



## **Appropriation Account 2013**

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**Vote 16**

**Valuation Office**

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## **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 2013 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 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.69 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 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.

#### ***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 guideline.

***Internal Audit***

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 2014

## **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 2013 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 2013.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Valuation Office. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

25 July 2014

## Vote 16 Valuation Office Appropriation Account 2013

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A Provision of a State valuation service	9,828	8,181	8,268
B Administration services for the Valuation Tribunal	693	406	617
<b>Gross expenditure</b>	<b>10,521</b>	<b>8,587</b>	<b>8,885</b>
<i>Deduct</i>			
C Appropriations-in-aid	1,400	1,160	1,254
<b>Net expenditure</b>	<b>9,121</b>	<b>7,427</b>	<b>7,631</b>

### Surplus for surrender

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

	2013	2012
	€	€
Surplus to be surrendered	1,693,542	916,648

### Analysis of administration expenditure

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	7,379	7,223	7,511
ii Travel and subsistence	340	195	106
iii Training and development and incidental expenses	320	223	228
iv Postal and telecommunications services	155	65	67
v Office equipment and external IT services	661	489	514
vi Office premises expenses	140	148	125
vii Consultancy services and value for money and policy reviews	70	32	19
	<b>9,065</b>	<b>8,375</b>	<b>8,570</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	212	315
Pay	7,223	7,511
Non pay	1,152	1,059
<b>Gross expenditure</b>	<b>8,587</b>	<b>8,885</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>1,160</b>	<b>1,254</b>
<b>Net expenditure</b>	<b>7,427</b>	<b>7,631</b>
<b>Changes in capital assets</b>		
Purchases cash	(147)	
Depreciation	235	
Loss on disposals	2	
	90	210
<b>Changes in assets under development</b>		
Cash payments	(121)	(155)
<b>Changes in net current assets</b>		
Increase in closing accruals	79	
Increase in stock	2	
	81	212
<b>Direct expenditure</b>	<b>7,477</b>	<b>7,898</b>
Net allied services expenditure (note 1.1)	4,642	5,049
<b>Net programme cost</b>	<b>12,119</b>	<b>12,947</b>

#### 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.

		2013	2012
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	3,749	3,661
Vote 13 Office of Public Works	e	893	1,388
		<u>4,642</u>	<u>5,049</u>

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

## 2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
<b>Capital assets</b>	2.2	<b>519</b>	<b>474</b>
<b>Capital assets under development</b>	2.3	<b>8</b>	<b>21</b>
		<b>527</b>	<b>495</b>
<b>Current assets</b>			
Bank and cash	2.4	84	(33)
Stocks	2.5	43	45
Prepayments		82	154
Accrued income		3	12
Other debit balances	2.6	57	134
Net Exchequer funding due	2.8	7	70
<b>Total current assets</b>		<b>276</b>	<b>382</b>
<b>Less current liabilities</b>			
Accrued expenses		96	72
Deferred income		55	80
Other credit balances	2.7	148	171
<b>Total current liabilities</b>		<b>299</b>	<b>323</b>
<b>Net current assets</b>		<b>(23)</b>	<b>59</b>
<b>Net assets</b>		<b>504</b>	<b>554</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>504</b>	<b>554</b>

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		554	821
Disbursements from the Vote			
Estimate provision	Account	9,121	
Surplus to be surrendered	Account	(1,694)	
Net vote		7,427	7,631
Expenditure (cash) borne elsewhere	1	4,642	5,049
Net programme cost	1	(12,119)	(12,947)
<b>Balance at 31 December</b>		<b>504</b>	<b>554</b>

**2.2 Capital Assets**

	Office equipment €000	Furniture and fittings €000	Total €000
<b>Gross assets</b>			
Cost or valuation at 1 January 2013	2,636	1,372	4,008
Additions	224	58	282
Disposals	(57)	(219)	(276)
Cost or valuation at 31 December 2013	2,803	1,211	4,014
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2013	2,204	1,330	3,534
Depreciation for the year	216	19	235
Depreciation on disposals	(56)	(218)	(274)
Cumulative depreciation at 31 December 2013	2,364	1,131	3,495
<b>Net assets at 31 December 2013</b>	<b>439</b>	<b>80</b>	<b>519</b>
<b>Net assets at 31 December 2012</b>	<b>432</b>	<b>42</b>	<b>474</b>

**2.3 Capital Assets under Development**

at 31 December	In-house computer applications €000
Amounts brought forward at 1 January 2013	21
Transferred to capital assets	(134)
Cash payments for the year	121
Amounts carried forward at 31 December 2013	8

**2.4 Bank and Cash**

at 31 December	2013 €000	2012 €000
PMG balances and cash	84	(31)
Orders outstanding	—	(2)
	84	(33)

**2.5 Stocks**

at 31 December	2013 €000	2012 €000
Valuation Office consumable stocks	43	40
Valuation Tribunal consumable stocks	—	5
	43	45

<b>2.6 Other Debit Balances</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>

Debit suspense items	57	134
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<b>2.7 Other Credit Balances</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>

Amounts due to the State

Income Tax	105	112
Pay Related Social Insurance	38	48
Value Added Tax	1	—
Professional Services Withholding Tax	4	11
Pensions	—	—
	148	171

Payroll deductions held in suspense	—	—
	148	171

<b>2.8 Net Exchequer funding due</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>

Surplus to be surrendered	1,694	917
Exchequer grant undrawn	(1,701)	(987)
Net Exchequer funding due	(7)	(70)

**Represented by:**

**Debtors**

Bank and cash	84	(33)
Debit balances: suspense	57	134
	141	101

**Creditors**

Due to State	(148)	(171)
Credit balances: suspense	—	—
	(148)	(171)

	(7)	(70)
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<b>2.9 Commitments</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>

Total of legally enforceable commitments <sup>1</sup>	191	143
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<sup>1</sup> Comparative figure has been revised due to an increase in the threshold of commitments to be disclosed.

### 3 Programme Expenditure by Subhead

	Estimate provision	2013	2012
		Outturn	Outturn
	€000	€000	€000
<b>A Provision of a State Valuation Service</b>			
A.1 Administration - pay	7,069	6,984	7,209
A.2 Administration - non pay	1,686	1,153	1,059
A.3 Fees to counsel and other legal expenses	73	44	—
A.4 National revaluation projects	1,000	—	—
	<b>9,828</b>	<b>8,181</b>	<b>8,268</b>

#### Significant variations

Overall, the gross expenditure in relation to Programme A was €1.65 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	533	The outturn for 2013 in many of the non-pay subheads was lower than anticipated, partly as a result of efficiencies achieved and partly as a result of the national revaluation programme being confined, in the main, to the Dublin City area during the year, resulting in savings on travel and subsistence expenses in particular. Spending in the ICT area for new revaluation projects which are dependent on legislative change was deferred. Savings on postal charges were due both to operational efficiencies and to the issue of the final certificates for Dublin City in late December thus deferring consequent postal charges until 2014.
National revaluation projects	1,000	Expenditure on specific national revaluation projects in 2013 was contingent on the enactment of enabling legislation which was not enacted during the year. The provision has been included in the 2014 estimate.

	Estimate provision	2013 Outturn	2012 Outturn
	€000	€000	€000
<b>B Administration Services for the Valuation Tribunal</b>			
B.1 Administration - pay	310	238	302
B.2 Valuation Tribunal	383	168	315
	693	406	617

**Significant variations**

Overall, the gross expenditure in relation to Programme B was €287,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Valuation Tribunal	215	There were fewer than anticipated revision appeals to the Valuation Tribunal, due, in large part, to the concentration of Valuation Office effort on the revaluation project.

## 4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Valuation Tribunal appeal fees	60	6	27
2. Valuation certificates	158	130	155
3. Valuation revision fees	650	483	600
4. Fees from appeals to the Commissioner	65	32	1
5. Miscellaneous receipts	35	63	13
6. Receipts from pension related deduction on public service remuneration	432	446	458
<b>Total</b>	<b>1,400</b>	<b>1,160</b>	<b>1,254</b>

### 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	167	Receipts in respect of revision fees were lower than originally anticipated due to the concentration of effort on the revaluation project in Dublin and Waterford, which resulted in a limited revision programme.

## 5 Employee Numbers and Pay

	2013	2012
<b>Number of staff at year end</b> (full time equivalents)	125	131
	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Pay	6,647	6,925
Higher, special or additional duties allowance	120	115
Overtime	24	25
Employer's PRSI	432	446
<b>Total Pay</b>	<b>7,223</b>	<b>7,511</b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2013 €	Maximum individual payment 2012 €
Higher, special or additional duties	22	1	24,403	11,624
Overtime and extra attendance	10	—	9,109	7,020

Certain individuals received extra remuneration in more than one category.

### 5.2 Other Remuneration Arrangements

Payments of €11,280 and €1,140 were paid to retired civil servants who were employed on contract on specialised tasks.

## 6 Miscellaneous Items

### 6.1 Write-Off's

The following amounts were written off during the year:

	2013	2012
	€000	€000
Suspense account balance re income tax	4	—
Unpaid fees due from local authorities	4	35
	<u>8</u>	<u>35</u>

### 6.2 Legal Costs

Legal costs paid during the year are categorised as follows:

	2013	2012
	€000	€000
Legal fees	—	—
Compensation costs	44	—
	<u>44</u>	<u>—</u>

### 6.3 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 since then a number of working groups, led by senior management in the three entities have been working towards the development of a detailed plan for the establishment of the new entity. Subject to the passing of necessary legislation, the governing structure of the new entity, proposed to be called Tailte Éireann, will have a statutory board. Each of the core functions of Tailte (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. Preparation of the draft Scheme of the Bill to establish Tailte Éireann is underway and it is intended that the Scheme will be presented to Government at the earliest opportunity. The merger is not expected to have an impact on the carrying value of the Valuation Office assets or liabilities.