reform directed that the sums currently held in escrow by the Irish Blood Transfusion Board amounting to €10 million should be disposed of by transfer to the Irish Blood Transfusion Service Superannuation Fund and utilised as funding in respect of liabilities of that fund.

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Recoupable salaries	76	81
Recoupable travel expenditure	8	6
Recoupable travel pass scheme expenditure	135	132
Hepatitis C Compensation Tribunal	4,175	1,200
Other debit suspense items	3,941	40,828
	8,335	42,247

2.7 Other Credit Balances	**2015**	**2014**
At 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax and Universal Social Charge	—	2
Pay Related Social Insurance	(3)	(4)
Professional Services Withholding Tax	96	24
Value Added Tax	16	5
Pension contributions	—	7
HSE cash undrawn	789	—
	898	34
Other credit suspense items	165	169
	1,063	203

2.8 Net Exchequer funding due	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus appropriations to be surrendered	8,427	11,909
Exchequer grant undrawn	(26,961)	(11,895)
Net Exchequer funding due	(18,534)	14
Represented by:		
Debtors		
Debit balances: suspense items	8,335	42,247
	8,335	42,247
Creditors		
Due to State	(109)	(34)
Bank and cash	(26,595)	(42,030)
Credit balances: suspense	(165)	(169)
	(26,869)	(42,233)
	(18,534)	14

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
(a) Global Commitments		
Procurement subheads	977	1,223
Grant subheads	5,614	6,946
	6,591	8,169

(b) Multi-Annual Capital Commitments

Note: Individual capital projects involving total expenditure of €6,350,000 or more should be shown separately in the multi-annual capital commitments table

	Cumulative expenditure to 31 December 2014	**Expenditure in 2015**	**Project commitments in subsequent years**	**Expected total spend lifetime of project 2015**	**Expected total spend lifetime of project 2014**
	€000	**€000**	**€000**	**€000**	**€000**
Health Research Board Clinical Research facilities:					
St James's Hospital and Dublin Clinical Research Network	9,309	1,067	2,437	12,813	12,390
Total	9,309	1,067	2,437	12,813	12,390

3 Programme Expenditure by Subhead

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the original estimate provision by more than €100,000, and by more than 5% (25% in the case of administration subheads). There is an overall surrender with the excess spending on some subheads met through a combination of a Supplementary Estimate and virement of savings on some other subheads.

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Salaries, wages and allowances	A.1	2,985	The original budget provision in 2015 was based on a whole time equivalent of 374 staff. The actual number of staff at end of 2015 was 340 WTEs . The lower than anticipated level of staffing resulted in a €3 million variance, of which €2.5 million was vired as part of the supplementary estimate. The reason for the lower than expected level of staff can be attributed to two factors • Delays in securing replacement staff for the high level of leavers in 2015 arising from transfers and secondments, resignations and retirements and • Delays in filling new posts associated with the significant organisation development under the Working Better Together programme. The delays were in the main caused by the absence of Public Appointments Service panels for key grades until early 2016. The main areas affected were Research Services (largely economists), Health Strategy and Policy and Health Service Performance. The balance of posts filled in early 2016 were arising across all divisions of the Department.
Travel and subsistence	A.2	305	Spending on travel was less than anticipated and less than the previous year.
Postal and telecommunication services	A.4	150	The savings arose due to the reducing cost of telephone charges.
Consultancy services and value for money and policy reviews	A.7	836	Consultancy costs were €0.836 million less than provided for due to delays in commencing a number of projects including the development and implementation of several National Clinical Guidelines (€0.317 million), the development of policy relating to nursing, midwifery and related grades (€0.115 million), the utilisation of professional actuarial services (€0.1 million), the provision of alcohol labelling research (€0.096 million) and work relating to Drugs and Alcohol Task Forces (€0.079 million).

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Grants to research bodies and other research grants	B.1	1,934	The original allocation incorporated provision for additional research projects anticipated to arise from the creation of an enhanced research function in the Department in the context of the Working Better Together programme. In the event, the timing of the restructuring and filling of senior posts resulted in €1.7 million not being required in 2015. The balance of the variance relates to lower than budgeted pay costs in the National Cancer Registry Board, arising mainly from the non-replacement of a staff member and staff working part time rather than full time.
Statutory and non-statutory inquiries and miscellaneous legal fees and settlements	D	(28,168)	The original provision of €10.093 million was increased by €31.3 million in the Supplementary Estimate to meet the costs of the Symphysiotomy Payment Scheme and medical negligence claims. In practice, some of these claims did not arise for payment in 2015 leading to a saving of €3.132 million.
Developmental, consultative, supervisory, regulatory and advisory bodies	E.1	5,967	The Department advances funds to health agencies up to the approved level of expenditure or actual expenditure, whichever is the lesser amount. Actual expenditure was less than budgeted for a number of agencies as follows. Expenditure by Health Information and Quality Authority was €1.7 million lower than budgeted due to delays in filling sanctioned posts and less than budgeted spending on information technology, publications and training. Expenditure by the Mental Health Commission was €1.2 million lower than budgeted due to delays in filling sanctioned posts, lower than expected expenditure on legal fees and a delay in the commencement of an ICT development project. The savings of €0.5 million made by CORU arose on pay and legal costs and increased buoyancy in receipts from registration fees. The savings of €0.1million by the Pre Hospital Emergency Care Council was due to an increase in income generated.
Ireland/Northern Ireland INTERREG	E.4	1,170	Payments under this subhead are requested by the Special EU Programmes Body, based on actual payments made to projects under the Scheme. The original provision of €2.19 million was reduced in the Supplementary Estimate by €1m with further savings of €0.17 million as a number of projects had concluded. The timing of funding requests may be unpredictable given the INTERREG verification processes in place and estimates can be subject to change.

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Payments in respect of disablement caused by thalidomide	F.1	359	The Department continued to make monthly payments to Irish survivors of Thalidomide in 2015. The Department is participating in a legal mediation process, managed by the State Claims Agency, with twenty two thalidomide survivors who have lodged High Court personal injury claims against the State. The savings arose as the mediation process has not concluded.
Payments to a special account established under section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002	F.3	6,986	As the Department is not in a position to precisely forecast the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal, the original provision of €24.786 million was reduced in the Supplementary Estimate by €5 million with further savings of €1.986 million.
Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	F.4	900	As the Department is not in a position to precisely forecast the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal, the original provision of €3.849 million was reduced in the Supplementary Estimate by €0.9 million. A Reparation Fund payment is fixed at 20% of the Tribunal award.
Dissemination of information, conferences and publications in respect of health and health services	G	402	The original provision of €1.513 million was reduced in the Supplementary Estimate by €0.4 million with further savings of €0.002 million. A number of projects associated with Healthy Ireland and other health promotion and protection projects did not conclude.
Pension lump sum payments	H	(20,168)	The original provision for HSE pension lump sums was €72 million. This was increased by €24 million to €96 million in the Supplementary Estimate to provide for the estimated additional cost of funding pension lump sums for HSE retirees during 2015. The final outturn for pension lumps sums was €92.2 million. The anticipated expenditure was overestimated by €3.8 million due to the scale and number of retirements in any financial period being difficult to predict with certainty.

Description	Sub-head	Less/ (more) than provided €000	Explanation
HSE – Dublin Mid Leinster Region	I.1	(41,145)	The original provision for subheads I.1 to I.5 was €8,412 million. The main reasons for the difference between the actual expenditure outturn of €8,799 million and the original estimate totalling €388 million are summarised below :
HSE – Dublin North East Region	I.2	(37,924)	
HSE – South Region	I.3	(59,999)	€222 million related to higher than budgeted expenditure in hospitals. This was due to urgent and significant service demands, with attendant increase in staff numbers, and the underachievement of some cost reduction initiatives including targeted savings on agency staff.
HSE – West Region	I.4	(69,329)	
Grants in respect of certain other health bodies including voluntary and joint hospital boards	I.5	(179,439)	€68 million related to initiatives approved by Government after the estimate had been developed as follows: 1. Delayed discharges initiative (€30 million) in relation to home care/transitional beds 2. Waiting list initiative (€28 million) which included additional expenditure in HSE and private hospitals to reduce inpatient, day case and outpatient waiting lists. 3. Winter initiative (€10 million) which included additional expenditure aimed at addressing capacity and escalation challenges at hospitals to deal with overcrowding issues that arise in winter months. Social care costs were some €53 million higher than budgeted comprising €5 million in Older People Services and €48 million in Disability Services. The increase in Disability Services payments mainly arose due to costs of extra staffing and emergency placements, and additional investment to achieve infrastructure compliance with national standards. Hospitals are funded from the Vote on the basis of the net funding required which takes account of expenditure less the other income collected by the hospital. The Vote provided for additional receipts of €131 million as a result of new arrangements with insurers. As agreement was not reached with all insurers in 2015, the additional receipts amounted to €120 million resulting in a shortfall of €11 million which required additional funding from the Exchequer. €28 million additional pension payment arose due to more staff retiring than was provided for in the Estimate. €5 million was provided for the additional cost of overseas treatment. The original provision was increased by €358 million in the supplementary estimate to give a revised

			estimate of €8,770 million and the additional expenditure (over the revised estimate) was met by virement of savings from other subheads.
Health Agencies and Similar Organisations (part funded by the National Lottery)	J.1	3,224	The original 2015 provision for Subhead J1 was €7.5 million. The National Lottery expenditure was less than forecast due to grants not being paid until the conditions of the grant are fulfilled. Delays occur due to outstanding information requirements such as tax clearance certificate and quotations.
Payments to Special Account – Health (Repayment) Act 2006	J.2	2,330	The original 2015 provision for Subhead J2 was €4 million. Payments under this Subhead were less than forecast leading to a saving of €2.33 million against the original provision. This saving arose because the HSE National Co-ordinating Unit can only make repayments under the Health Repayment Scheme on claims which have been fully validated through the various stages of the repayment process, which includes receiving data from service providers, checking details and amounts provided, audit of repayable amounts, issuing offers and checking appropriate acceptance of the offers.
Payment to Special Account est under section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme	J.3	1,500	The original 2015 provision for Subhead J2 was €1.5 million. The anticipated expenditure was overestimated because no claims made by Approved Insurers for the payment of benefits under this Scheme were completed to the point of making payments to the Special Account established under Section 4 of Hepatitis C Compensation Tribunal during 2015.
Service developments and innovative service delivery projects	J.4	10,000	The original 2015 provision for Subhead J4 was €50 million. The anticipated expenditure was overestimated by €10 million due to timing factors associated with the implementation of new developments in mental health services (€7.1million) and delayed discharge initiatives (€2.9 million).
Payment to State Claims Agency	J.5	(109,227)	The original 2015 provision for the State Claims Agency (SCA) was €96 million. This was increased by €93 million to €189 million in the Supplementary Estimate. Precise cost prediction in this area has proven to be extremely challenging and deficits in recent years have been met each year by way of supplementary funding at year end. The anticipated expenditure for the SCA turned out to be €16 million higher than the Final Estimate provision owing to the submission of unexpected late claims by the State Claims Agency to the HSE, which the HSE was statutorily required to pay. The Supplementary Estimate provision of €93 million and the additional unexpected payment of €16m led to €109 million in excess spending.

Description	Sub-head	Less/ (more) than provided €000	Explanation
Economic and social disadvantaged (dormant account funding)	J.6	785	The original 2015 provision for Subhead J6 was €2.7 million. The outturn for this subhead was €1.9 million leading to a saving against the original allocation of €0.785 million. The anticipated expenditure was overestimated as under the detailed process for the approval and payment of funding to Dormant Account projects, a certain proportion of funding can be drawn down at contract stage, with the balance drawn down at a later stage. It was not possible for approved projects to draw down the balance by year end.
Primary care reimbursement services and community demand led schemes	K.1	(132,077)	The original provision for Subhead K1 was €2,486 million. The outturn was €2,618 million. Expenditure was higher than budgeted in the following areas. ▪ High tech drug schemes €69 million — the cost increase was driven by an increase in demand for new and existing drugs. ▪ Long term illness scheme €65 million. In Qtr.4 2014, the average spend on the scheme was €13m per month. By Qtr. 4 2015, this had increased to €16 million per month. The budget allocated to PCRS for 2015 had a growth expectation built in but anticipated that the rate of growth would stabilise. The stabilisation did not occur. The increase in expenditure was driven by an increase in demand for the scheme as a result of new patients diagnosed with a qualifying LTI and a move by patients who have or previously had a medical card to accessing approved medicines under the LTI scheme rather than the GMS scheme. ▪ GMS pharmacy drugs €23 million. The increased pharmacy drug cost fee is as a result of increased cardholder numbers in the system than that budgeted for in 2015. An additional 26,000 medical cards were in the system at 31 December 2015 than was provided for when the budget was agreed in October. Local Demand Led Schemes came in €17 million above the original estimate. It is typically difficult to estimate demand growth in this area. The main expenditure drivers within Local Schemes are hardship medicine and drug refund schemes which represent almost 100% of the deficit in this area. The higher than expected expenditure in areas (outlined above) were offset by lower than expected expenditure in the following areas ▪ GP fees and allowances €25 million. The

			reduction was primarily a result of the delay in introducing Free GP Care to Under 6s and Over 70s, which was budgeted to commence in March 2015, but commenced in July and August 2015 respectively. ▪ Dental treatment services €9 million. This was directly linked to a reduction in the number of patients presenting for treatment. ▪ Drug Payment Scheme €5 million. Expenditure was lower than budgeted as a result of a drop off in the number of families claiming under the scheme in the early part of 2015. The reduction in claiming was driven by a combination of the reduction in the cost of certain drugs through the implementation of Reference Pricing and the co-payment threshold level. The lower referenced priced drugs resulted in less claimants reaching the threshold. The original provision was increased to €2,637 million (an increase of €151 million) in the Supplementary estimate. The final outturn was less than projected in the Supplementary Estimate due to a lower than expected growth rate in expenditure across a number of PCRS schemes in the final months of the year.
Long term residential care	K.2	(21,400)	The original provision (€873.9 million) was based on providing long term residential care to 22,361 clients each month at an average net weekly cost of €750 per bed per week. This was increased to €896.9 million (an increase of €23 million) in the supplementary estimate to provide additional placements to bring the total supported to 23,650 clients per month at 31 December 2015 to ensure that commitments relating to maintaining a waiting period of no more than four weeks were met. The final outturn was €895.3 million. The anticipated expenditure was overestimated by €1.6 million due a slightly lower than average number of clients per month than was anticipated being supported over all of 2015.
Grants in respect of building, equipping (including ICT)	L.1	3,379	Expenditure was €3.379 million lower than budgeted as planned projects in the following areas did not progress as anticipated due to timing factors associated with the delivery of ICT projects for the Health Information and Quality Authority and National Cancer Registry Ireland, ICT and accommodation and other projects for CORU.

4 Receipts

4.1 Appropriations-in-aid			2015	2015	2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
1.	Recovery of cost of health services provided under regulations of the European Community				
	Original	275,500			
	Supplementary	65,000	340,500	342,764	—
2.	Receipts from certain excise duties on tobacco products		167,605	167,605	—
3.	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund		3,000	2,831	—
4.	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund		3,000	6,304	—
5.	Miscellaneous receipts		1	195	148
6.	Dormant accounts		2,450	1,915	—
7.	Receipts from pension-related deduction on public service remuneration		3,915	6,361	4,554
	Total				
	Original	455,471			
	Supplementary	65,000			
			520,471	**527,975**	**4,702**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Recovery of cost of health services under regulations of the European Community	(67,264)	Ireland is reimbursed by the United Kingdom in respect of health services provided under EU Regulations based on an estimate of the number of persons falling within eligible categories and an estimate of the average cost of providing healthcare treatment. The amount payable is agreed bilaterally following compilation of relevant data and discussions between the two administrations. The projected receipts of €275.5 million represented an initial estimate in advance of such discussions. In the event, a total of €342.764 million was received and included a one off final settlement of €73 million for 2009.
Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	169	The ophthalmic benefit reimbursement from the Social Insurance Fund increased over the initial estimate by €0.169 million.
Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	(3,304)	The dental benefit reimbursement from the Social Insurance Fund increased due to an increase in the number of recipients.
Miscellaneous receipts	(194)	As amounts due in any year are difficult to predict, a nominal amount of €1,000 is included in the estimate. Receipts in 2015 comprised of receipts for licence fees under the Misuse of Drugs Act, refunds of unspent Drugs Initiative funding and pension scheme remittances.

Description	Less/(more) than estimated	Explanation
	€000	
Dormant accounts	535	The funding received from Dormant Accounts is based on the amount paid from Subhead J6 during the year.
Receipts from pension-related deduction on public service remuneration	(2,446)	The amount due to the Department from health agencies in respect of the pension related deduction on public service remuneration is difficult to estimate as it is dependent on the number of public sector employees and the pay due to these employees by the agencies, both of which can vary (see note 2.5).

5 Employee Numbers and Pay

The number of staff at year end includes a number of non-commercial state agencies that are not in receipt of Exchequer funding.

The pay and allowances and other remuneration details in Note 5 relate to Department of Health staff only. Detailed information in relation to pay in respect of agencies is available in the relevant annual reports or directly from the agencies concerned. The agencies have been requested to provide this information on their websites.

	2015	2014
Number of staff at year end (full time equivalents)		
Department	341	339
Agencies		
Health Service Executive		
HSE direct employees	68,771	—
Voluntary (Section 38) acute and non acute services employees	37,624	—
	106,395	—
Other Agencies	1,522	1,640
	108,258	**1,979**

	2015	2014
	€000	€000
Pay	21,184	20,708
Higher, special or additional duties allowances	122	217
Other allowances	1	5
Overtime	136	145
Employer's PRSI	1,034	1,003
Total pay	**22,477**	**22,078**

5.1 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	18	4	16,817	19,065
Other Allowances	11	-	350	2,508
Overtime	33	4	21,816	18,003
Number of individuals who received extra remuneration in more than one category	7	4	23,670	19,923

5.2 Payroll Overpayments

Salary overpayments amounted to €46,141 (12 cases) at end 2014 and €39,837 (10 cases) at end 2015. In all cases recovery plans are in place.

6 Miscellaneous

6.1 National Lottery Funding

Sub-head	Description	2015 Estimate €000	2015 Outturn €000	2014 Outturn €000
B.2	Grants to health agencies and other similar organisation (part funded by National Lottery)	3,286	3,286	3,286
J.1	Health agencies and similar organisations (part funded by the National Lottery)	7,513	4,289	4,289
L.3	Building, equipping and furnishing of health facilities (part funded by the National Lottery)	2,539	2,539	2,539

Under subhead B.2, a total of €3.286 million was paid to health agencies and other similar organisations. Details of the funding paid are available on the Department's website "www.health.gov.ie"

6.2 Legal Costs

Compensation and Legal costs awarded	2015 Total €000	2014 Total €000
Claims by members of the public	37,718	16,897
	37,718	**16,897**

6.3 Contingent Liabilities

The Department is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation.

6.4 Special Obstetrics Investment Fund

In 2008, the Minister for Health established a Special Obstetrics Indemnity Scheme. Under the scheme, the Minister agreed to indemnify Bon Secours and Mount Carmel Hospitals in respect of specified obstetric claims. A Fund was established with contributions from the two hospitals covered, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health authorises the State Claims Agency to drawdown monies from the Fund to cover the cost of claims. At 31 December 2015 the balance on the fund totalled €5.47 million. The Fund is managed by the National Treasury Management Agency and the related income and expenditure is reflected in the annual financial statements of the State Claims Agency.

6.5 Late Payment Interest and Compensation Payments

	2015 €000	2014 €000
Total of interest payments due	4	1
Recipients of €10,000 or more	—	—

Appropriation Account 2015

Vote 39

Office of Government Procurement

Introduction

As Secretary General of the Department of Public Expenditure and Reform, I am the Accounting Officer for Vote 39. I am required 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 2015 for the salaries and expenses of Office of Government Procurement.

The expenditure outturn is compared with the sums

a) granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
b) provided for capital supply services in 2015 out of unspent 2014 appropriations, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €5.08 million is liable for surrender to the Exchequer.

In 2014, a new vote for the Office of Government Procurement was created which combined the budget of the National Procurement Service (NPS) and the National Public Procurement Policy Unit (NPPPU) from the Office of Public Works and Department of Public Expenditure and Reform respectively. Some additional funding was also provided at the time.

2015 represents a transition period for this Vote – as migration to the new procurement structures continues to take place, staff are recruited and business intelligence systems are developed.

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 have been applied in the preparation of the account except for the following:

Stock policy

The Department of Finance (Vote 7), Department of Public Expenditure and Reform (Vote 11), Shared Service (Vote 18) and the Office of Government Procurement (Vote 39) share IT consumable stocks. They are allocated on the basis of staff numbers in the respective Votes.

For efficiency and convenience reasons, spend on IT consumable stock is recorded under Vote 11. However, as the stock is deemed to be shared, it is included in the operating cost notes to the Accounts of Vote 7, Vote 11, Vote 18 and Vote 39 and is allocated on the basis of staff numbers in the respective Departments.

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. A 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.

I have fulfilled my responsibilities in relation to control arrangements for HR and payroll shared services supplied to this Office by the National Shared Services Office for which I am also the Accounting Officer.

Financial control environment

I confirm that a control environment containing 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
- the Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 39.

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of one contract to the value of €29,000 which was listed in my annual return in respect of Circular 40/2002. The service relates to membership of a research and advisory body and the details have been included in the Circular 40/2002 return.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Robert Watt
Accounting Officer
Office of Government Procurement

9 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 39 Office of Government Procurement

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

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 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Public Expenditure and Reform. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

27 July 2016

Vote 39 Office of Government Procurement
Appropriation Account 2015

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Delivery of central procurement service				
	Current year provision	19,474			
	Deferred surrender	125	19,599	14,320	6,377
	Gross expenditure		**19,599**	**14,320**	**6,377**
	Deduct				
B	**Appropriations-in-aid**		**500**	**498**	**225**
	Net expenditure				
	Current year provision	18,974			
	Deferred surrender	125			
			19,099	**13,822**	**6,152**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus to be surrendered	5,276,940	6,279,345
Deferred surrender	(200,000)	(125,000)
Surplus to be surrendered	5,076,940	6,154,345

Analysis of administration expenditure

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		11,400	9,661	4,550
ii	Travel and subsistence		250	155	87
iii	Training and development and incidental expenses		500	346	150
iv	Postal and telecommunications services		400	98	34
v	Office equipment and external IT services				
	Current year provision	550			
	Deferred surrender	125	675	530	578
vi	Office premises expenses		944	538	109
			14,169	**11,328**	**5,508**

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		2,992	869
Pay		9,661	4,550
Non pay		1,667	958
Gross expenditure		**14,320**	**6,377**
Deduct			
Appropriations-in-aid		**498**	**225**
Net expenditure		**13,822**	**6,152**
Changes in capital assets			
Purchases cash	(521)		
Depreciation	135	(386)	(272)
Changes in capital assets under development			
Cash payments		(508)	
Changes in net current assets			
Decrease in closing accruals	(51)		
Increase in stock	(1)		
		(52)	(84)
Direct expenditure		**12,876**	**5,796**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		733	373
Notional rent		44	39
Net programme cost		**13,653**	**6,208**

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.

		2015	2014
		€000	€000
Vote 7 Finance	e	148	74
Vote 9 Office of the Revenue Commissioners		—	2
Vote 13 Office of Public Works		570	291
Vote 18 Shared Services	e	15	6
		733	373

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	658	272
Capital assets under development	2.3	536	—
		1,194	**272**
Current assets			
Bank and cash	2.4	884	122
Stocks	2.5	3	2
Prepayments		337	112
Other debit balances	2.6	21	284
Total current assets		**1,245**	**520**
Less current liabilities			
Accrued expenses		204	30
Other credit balances	2.7	660	258
Net liability to the Exchequer	2.8	245	148
Total current liabilities		**1,109**	**436**
Net current assets		136	84
Net assets		**1,330**	**356**
Represented by:			
State funding account	2.1	**1,330**	**356**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			356	—
Disbursements from the Vote				
Estimate provision	Account	19,099		
Deferred surrender	Account	(200)		
Surplus to be surrendered	Account	(5,077)		
Net vote			13,822	6,152
Expenditure (cash) borne elsewhere	1		733	373
Non cash items – capital assets under development adjustment			28	
Non cash items – notional rent			44	39
Net programme cost	1		(13,653)	(6,208)
Balance at 31 December			**1,330**	**356**

2.2 Capital Assets

	IT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	326	12	—	338
Additions	150	365	6	521
Cost or valuation at 31 December 2015	476	377	6	859
Accumulated Depreciation				
Opening balance at 1 January 2015	65	1	—	66
Depreciation for the year	96	38	1	135
Cumulative depreciation at 31 December 2015	161	39	1	201
Net Assets at 31 December 2015	**315**	**338**	**5**	**658**
Net Assets at 31 December 2014	**261**	**11**	**—**	**272**

2.3 Capital assets under development as at 31 December 2015	**In house computer applications**
	€000
Amounts brought forward at 1 January	—
Cash payments in year	508
Adjustment[a]	28
Amounts carried forward 31 December 2015	**536**

[a] Adjustment for prior year expenditure. A review determined that prior year expenditure should be reclassified as assets under development. Assets under development will transfer to the assets register at the conclusion of each project.

2.4 Bank and cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	884	122

2.5 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
IT consumables	3	2

2.6 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Travel pass	—	23
OPW advances	11	48
Other debit suspense items	10	213
	21	284

2.7 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Income Tax	152	84
Pay Related Social Insurance	115	55
Professional Services Withholding Tax	206	30
Pension contributions	34	17
Local Property Tax	1	1
Universal Social Charge	50	29
VAT	60	3
	618	219
Payroll deductions held in suspense	37	20
Travel pass scheme	5	—
Other credit suspense items	—	19
	660	258

2.8 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	5,077	6,154
Deferred surrender	200	125
Exchequer grant undrawn	(5,032)	(6,131)
Net liability to the Exchequer	245	148
Represented by:		
Debtors		
Bank and cash	884	122
Debit balances: suspense	21	284
	905	406
Creditors		
Due to State	(618)	(219)
Credit balances: suspense	(42)	(39)
	(660)	(258)
	245	148

2.9 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Total of legally enforceable commitments	1,665	412

The increased commitment figure reflects the new contracts in place to support the Centralised procurement service as the Office of Government Procurement becomes fully operational.

2.10 Matured Liabilities	2015	2014
	€000	€000
Estimate of matured liabilities not discharged at year end	29	1

3 Programme Expenditure by Subhead

				2015	2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
A	**Delivery of Central Procurement Service**				
A.1	Administration – pay		11,400	9,661	4,550
A.2	Administration – non pay				
	Original	2,644			
	Deferred surrender	125	2,769	1,667	958
A.3	Procurement consultancy and other costs		5,430	2,992	869
			19,599	14,320	6,377

Significant variations

Overall, the expenditure in relation to the programme was €5.1 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Administration – pay	1,739	The delay in obtaining accommodation impacted on recruitment, which could not progress until appropriate office space was available.
Administration – non pay	1,102	The aforementioned delays had a knock on effect on this subhead.
Procurement consultancy and other costs	2,438	The procurement and subsequent implementation of external capacity support services took longer than originally planned.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	
1.	Receipts from pension-related deduction on public service remuneration	500	471	225
2.	Miscellaneous	—	27	—
	Total	**500**	**498**	**225**

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Balance at 1 January	19	—
Rebate from suppliers	11	19
Transferred to the Exchequer	(30)	—
Balance at 31 December	—	19

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	186	141

	2015 €000	2014 €000
Pay	8,900	4,252
Higher, special or additional duties allowance	11	10
Other allowances	20	17
Overtime	2	8
Employer's PRSI	728	263
Total Pay	**9,661**	**4,550**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	1	1	11,403	9,714
Other allowances	3	2	12,004	9,769
Overtime	6	—	485	7,140

No staff member received additional payments in more than one category.

5.2 Payroll Overpayments

Overpayments at the year end were €8,275 (8 cases) (2014: €1,270). Of this, €3,945 (2 cases) have recovery plans in place.

6 Miscellaneous

6.1 Legal Costs

One litigation case has concluded and will have resulting legal costs. No estimate of the potential liability has been made.

6.2 Carryover to 2016

Under the provisions of Section 91 of the Finance Act 2004, €200,000 of unspent allocations in respect of the capital elements of Subhead A.2 was carried forward to 2016.

Appropriation Account 2015

Vote 40

Children and Youth Affairs

Introduction

As Accounting Officer for Vote 40, I am required to prepare the annual 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 2015 for the salaries and expenses of the Office of the Minister for Children and Youth Affairs, for certain services administered by that Office, and for the payment of grants including certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.74 million is liable to surrender to the Exchequer.

Statement of Accounting Policies and Principles

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account. The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Depreciation

A capital project commenced in 2012 to develop the national children detention facility at Oberstown. The asset is not being depreciated until it is placed in service. A separate statement on assets under development has not been completed and the construction in progress asset is included in the Statement on Capital Assets.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.2).

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 on going review.

The statement of internal financial control for the Department of Health is also relevant given that that Department provides certain services on a shared basis to Vote 40 in the areas of finance and IT. As a result, payroll, accounts and ICT services continue to be delivered by the Department of Health on behalf of the Department of Children and Youth Affairs.

The statement on internal financial control for the Department of Justice and Equality is also relevant given that that Department provides certain services on a shared basis to Vote 40 in the areas of finance in respect of the Children Detention Schools.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the Department of Health for the provision of payroll, accounts, and ICT shared services, the Department of Justice and Equality for finance services in respect of the Children Detention Schools and the National Shared Services Office for the provision of HR and Payroll Shared Services.

I rely on a letter of assurance from the Accounting Officers of the Vote for the Department of Health, the Vote for the Department of Justice and Equality and the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial control environment

I confirm that a control environment containing 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 control system

Administrative controls and management reporting

I confirm that 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.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department is compliant with the exception of 5 contracts to the value of €274,069 which were listed in my annual return in respect of Circular 40/2002. The reasons for not having a competitive tender process, as included in my return for 2015 under Circular 40/02, are as follows:

(a) Three contracts with a total value of €107,647 were deemed to have a single most effective identified solution given the specialised nature of the services provided.

(b) One contract with a total value of €138,009 was rolled over from a previous competitive tender process pending the establishment of a centralised procurement framework arrangement.

(c) One contract with a total value of €28,413 was considered necessary given the consultant's previous experience in the development of the required IT infrastructure and the critical time constraints to support a statutory investigative process.

In addition to the above, expenditure of €9,500 was incurred on one contract in 2015 to support the updating of a toolkit to assist the establishment and running of Comhairle na nÓg throughout the country. The service provider was selected because of the experience and work previously undertaken in 2010 in the initial development of the toolkit.

Significant financial risks

There are no significant areas of financial risk presenting at this time. The Department's Finance Unit is pro-active in seeking to mitigate any potential risks by working with line Divisions to assist in their management of funding schemes. In particular the Finance Unit has provided advice and training to Units on the analysis of financial statements of beneficiary organisations and appropriate financial governance generally. In the case of Tusla funding, the Finance Unit has a very well developed and robust system of controls in place.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The internal audit function is supported by a private firm which uses appropriately trained personnel.

Enhancing internal controls

I have had the benefit of advice from the Department's internal audit committee on an ongoing basis in relation to internal controls. This advice are set out in the committee's reports and provide a basis for continuing improvements. Further enhancements of internal financial controls have taken place or are underway, including:

- The updated departmental financial procedures document first published during 2014 was further revised in 2015, primarily to take account of new purchasing requirements and new procedures around the management of grant payments but also to update the procedures generally based on the experience of the first year in operation. The purpose of the document is to provide guidance to staff of the Department in relation to some of the financial matters that are likely to arise in the course of their official duties. It is also intended to act as a source of information on the basic principles of Government accounting, on how they are applied in day-to-day operations and also to ensure an understanding, knowledge and appreciation of the work involved in the Department's own Finance Unit. These procedures will remain under review on an ongoing basis and will be amended and updated as necessary.
- During 2015 the Governance and Performance Division of the Department further refined and enhanced the system of Tusla performance monitoring in conjunction with colleagues from the Agency. This methodology will be the subject of further review and development in 2016.
- During 2015 the Internal Audit Unit was headed by a professionally qualified auditor operating on a consultancy basis and supported by a full time member of staff working in the Unit. The Internal Audit Unit operates under the direction and control of the Internal Audit Committee (IAC) and the Secretary General. I meet with the Head of Internal Audit and with the Chair of the IAC periodically. The minutes and annual report of the IAC are the subject of regular discussion by the Department's Management Board.
- The senior management of the Department sign off on a Financial Control Assurance Statement in relation to their individual areas of responsibility. These Statements are available to me as Accounting Officer in finalising the Appropriation Account.

A process of risk identification and management is in place. The purpose of this is to identify and assess risks and to outline measures to control and manage the risks to which the Department may be exposed. Risk management has been incorporated into the business planning cycle and further evaluation and enhancement of risk management took place as part of the 2015 business planning and review cycle. In this regard the Department`s Management Board meets on a quarterly basis as a risk committee.

Fergal Lynch
Accounting Officer
Department of Children and Youth Affairs

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children and Youth Affairs

I have audited the appropriation account for Vote 40 Children and Youth Affairs for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 40 Children and Youth Affairs for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Children and Youth Affairs. The appropriation account is in agreement with the accounting records.

Reporting on matters arising from audit

Chapter 11 of my report on the accounts of the public services for 2015 refers to certain other matters relating to Vote 40 Children and Youth Affairs.

Seamus McCarthy

Comptroller and Auditor General

28 September 2016

Vote 40 Children and Youth Affairs
Appropriation Account 2015

			2015		2014
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Children and Family Support Programme				
	Original	679,912			
	Supplementary	15,000			
			694,912	694,611	676,530
B	Sectoral Programmes for Children and Young People				
	Original	325,721			
	Supplementary	(1,644)			
			324,077	319,545	309,716
C	Policy and Legislation Programme		21,034	15,217	12,899
	Gross expenditure				
	Original	1,026,667			
	Supplementary	13,356			
			1,040,023	**1,029,373**	**999,145**
	Deduct				
D	**Appropriations-in-aid**				
	Original	26,656			
	Supplementary	(1,644)			
			25,012	**24,598**	**22,898**
	Net expenditure				
	Original	1,000,011			
	Supplementary	15,000			
			1,015,011	**1,004,775**	**976,247**

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2015	2014
	€	€
Surplus	10,235,519	597,009
Deferred surrender	(3,500,000)	—
Surplus to be surrendered	6,735,519	597,009

Analysis of administration expenditure

			2015	2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,510	8,709	8,613
ii	Travel and subsistence	138	109	78
iii	Training and development and incidental expenses	331	217	170
iv	Postal and telecommunications services	106	124	99
v	Office equipment and external IT services	189	198	146
vi	Office premises expenses	305	377	289
vii	Consultancy services and value for money and policy reviews	160	161	85
		10,739	9,895	9,480

Notes to the Appropriation Account

1 Operating Cost Statement 2015

		2015	2014
	€000	€000	€000
Programme cost		1,019,478	989,665
Pay		8,709	8,613
Non pay		1,186	867
Gross expenditure		**1,029,373**	**999,145**
Deduct			
Appropriations-in-aid		**24,598**	**22,898**
Net expenditure		**1,004,775**	**976,247**
Changes in capital assets			
Purchases cash	(10,742)		
Depreciation	50		
		(10,692)	(37,881)
Changes in net current assets			
Decrease in closing accruals	(3,520)		
Movement in stock	—		
		(3,520)	331
Direct expenditure		**990,563**	**938,697**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,792	2,393
Net programme cost		**993,355**	**941,090**

1.1 Net Allied Services Expenditure

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

		2015	2014
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	30	40
Vote 12 Superannuation and Retired Allowances	e	279	226
Vote 13 Office of Public Works	e	2,459	2,127
Vote 18 Shared Services	e	24	—
		2,792	2,393

“e” indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	**55,172**	**44,480**
Current assets			
Bank and cash	2.3	5,062	(5,206)
Stocks	2.4	44	44
Prepayments		5,866	2,278
Accrued income		2	2
Other debit balances	2.5	233	5,446
Total current assets		**11,207**	**2,564**
Less current liabilities			
Accrued expenses		405	337
Other credit balances	2.6	1,726	102
Net liability to the Exchequer	2.7	3,569	138
Total current liabilities		**5,700**	**577**
Net current assets		**5,507**	**1,987**
Net assets		**60,679**	**46,467**
Represented by:			
State funding account	2.1	**60,679**	**46,467**

2.1 State Funding Account	**Note**		**2015**	**2014**
		€000	**€000**	**€000**
Balance at 1 January			46,467	8,917
Disbursements from the Vote				
Estimate provision	Account	1,015,011		
Deferred surrender	Account	(3,500)		
Surplus to be surrendered	Account	(6,736)		
Net vote			1,004,775	976,247
Expenditure (cash) borne elsewhere	1		2,792	2,393
Net programme cost	1		(993,355)	(941,090)
Balance at 31 December			**60,679**	**46,467**

2.2 Capital Assets

	Assets under development	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2015	44,369	669	572	45,610
Additions	10,694	45	3	10,742
Cost or valuation at 31 December 2015	55,063	714	575	56,352
Accumulated depreciation				
Opening balance at 1 January 2015	—	626	504	1,130
Depreciation for the year	—	28	22	50
Cumulative depreciation at 31 December 2015	—	654	526	1,180
Net assets at 31 December 2015	**55,063**	**60**	**49**	**55,172**
Net assets at 31 December 2014	**44,369**	**43**	**68**	**44,480**

2.3 Bank and Cash	**2015**	**2014**
at 31 December	**€000**	**€000**
PMG balances and cash	5,023	(5,206)
Commercial bank balances	39	—
	5,062	(5,206)

2.4 Stocks	**2015**	**2014**
at 31 December	**€000**	**€000**
Stationery	25	16
IT consumables	19	28
	44	44

2.5 Other Debit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Advances to OPW	213	88
Income Tax	—	(3)
Other debit suspense items	20	5,361
	233	5,446

2.6 Other Credit Balances	**2015**	**2014**
at 31 December	**€000**	**€000**
Amounts due to the State		
Professional Services Withholding Tax	25	35
Relevant Contractors Tax	—	3
Value Added Tax	4	5
Recoupable travel pass scheme expenditure	(5)	1
Pensions	2	(5)
	26	39
Other credit suspense items	1,700	63
	1,726	102

2.7 Net Liability to the Exchequer	**2015**	**2014**
at 31 December	**€000**	**€000**
Surplus to be surrendered	6,736	597
Deferred surrender	3,500	—
Exchequer grant undrawn	(6,667)	(459)
Net liability to the Exchequer	3,569	138
Represented by:		
Debtors:		
Bank and cash	5,062	—
Debit balances: suspense	233	5,446
	5,295	5,446
Creditors:		
Bank and cash	—	(5,206)
Due to State	(26)	(39)
Credit balances: suspense	(1,700)	(63)
	(1,726)	(5,308)
	3,569	138

2.8 Commitments	**2015**	**2014**
at 31 December	**€000**	**€000**
Commitments likely to arise in subsequent years for		
(a) Global commitments		
Procurement subheads	12,985	785
Grant subheads	3,094	418
Total commitments	16,079	1,203

(b) Multi-annual capital commitments

(projects costing €6,350,000 or more)

Project	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
National Children Detention Facility	42,288	10,694	3,458	56,440	56,440

3 Programme Expenditure by Subhead

		2015			2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A	**Children and Family Support Programme**				
A.1	Administration – pay		2,568	2,340	2,308
A.2	Administration - non pay		331	238	203
A.3	Child and Family Agency				
	Original	643,401			
	Supplementary	15,000	658,401	662,690	619,318
A.4	Youth Justice – Children Detention Schools		33,612	29,343	54,701
			694,912	**694,611**	**676,530**

Significant variations

Overall, the expenditure in relation to Programme A was €0.301 million less than provided. In the latter part of 2015, and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided €000	Explanation
Administration - non pay	93	The variation arose due to non-pay administrative costs associated with running the Department, particularly in relation to travel and subsistence training and development and incidental expenses and consultancy services being lower than expected
Youth Justice – Children Detention Schools	4,269	Expenditure outlays were less than expected because of reduced payroll costs owing to delays in the recruitment of social workers for the new National Children Detention Facility and, in respect of capital development works, because the Office of Public Works was not in a position to sign-off on related works carried out by the contractors.

				2015	2014
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B	**Sectoral Programmes for Children and Young People**				
B.1	Administration – pay		2,568	2,420	2,207
B.2	Administration - non pay		331	220	188
B.3	ECCE preschool year programme		172,400	177,082	173,797
B.4	General childcare programmes		84,129	78,399	76,701
B.5	Childcare initiatives (cash-limited)		8,363	5,780	2,300
B.6	Youth organisations and services (part funded by the National Lottery)		50,680	51,485	50,523
B.7	Area based childhood programme		4,750	3,400	4,000
B.8	Intervention programmes for children and young people (Dormant accounts funded)				
	Original	2,500			
	Supplementary	(1,644)	856	759	—
			324,077	**319,545**	**309,716**

Significant variations

Overall, the expenditure in relation to Programme B was €4.532 million less than provided. In the latter part of 2015 and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided	Explanation
	€000	
Administration - non pay	111	The variation arose due to non-pay administrative costs associated with running the Department, particularly in relation to travel and subsistence training and development and incidental expenses and consultancy services being lower than expected
General childcare programmes	5,730	A saving materialised because the participation by disadvantaged parents in the demand led Community Subvention Programme was considerably below expected levels. The programme had the capacity to cater for 9,100 full time equivalent (FTE) children whereas only 8,310 FTE places were utilised.
Childcare initiatives (cash-limited)	2,583	The variance arose because the number of qualifying social welfare recipients identified by the Department of Social Protection for entry to the After-School Childcare Programme and the Community Employment Childcare Programme was lower than originally projected. Both programmes had the capacity to provide 2,360 FTE places whereas only 1,667 FTE's were utilised.
Area based childhood programme	1,350	Commencement of delivery of interventions at site level was contingent on signed contracts between the sites and Pobal. A contractual arrangement could only be agreed where Pobal notified the funders (the Department and Atlantic Philanthropies) that there was sufficiently robust governance and management oversight at site level. Delays arose in this pre contract phase which in turn put back the signing of contracts for DCYA/AP funded service delivery.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	**Policy and Legislation Programme**			
C.1	Administration – pay	4,374	3,949	4,098
C.2	Administration - non pay	567	728	476
C.3	Miscellaneous legal fees and settlements	739	15	124
C.4	National Longitudinal Study and other research programmes	1,900	1,814	616
C.5	Children's and young people's policy framework and other programmes	2,620	2,238	1,797
C.6	Adoption Authority of Ireland	2,885	3,147	2,990
C.7	Office of the Ombudsman for Children	1,949	1,650	1,888
C.8	Commission of Investigation	6,000	1,676	—
—	*Grants to organisations (part funded by the National Lottery)*	—	—	910
		21,034	15,217	12,899

Significant variations

Overall, the expenditure in relation to Programme C was €5.817 million less than provided. In the latter part of 2015 and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided	Explanation
	€000	
Administration - non-pay	(161)	The variation arose due to non-pay costs associated with running the Department particularly in relation to consultancy, office premises and travel and subsistence being higher than expected.
Miscellaneous legal fees and settlements	724	The disbursement of payments associated with legal proceedings are generally difficult to predict. The costs incurred in 2015 were significantly less than originally estimated because costs associated with the challenge to the Children Referendum did not materialise.
Children's and young people's policy framework and other programmes	382	This subhead supports a range of programmes where the level of expenditure for the provision of some services was lower than estimated. The most significant share of the saving related to delays in the roll-out of the revision to the Children First guidelines.
Adoption Authority of Ireland	(262)	The excess expenditure against the estimate provision principally relates to legal costs incurred by the Adoption Authority of Ireland in relation to litigation issues surrounding domestic and inter-country adoptions.
Office of the Ombudsman for Children	299	The underspend was principally due to delays in the recruitment of staff for the Office of the Ombudsman for Children.
Commission of Investigation	4,324	The Commission of Investigation into Mother and Baby Homes was in start-up phase following its formal establishment in February 2015 and while the work of the Commission was advanced over the course of the year, expenditure levels were lower than initially estimated.

4 Receipts

4.1 Appropriations-in-aid

			2015		2014
			Estimated	Realised	Realised
		€000	€000	€000	€000
1.	Superannuation scheme – Child and Family Agency		9,070	9,182	9,027
2.	Superannuation scheme for non-teaching staff of Children Detention Schools		550	556	504
3.	Superannuation scheme – Adoption Authority of Ireland		1	—	—
4.	Superannuation scheme – Office of the Ombudsman for Children		2	—	—
5.	Miscellaneous		874	1,034	959
6.	Dormant accounts funding				
	Original	2,500			
	Supplementary	(1,644)	856	759	—
7.	Receipts from pension related deduction on public service remuneration		13,659	13,067	12,408
	Total		**25,012**	**24,598**	**22,898**

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Miscellaneous	(160)	The excess arose because the miscellaneous receipts relating to the Child and Family Agency are generally variable in nature and difficult to accurately predict.
Dormant accounts funding	97	The drawdown of funding is linked to payments made under Subhead B.8 intervention programmes for children and young people. Expenditure under this subhead was lower than anticipated, and this resulted in reduced receipts.

4.2 Extra receipts payable to the Exchequer

An amount of €11.053 million was lodged to the Exchequer arising from decommitment of funds allocated to projects across a number of childcare programmes administered by Pobal on behalf of the Department in the years prior to 2015.

	2015	2014
	€000	€000
Balance at 1 January	—	—
Receipts from Pobal	11,053	—
Transferred to the Exchequer	(11,053)	—
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	149	142
Commission of Investigation	16	—
Agencies (note 5.2)	3,694	3,654
	3,859	**3,796**

	2015	2014
	€000	**€000**
Pay	9,044	7,962
Higher, special or additional duties allowance	125	139
Other allowances	1	1
Overtime	31	38
Employer's PRSI	530	473
Total pay	**9,731**	**8,613**

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	22	4	18,639	17,949
Other allowances	6	—	234	225
Overtime	7	—	8,372	11,359
Number of individuals who received extra remuneration in more than one category	5	1	10,961	10,131

The pay, allowances and other remuneration detailed above relate to the Department's staff paid directly from the administrative budget under programmes A, B and C of the Vote.

Payroll costs associated with the Commission of Investigation were charged to Subhead C.8 of the Vote, this amounted to €1,022,041 in 2015 and is included in total pay figure of €9,731,000.

5.2 Agency Staff

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

	2015	2014
Number of staff at year end (full time equivalents)		
Child and Family Agency	3,446	3,421
Children Detention Schools	215	200
Adoption Authority of Ireland	22	23
Office of the Ombudsman for Children	11	10
Total	**3,694**	**3,654**

Pay	**2015**	**2014**
	€000	**€000**
Child and Family Agency	225,935	204,849
Children Detention Schools	13,635	12,936
Adoption Authority of Ireland	1,558	1,450
Office of the Ombudsman for Children	632	723
Total pay	**241,760**	**219,958**

5.3 Payroll Overpayments

Overpayments at the year end were €16,709 (7 cases) (2014: €24,031 2 cases). Of this, €16,628 (6 cases) have recovery plans in place.

6 Miscellaneous

6.1 National Lottery Funding

Sub-head	Description	2015 €000	2014 €000
B.6	Youth organisations and services (part funded by the National Lottery)	51,485	50,523
—	Grants to organisations (part funded by the National Lottery)	—	910

Particulars relating to individual recipients of the funding and the amounts paid over are available from the Youth Affairs Unit of the Department of Children and Youth Affairs pending the publication of the information on the Department's website.

6.2 Payments to Pobal

In accordance with the department's accounting policy, the total amount paid to Pobal in the year (€106.969 million) was charged to the relevant subheads as set out below.

Subhead	2015 €000	2014 €000
B.3	8,891	9,610
B.4	77,992	76,343
B.5	5,779	2,300
B.6	10,299	10,051
B.7	3,400	4,000
C.5	608	555
Total paid to Pobal	106,969	102,859

At 31 December 2015, Pobal held funds totaling €7.132 million which had been advanced to it but not expended at year end (2014:€15.98 million)

6.3 Legal costs

	Number of cases	Legal costs paid by the Dept.	Compensation awarded	Legal costs awarded	2015 Total	2014 Total
		€000	€000	€000	€000	€000
Claims by employees of the Vote						
Injury in the course of work	8	9	25	19	53	90
Claims by members of the public						
Child Care proceedings	1	—	—	15	15	—
Legal challenge	2	—	58	26	84	143
Third party involved in road traffic accident	—	—	—	—	—	1
		9	83	60	152	234

6.4 Contingent Liability

Liabilities will arise as a result of the legal challenge to the outcome of the Children Referendum. The petitioner was awarded one third of her legal costs by the High Court in November 2013 but the actual amount and the timing of the payment remain to be determined.

6.5 Commissions and Special Inquiries

The Commission of Investigation into Mother and Baby Homes and certain related matters was established on 17 February 2015 pursuant to the provisions of the Commission of Investigation (Mother and Baby Homes and Certain Related Matters) Order 2015 (S.I. No. 57 of 2015).

	Year of appointment	Cumulative expenditure to end 2015	2015 Outturn	2014 Outturn
		€000	€000	€000
Fixed Term Commissions				
C8 Commission of Investigation – Mother and Baby Homes	2015	1,676	1,676	—

6.6 Carryover of Funding

Under the provision of Section 91 of the Finance Act 2004, €3,500,000 of unspent allocation in respect of the capital elements of Subhead A.3 was carried forward to 2016.

6.7 Financial irregularities – Childcare early years programme

Pobal administers a number of schemes on behalf of the Department. In December 2014, the Department was made aware of a case of suspected financial irregularities in an entity funded by Pobal. The suspected irregularities related to over-claiming by one childcare services company operating seven childcare centres in respect of the Community Childcare Subvention Programme.

In 2015, Pobal conducted an audit of the company's records and estimated over-claims of programme funding in respect of the Community Childcare Subvention and Early Childhood Care and Education programmes for the years 2012/13 and 2013/14 of €483,000 and €17,000 respectively. In February 2016, the company entered into liquidation. The facts in relation to the case were reported by Pobal to An Garda Síochána and the Office of the Director of Corporate Enforcement.

The Department has commissioned an independent review of a sample of comparable services to determine whether similar irregularities are elsewhere. As at August 2016, this is partially complete and a report is anticipated before year end.

The Department notes that the introduction of a new IT system, the Programmes Implementation Platform (PIP) in September 2014 significantly enhances control over payments for childcare services.

In addition, the Department has taken a number of steps to strengthen controls in relation to schemes administered by Pobal which include the development of a comprehensive service level agreement with Pobal. This document has been agreed as of September 2016 and will run for a period of twelve months while the Department conducts a thorough review of the arrangements that govern its relationship with Pobal. This interim agreement provides for a number of financial control procedures including the provision of monthly summary financial reports to the Department indicating funds drawn down in respect of each programme, current balances on hand and outflow/expenditure by programme.

A review of the compliance regime in Pobal in order to determine how compliance and audit could be strengthened has been undertaken internally and a 2016 – 2017 compliance service offer is under negotiation between the Department and Pobal. This process has resulted in the clarification of rules for a number of funding programmes, particularly the Community Childcare Subvention, and a more transparent compliance process will result.

7 Non-Voted Funds

The Department of Children and Youth Affairs administered the sum of €4,800 through a vote suspense account that was received from the Council of Europe towards the development of a Child Participation Assessment Tool. This was part of an on-going process initiated by the Council of Europe to ensure that all children and young people within Council of Europe member states can exercise their right to be heard, to be taken seriously and to participate in decision making in all matters affecting them. The full resource allocation was expended by 31 December 2015.