

**Appropriation Account 2023**

---

**Vote 39**

**Office of Government Procurement**

---

## Introduction

As Accounting Officer for Vote 39, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2023 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €3.390 million is liable for surrender to the Exchequer.

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

## Statement of accounting policies and principles

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

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

### **Depreciation**

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***

The Office of Government Procurement is a division of the Department of Public Expenditure, National Development Plan Delivery and Reform. As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office.

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

### ***Shared services***

Payroll, finance and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office (NSSO) for the provision of HR, finance and payroll shared service.

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, including financial shared services, to this Office.

### ***Financial control environment***

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The Statement on Internal Financial Control for the National Shared Service Office is also relevant given that the National Shared Service Office provides certain services on a shared basis to Vote 39.

### ***Administrative controls and management reporting***

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability, 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

### ***Internal audit and Audit Committee***

The Office has an internal audit function, located within the Department, 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.

### ***Procurement***

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €3.805 million in 2023.

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

### ***Risk and control framework***

The Office, and wider 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

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

***Ongoing monitoring and review***

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

***Review of effectiveness***

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

***Internal financial control issues***

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

**David Moloney**  
Accounting Officer  
Office of Government Procurement

7 March 2024

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 39 Office of Government Procurement**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 39 Office of Government Procurement for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

##### ***Basis of opinion***

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

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

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

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

I have nothing to report in that regard.

**Seamus McCarthy**

Comptroller and Auditor General

12 June 2024

## Appendix to the report

### Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure National Development Plan Delivery and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

### Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

### Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

## Vote 39 Office of Government Procurement

### Appropriation Account 2023

			2023	2022
	Estimate provision	Outturn	Outturn	Outturn
	€000	€000	€000	€000
<b>Programme expenditure</b>				
A Delivery of central procurement service				
<i>Estimate provision</i>	22,243			
<i>Deferred surrender</i>	<u>35</u>			
		22,278	18,786	18,293
<b>Gross expenditure</b>		<b>22,278</b>	<b>18,786</b>	<b>18,293</b>
<i>Deduct</i>				
B Appropriations-in-aid		<u>525</u>	<u>538</u>	<u>471</u>
<b>Net expenditure</b>				
<i>Estimate provision</i>	21,718			
<i>Deferred surrender</i>	<u>35</u>			
		<b>21,753</b>	<b>18,248</b>	<b>17,822</b>

### Surplus

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. €115,000 of unspent allocations in respect of the capital elements of Subhead A.3 was carried forward to 2024.

	2023	2022
	€	€
Surplus	3,505,271	1,641,521
Deferred surrender	<u>(115,000)</u>	<u>(35,000)</u>
<b>Surplus to be surrendered</b>	<b><u>3,390,271</u></b>	<b><u>1,606,521</u></b>

**David Moloney**  
Accounting Officer  
Office of Government Procurement

7 March 2024

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2023

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Programme cost	2,448	2,251
Pay	14,981	14,903
Non pay	1,357	1,139
<b>Gross expenditure</b>	<b>18,786</b>	<b>18,293</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>538</b>	<b>471</b>
<b>Net expenditure</b>	<b>18,248</b>	<b>17,822</b>
<b>Changes in capital assets</b>		
<b><i>Property, plant and equipment</i></b>		
<b><i>(note 2.1)</i></b>		
Depreciation	26	
<b><i>Intangible assets (note 2.2)</i></b>		
Purchases	(734)	
Amortisation	144	
	(564)	(57)
<b>Changes in net current assets</b>		
(Increase) in prepayments	(102)	
Increase in accrued expenses	160	
	58	(82)
<b>Direct expenditure</b>	<b>17,742</b>	<b>17,683</b>
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,977	2,352
Notional rents	50	50
<b>Net programme cost</b>	<b>20,769</b>	<b>20,085</b>

### 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.

		<b>2023</b>	<b>2022</b>
		<b>€000</b>	<b>€000</b>
Vote 7	Office of the Minister for Finance	—	29
Vote 12	Superannuation and Retired Allowances	611	492
Vote 13	Office of Public Works	1,513	1,410
Vote 18	National Shared Services Office	551	144
Vote 43	Office of the Government Chief Information Officer	302	277
		<b>2,977</b>	<b>2,352</b>

## Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
<b>Fixed assets</b>			
Property, plant and equipment	2.1	—	26
Intangible assets	2.2	887	176
<b>Total fixed assets</b>		<b>887</b>	<b>202</b>
<b>Current assets</b>			
Bank and cash		1,188	657
Prepayments	2.3	510	408
Other debit balances	2.4	25	68
<b>Total current assets</b>		<b>1,723</b>	<b>1,133</b>
<b>Less current liabilities</b>			
Accrued expenses		176	16
Other credit balances	2.5	591	583
Net Exchequer funding	2.6	622	142
<b>Total current liabilities</b>		<b>1,389</b>	<b>741</b>
<b>Net current assets</b>		<b>334</b>	<b>392</b>
<b>Net assets</b>		<b>1,221</b>	<b>594</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.7	<b>1,221</b>	<b>594</b>

**2.1 Property, plant and equipment <sup>a</sup>**

	<b>Office and IT equipment €000</b>	<b>Total €000</b>
<b>Cost or valuation</b>		
At 1 January 2023	414	414
Additions	—	—
At 31 December 2023	414	414
<b>Accumulated depreciation</b>		
At 1 January 2023	388	388
Depreciation for the year	26	26
At 31 December 2023	414	414
<b>Net assets</b>		
<b>At 31 December 2023</b>	—	—
At 31 December 2022	26	26

Note <sup>a</sup> On 1 January 2023, acquired and developed software assets were reclassified as intangible assets (see note 2.2).

**2.2 Intangible assets <sup>a</sup>**

	<b>Acquired and developed software</b>	<b>Assets under development</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Cost or valuation</b>			
At 1 January 2023	284	124	408
Additions <sup>b</sup>	—	855	855
Transfers	858	(858)	—
At 31 December 2023	<u>1,142</u>	<u>121</u>	<u>1,263</u>
<b>Accumulated amortisation</b>			
At 1 January 2023	232	—	232
Amortisation for the year	144	—	144
At 31 December 2023	<u>376</u>	<u>—</u>	<u>376</u>
<b>Net assets</b>			
<b>At 31 December 2023</b>	<b><u>766</u></b>	<b><u>121</u></b>	<b><u>887</u></b>
At 31 December 2022	<u>78</u>	<u>124</u>	<u>202</u>

Note <sup>a</sup> The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were included in Property, plant and equipment in prior years.

<sup>b</sup> Additions includes an accrual for €121,000 for enhancements to developed software. Work on this enhancement was completed in 2023 but was paid post year end.

**2.3 Prepayments**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Software licences	166	147
Subscriptions	221	145
Training and development	74	105
IT support	22	5
Other	27	6
	<u>510</u>	<u>408</u>

**2.4 Other debit balances**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Recoupable travel pass scheme expenditure	16	17
OPW advances	7	42
Other debit suspense items	2	9
	<u><b>25</b></u>	<u><b>68</b></u>

**2.5 Other credit balances**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income tax	184	182
Pay related social insurance	154	145
Professional services withholding tax	19	39
Value added tax	90	79
Pension contributions	53	47
Local property tax	1	1
Universal social charge	38	38
	<u>539</u>	<u>531</u>
Payroll deductions held in suspense	51	49
Other credit suspense items	1	3
	<u><b>591</b></u>	<u><b>583</b></u>

**2.6 Net Exchequer funding**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	3,390	1,607
Deferred surrender	115	35
Exchequer grant undrawn	(2,883)	(1,500)
<b>Net Exchequer funding</b>	<b>622</b>	<b>142</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	1,188	657
Debit balances: suspense	25	68
	1,213	725
<b>Creditors</b>		
Due to the State	(539)	(531)
Credit balances: suspense	(52)	(52)
	(591)	(583)
	<b>622</b>	<b>142</b>

**2.7 State funding account**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		594	455
Disbursements from the Vote			
Estimate provision	Account	21,753	
Deferred surrender	Account	(115)	
Surplus to be surrendered	Account	(3,390)	
Net vote		18,248	17,822
Expenditure (cash) borne elsewhere	1.1	2,977	2,352
Non-cash expenditure – notional rent	1	50	50
Non-cash expenditure – intangible assets accrual		121	
Net programme cost	1	(20,769)	(20,085)
<b>Balance at 31 December</b>		<b>1,221</b>	<b>594</b>

## 2.8 Commitments

<b>Global commitments</b>	<b>2023</b>	<b>2022</b>
at 31 December	€000	€000
Procurement of goods and services	133	570

## Note 3 Vote Expenditure

### Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages, pensions and allowances	16,948	14,981	14,903
ii	Travel and subsistence	156	134	91
iii	Training and development	386	429	385
iv	Professional, consultancy and other services	100	136	86
v	Operating expenses	167	106	90
vi	Asset and equipment expenses			
	<i>Estimate provision</i>	147		
	<i>Deferred surrender</i>	35		
		182	209	211
vii	Communication expenses	146	153	130
viii	Premises and accommodation expenses	170	190	146
		<b>18,255</b>	<b>16,338</b>	<b>16,042</b>

**Programme A Delivery of Central Procurement Service**

		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay		16,948	14,981
A.2	Administration – non pay			14,903
	<i>Estimate provision</i>	1,272		
	<i>Deferred surrender</i>	35		
			1,307	1,357
A.3	Procurement consultancy and other costs		4,023	2,448
			<b>22,278</b>	<b>18,786</b>
				<b>18,293</b>

**Significant variations**

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

**A.1 Administration pay**

*Estimate provision €16.948 million; outturn €14.981 million*

The €1.9 million underspend in salary costs is due to delays in recruiting a number of roles at all levels. This is the result of a tight labour market, and the OGP like all public sector bodies is affected by this.

**A.3 Procurement consultancy and other costs**

*Estimate provision €4.023 million; outturn €2.448 million*

The €1.6 million underspend in 2023 is driven by delays on large projects budgeted for during the year e.g. the Digital Suitability Assessment Questionnaire, and the Technical Support Services Framework. These are due to be completed in 2024.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2023		2022
	Estimated €000	Realised €000	Realised €000
1 Receipts from additional superannuation contributions on public service remuneration	375	413	396
2 Miscellaneous	150	125	75
<b>Total</b>	<b>525</b>	<b>538</b>	<b>471</b>

### 4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Purchasing card rebates	—	61
Transferred to the Exchequer	—	(61)
<b>Balance at 31 December</b>	<b>—</b>	<b>—</b>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	237	241

### 5.2 Pay

	2023	2022
	€000	€000
Pay	13,620	13,527
Higher, special or additional duties allowances	9	36
Other allowances	(2)	3
Employer's PRSI	1,354	1,337
<b>Total pay</b>	<b>14,981</b>	<b>14,903</b>

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties	4	—	769	14,091
Other allowances	—	—	—	2,666
Overtime	1	—	986	57

### 5.4 OGP staffing by pay band

The number of OGP employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	159	166
60,000	69,999	15	13
70,000	79,999	21	30
80,000	89,999	17	12
90,000	99,999	6	6
100,000	109,999	2	5
110,000	119,999	7	5
120,000	129,999	2	—
130,000	139,999	—	1
140,000	149,999	1	1
150,000	159,999	2	—
160,000	169,999	1	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1

### 5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	12	17,200	35,160
Recovery plans in place	2	5,808	12,026

## **5.6 Remuneration and benefits of Accounting Officer**

---

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

## **Note 6 Miscellaneous**

### **6.1 Compensation and legal costs**

---

In 2023, the OGP was responding to two sets of legal proceedings in relation to procurement competitions. These proceedings are distinct from an older matter, following which the OGP paid legal costs in the amount of €57,465 in 2022. No legal fees were paid in 2023 in relation to these two open proceedings.

In February 2024, for one of these proceedings, the Supreme Court ruled in favour of the OGP and refused the application for leave to appeal. As such neither the OGP, nor any other Government agency, will be liable for any costs associated with this case.

### **6.2 Deferred surrender**

---

Deferred surrender comprises savings in 2023 of €115,000 in capital expenditures in the subhead A.3 Procurement consultancy and other costs.