

Appropriation Account 2020

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 2020 for the salaries and expenses of the Department of the Taoiseach, for certain services administered by the Department and for payment of 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 €11.831 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Depreciation

Capital assets are depreciated on a straight line basis over their 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 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

Processing of financial transactions is provided on a shared services basis by Financial Shared Services Centre (FSS) in Killarney, which is part of the Department of Justice. 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 for the provision of this shared service.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department of the Taoiseach and the National Shared Services Office (NSSO) for the provision of human resources and payroll shared services.

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

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.

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.

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 plan, approved by me, are based on this analysis. This plan aims 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.

Non-compliance with procurement rules

I confirm that 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 (in excess of €25,000), totalling €93,884 (ex. VAT), for telephony services that was awarded without a competitive process and is included on the circular 40/2002 return. It was deemed non-compliant as it had not been reviewed since 2013. The Department examined options for a drawdown from a new Office of Government Procurement framework for this service. All seven service providers in the framework were invited to tender but none elected to do so. The arrangements with the existing supplier remain in place and will be reviewed on a regular basis.

The Department has provided details of four non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

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

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is regularly reviewed and updated in consultation with the Department's senior management. 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 business units.

Risk management is also a standing item on the agenda of the Department's Audit Committee.

The annual National Risk Assessment process, overseen by the Department of the Taoiseach, is also in place and provides an opportunity to identify and debate strategic risks facing Ireland over the short, medium and long term. The National Risk Assessment was not published in 2020 and it is intended to evaluate how best the process can be used and developed with a view to ensuring it can continue to play a valuable role in the future in identifying the risks facing Ireland and how best we can prepare for them.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Advisory Committee, 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 Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 did result in some changes to the working environment with remote and virtual working becoming the norm, for a proportion of staff, in the Department of the Taoiseach. An assessment of the impact of Covid-19 on the control environment was carried out and no changes to the control processes were noted. I confirm that the existing controls continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Martin Fraser
Accounting Officer
Department of the Taoiseach

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

Opinion on the appropriation account

I have audited the appropriation account for Vote 2 Department of the Taoiseach 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 2 Department of the Taoiseach 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 Department of the Taoiseach 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

14 June 2021

Vote 2 Department of the Taoiseach

Appropriation Account 2020

		2020	2019
	Estimate provision €000	Outturn €000	Outturn €000
Programme expenditure			
A Supporting the work of the Taoiseach and Government	54,868	42,808	25,188
Gross expenditure	54,868	42,808	25,188
<i>Deduct</i>			
B Appropriations-in-aid	855	626	707
Net expenditure	54,013	42,182	24,481

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	11,831,030	9,856,031

Martin Fraser
Accounting Officer
Department of the Taoiseach

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		23,860	6,694
Pay		15,667	14,635
Non pay		3,281	3,859
Gross expenditure		42,808	25,188
<i>Deduct</i>			
Appropriations-in-aid		626	707
Net expenditure		42,182	24,481
Changes in capital assets			
Purchases cash	(37)		
Depreciation	208	171	(181)
Changes in net current assets			
Increase in closing accruals	1,105		
Decrease in stock	53		
		1,158	1,132
Direct expenditure		43,511	25,432
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,917	4,923
Notional rents		1,517	1,517
Net programme cost		49,945	31,872

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 2 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 12	Superannuation and Retired Allowances	3,490	3,351
Vote 13	Office of Public Works	638	846
Vote 18	National Shared Services Office	25	23
Vote 20	Garda Síochána	205	211
Vote 24	Justice	55	54
Vote 36	Defence	85	82
Central Fund - Taoisigh and Ministerial pensions		411	348
		4,917	4,923

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	1,039	1,210
Current assets			
Bank and cash	2.2	400	262
Stocks	2.3	72	126
Prepayments		365	296
Other debit balances	2.4	335	99
Total current assets		1,172	783
Less current liabilities			
Accrued expenses		2,580	1,406
Other credit balances	2.5	675	625
Net Exchequer funding	2.6	59	(263)
Total current liabilities		3,314	1,768
Net current assets		(2,142)	(985)
Net liabilities		(1,103)	225
Represented by:			
State funding account	2.7	(1,103)	225

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2020	667	1,348	488	2,503
Additions	—	37	—	37
Disposals	(5)	—	—	(5)
Cost or valuation at 31 December 2020	662	1,385	488	2,535
Accumulated depreciation				
Opening balance at 1 January 2020	536	757	—	1,293
Depreciation for the year	22	186	—	208
Depreciation on disposals	(5)	—	—	(5)
Cumulative depreciation at 31 December 2020	553	943	—	1,496
Net assets at 31 December 2020	109	442	488	1,039
Net assets at 31 December 2019	131	591	488	1,210

2.2 Bank and cash

at 31 December	2020 €000	2019 €000
PMG balances and cash	399	261
Other bank account balance	1	1
	400	262

2.3 Stocks

at 31 December	2020 €000	2019 €000
Official gift items	20	23
Stationery	40	58
Publications	1	41
Consumables	11	4
	72	126

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	5	—
Recoupable travel pass expenditure	2	89
Other debit suspense items	328	10
	335	99

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	303	263
Pay related social insurance	134	117
Professional services withholding tax	86	122
Value added tax	26	32
	549	534
Payroll deductions held in suspense	126	85
Other credit suspense items	—	6
	675	625

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	11,831	9,856
Exchequer grant undrawn	(11,772)	(10,119)
Net Exchequer funding	59	(263)
Represented by:		
Debtors		
Bank and cash	399	262
Debit balances: suspense	335	99
	734	361
Creditors		
Due to the State	(549)	(533)
Credit balances: suspense	(126)	(91)
	(675)	(624)
	59	(263)

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		225	1,177
Disbursements from the Vote			
Estimate provision	Account	54,013	
Surplus to be surrendered	Account	(11,831)	
Net vote		42,182	24,481
Expenditure (cash) borne elsewhere	1	4,917	4,923
Non cash items – adjustment		1	(1)
Non cash expenditure – notional rent	1	1,517	1,517
Net programme cost	1	(49,945)	(31,872)
Balance at 31 December		(1,103)	225

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	171	30

2.9 Contingent liabilities

The two High Court cases relating to access to information on the environment requests which were noted as contingent liabilities on the 2019 appropriation account are still ongoing and may generate costs.

The Department is also awaiting costs determination following a High Court case in 2020 relating to constitutional provisions governing meetings of the Seanad.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	16,907	15,667	14,635
ii	Travel and subsistence	730	216	476
iii	Training and development and incidental expenses	2,826	1,074	1,688
iv	Postal and telecommunications services	360	290	224
v	Office equipment and external IT services	1,060	1,060	1,106
vi	Office premises expenses	376	641	365
vii	Consultancy and other services	18	—	—
		22,277	18,948	18,494

Significant variations

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

i Salaries, wages and allowances

Estimate provision €16.907 million; outturn €15.667 million

The decrease of €1.24 million on expenditure on salaries, wages and allowances was due to delays in the planned filling of vacancies.

ii Travel and subsistence

Estimate provision €730,000; outturn €216,000

The decrease of €514,000 on expenditure on travel and subsistence was due to the significant reduction in travel due to Covid-19.

iii Training and development and incidental expenses

Estimate provision €2.826 million; outturn €1.074 million

The decrease of €1.752 million on expenditure on training and development and incidental expenses was due to less expenditure than anticipated across a range of areas, many linked to the impact of Covid-19. These include State events, training and development, and the gov.ie portal. Savings in this subhead were offset against increased expenditure incurred in subhead vi Office premises expenses.

vi Office premises expenses

Estimate provision €376,000; outturn €641,000

The increase of €265,000 on expenditure on office premises expenses was due to necessary refurbished works undertaken for additional accommodation in Dublin Castle. Virement from subhead iii training and development and incidental expenses was approved to offset against the overspend in this subhead.

Programme A Supporting the work of the Taoiseach and Government

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration - pay	16,907	15,667	14,635
A.2	Administration - non pay	5,370	3,281	3,859
A.3	National Economic and Social Council	2,099	1,761	1,876
A.4	Tribunals of Inquiry	4,209	1,422	929
A.5	Commissions of Investigation	4,424	3,044	3,688
A.6	Citizens' Assembly	1,859	732	201
A.7	Covid-19 public communications	20,000	16,901	—
		54,868	42,808	25,188

Significant variations

The following outlines the reasons for significant variations in administration expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €12.06 million lower than (originally) provided. €3.329 million of this related to administration expenditure in respect of which significant variations have already been explained. The balance of the variance of €8.731 million was mainly due to the following:

A.3 National Economic and Social Council

Estimate provision €2.099 million; outturn €1.761 million

The shortfall in expenditure of €338,000 relative to the estimate provision was due to the non-filling of two posts and a reduction in staff due to retirement.

A.4 Tribunals of Inquiry

Estimate provision €4.209 million; outturn €1.422 million

The shortfall in expenditure of €2.787 million relative to the estimate provision was due to the number of legal cost claims settled in 2020 being lower than expected. The Department has no control over third party legal costs awarded by the Tribunals of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

A.5 Commissions of Investigation

Estimate provision €4.424 million; outturn €3.044 million

Commissions of investigation are independent of the Department of the Taoiseach and their expenditure levels depend on the needs and requirements of their investigation in the first instance. The underspend of €1.38 million relative to the estimate provision was due to the Commission's difficulty in accurately forecasting the level and timing of their own expenditure needs, including expenditure arising from decisions to award third-party costs.

A.6 Citizens' Assembly

Estimate provision €1.859 million; outturn €732,000

The shortfall in expenditure of €1.127 million was due to the pause of planned in-person meetings arising from Covid-19.

A.7 Covid-19 public communications

Estimate provision €20 million; outturn €16.901 million

The shortfall in expenditure of €3.099 million relative to the estimate provision was due mainly to the presentation for payment in March 2021 of invoices to the value of €2.375 million for a number of campaigns which ran in December 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	58	20	34
2	Receipts from additional superannuation contributions on public service remuneration	797	606	673
Total		855	626	707

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €229,000 less than the estimate.

2 Receipts from additional superannuation contributions on public service remuneration

Estimate provision €797,000; realised €606,000

The decrease in receipts of €191,000 against the estimate was due to the delay in the planned filling of vacancies which led to less than anticipated additional superannuation contributions.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	43	29
Receipts from Office holders' voluntary salary surrender	55	43
Transferred to the Exchequer	(43)	(29)
Balance at 31 December	55	43

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Department	236	232
Agency – National Economic and Social Development Office	14	14
	250	246

5.2 Pay - Department

	2020	2019
	€000	€000
Pay	14,724	13,675
Redundancy and severance	322	—
Higher, special or additional duties allowances	295	357
Overtime	283	355
Employer's PRSI	1,149	1,032
Total pay ^a	16,773	15,419

Note ^a The departmental total pay figure includes pay in respect of staff of tribunals and commission of investigation.

5.3 Pay - Agency

	2020	2019
	€000	€000
Pay	1,189	1,243
Employer's PRSI	103	101
Total pay	1,292	1,344

Note Information based on returns made by NESDO.

5.4 Allowances and overtime payments - Department

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	35	13	26,066	88,412
Overtime	83	8	20,678	24,192
Extra remuneration in more than one category	16	9	30,575	25,301

5.5 Other remuneration arrangements

Ex-gratia payment of €29,829 (2019: €29,829) was made in respect of agreed retirement benefits to one former employee.

This account includes expenditure of €108,335 in respect of one officer who was serving outside the Department for all of 2020 and whose salary was paid by the Department.

This account does not include expenditure in respect of seven officers who were serving outside the Department for all or part of 2020 in other government department/offices and whose salaries were paid by those departments/offices.

5.6 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	4	6,405	4,377
Recovery plans in place	2	3,104	99

One overpayment recovery plan to the value of €772 was transferred to another department in 2020.

5.7 Severance/redundancy

During 2020, ten staff members whose employment was terminated were paid severance payments totalling €240,002, and eight of those received redundancy payments totalling €53,160. Ex-gratia payments of €29,185 were also made in respect of payment in lieu of notice for nine employees.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2020	2020	2019
		€000	€000	€000
Tribunal of Inquiry (payments to Messrs Haughey and Lowry) ^a	1997	65,646	1,422	929
Commission of Investigation (Cregan Commission) ^b	2015	9,235	2,190	1,980
Commission of Investigation (Cooke Commission) ^c	2017	3,021	855	935
			4,467	3,844

Note ^a There will be further payments associated with the Tribunal Inquiry (payments to Messrs Haughey and Lowry). Final costs cannot be determined at this point.

^b The Commission of Investigation (Cregan) relates to certain transactions carried out by Irish Bank Resolution Corporation.

^c The Commission of Investigation (Cooke) relates to the sale by the National Asset Management Agency of its Project Eagle portfolio.

6.2 Compensation and legal costs

There were no compensation or legal costs in the Department in 2020 (2019: €773,000).

6.3 Official gifts

The account includes the sum of €13,079 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2020 (2019: €16,632).

6.4 Write-offs

The following sums were written off in the year	2020	2019
	€000	€000
Publications stock (Tribunal of Inquiry)	40	—

Appendix A Accounts of bodies and funds under the aegis of the Department of the Taoiseach

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the period on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
National Economic and Social Development Office	2019	22 Dec 2020	18 Jan 2021	25 Mar 2021