

Appropriation Account 2020

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 2020 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €658,000 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following:

Heritage assets

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

Depreciation

Depreciation policy is that a full year's depreciation is charged in the year of acquisition/ commissioning and no depreciation is charged in the year of disposal. Depreciation is charged 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 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.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the President's Establishment and the National Shared Services Office for the provision of human resources and payroll shared services.

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

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The internal financial control environment for the Department of Finance is also relevant given that the Department of Finance provides a payment function and accounting service for the President's Establishment.

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 President's Establishment
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

The President's Establishment comes within the remit of 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. The internal audit work is informed by analysis of the financial risks to which the President's Establishment 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 by the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were four meetings of the Audit Committee in 2020 and the audit work programme agreed in 2019 was implemented in 2020.

Procurement compliance

The President's Establishment ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all

relevant procurement guidelines. There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process.

Risk and control framework

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

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

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2020, monitoring and review of the effectiveness of the system of internal financial control by the President's Establishment was informed by the work of the internal and external auditors and the senior management within the President's Establishment responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the President's Establishment. As a result, the President's Establishment introduced a number of procedural and control changes. Under the President's Establishment risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Martin Fraser
Accounting Officer

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 1 President's Establishment

Opinion on the appropriation account

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2020 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 1 President's Establishment for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the President's Establishment and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 April 2021

Vote 1 President's Establishment

Appropriation Account 2020

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A President's Establishment	3,030	2,419	2,348
B Centenarians' Bounty	1,544	1,503	1,307
Gross expenditure	4,574	3,922	3,655
<i>Deduct</i>			
C Appropriations-in-aid	74	81	78
Net expenditure	4,500	3,841	3,577

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	658,321	857,977

Martin Fraser
Accounting Officer

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,452	1,258
Pay		1,884	1,724
Non pay		586	673
Gross expenditure		3,922	3,655
<i>Deduct</i>			
Appropriations-in-aid		81	78
Net expenditure		3,841	3,577
Changes in capital assets			
Purchases cash	(43)		
Depreciation	27	(16)	3
Changes in net current assets			
Increase in closing accruals	(95)	(95)	108
Direct expenditure		3,730	3,688
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,016	4,780
Net programme cost		7,746	8,468

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.

		2020	2019
		€000	€000
Vote 7	Office of the Minister for Finance	22	13
Vote 12	Superannuation and Retired Allowances	716	784
Vote 13	Office of Public Works	1,686	2,095
Vote 18	National Shared Services Office	3	3
Vote 20	Garda Síochána	195	200
Vote 28	Foreign Affairs	16	364
Vote 36	Defence	432	422
Vote 43	Office of the Government Chief Information Officer	45	—
Central Fund (Emoluments and allowances of President and presidential pensions)		901	899
		4,016	4,780

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	51	35
Current assets			
Stocks	2.3	29	29
Prepayments		21	21
Other debit balances		6	7
Accrued income		5	3
Net Exchequer funding	2.5	82	109
Total current assets		144	169
Less current liabilities			
Bank and cash	2.2	30	58
Accrued expenses		47	140
Other credit balances	2.4	58	58
Total current liabilities		135	256
Net current assets		9	(87)
Net assets		60	(52)
Represented by:			
State funding account	2.6	60	(52)

2.1 Capital assets

	IT equipment	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	340	15	355
Additions	43	—	43
Cost or valuation at 31 December 2020	383	15	398
Accumulated depreciation			
Opening balance at 1 January 2020	305	15	320
Depreciation for the year	27	—	27
Cumulative depreciation at 31 December 2020	332	15	347
Net assets at 31 December 2020	51	—	51
Net assets at 31 December 2019	35	—	35

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	(30)	(58)

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Centenarian medals	8	8
IT consumables and stationery	21	21
	29	29

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	28	26
Pay related social insurance	10	9
Additional superannuation contributions	—	6
Universal social charge	6	5
Pension contributions	5	4
	49	50
Payroll deductions held in suspense	9	8
	58	58

2.5 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	658	858
Exchequer grant undrawn	(740)	(967)
Net Exchequer funding	(82)	(109)
Represented by:		
Debtors		
Debit balances: suspense	6	7
	6	7
Creditors		
Due to the State	(49)	(50)
Bank and cash	(30)	(58)
Credit balances: suspense	(9)	(8)
	(88)	(116)
	(82)	(109)

2.6 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		(52)	59
Disbursements from the Vote			
Estimate provision	Account	4,500	
Surplus to be surrendered	Account	(658)	
Net vote		3,842	3,576
Expenditure (cash) borne elsewhere	1.1	4,016	4,780
Other non-cash items		—	1
Net programme cost	1	(7,746)	(8,468)
Balance at 31 December		60	(52)

2.7 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	228	150

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,858	1,884	1,724
ii	Travel and subsistence	310	76	87
iii	Training and development and incidental expenses	340	237	327
iv	Postal and telecommunications services	86	87	64
v	Office machinery and other office supplies and related services	496	187	195
		3,090	2,471	2,397

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €310,000; outturn €76,000

As of March 2020, all domestic and international travel was suspended due to Covid-19 restrictions. As a result, expenditure in the year was significantly less than originally envisaged.

iii Training and development and incidental expenses

Estimate provision €340,000; outturn €237,000

The decrease in expenditure is as a result of the cancellation of in-house events in 2020 due to Covid-19 restrictions.

v Office machinery and other office supplies and related services

Estimate provision €496,000; outturn €187,000

The estimate was provided for once-off investment to replace the current Lotus Notes system. The project commenced in 2020, but was delayed as IT resources were deployed to facilitate the roll out of remote working due to the pandemic. The remainder of the project is due to take place in 2021.

Programme A President's Establishment

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	1,813	1,835	1,677
A.2	Administration – non pay	1,217	584	671
		3,030	2,419	2,348

Programme B Centenarians' Bounty

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	45	49	47
B.2	Administration – non pay	15	2	2
B.3	Centenarians' bounty	1,484	1,452	1,258
		1,544	1,503	1,307

Note 4 Receipts**4.1 Appropriations-in-aid**

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	67	78	71
2	Miscellaneous	7	3	7
Total		74	81	78

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>26</u>	<u>26</u>

5.2 Pay

	2020	2019
	€000	€000
Pay	1,699	1,532
Higher, special or additional duties allowances	58	57
Overtime	7	21
Employer's PRSI	<u>120</u>	<u>114</u>
Total pay	<u>1,884</u>	<u>1,724</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	5	3	19,174	19,174
Overtime	10	—	2,110	4,342
Extra remuneration in more than one category	—	—	—	2,894

5.4 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	—	—	1,650
Recovery plans in place	—	—	1,650