

## **Vote 37: Army Pensions**

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## 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 2010 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 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Defence.

**MICHAEL HOWARD**  
Accounting Officer  
Department of Defence  
24 February 2011

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 37: Army Pensions for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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 Department of Defence in respect of Army Pensions. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

**JOHN BUCKLEY**  
Comptroller and Auditor General  
19 May 2011

## Vote 37 Army Pensions Appropriation Account 2010

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000	€000
<b>Army Pensions Board</b>				
A. Salaries, wages and allowances		103	99	105
<b>Pensions, allowances, etc.</b>				
B. Defence Forces (Pensions) Schemes and payments in respect of transferred service				
	<i>Original</i>	198,090		
	<i>Supplementary</i>	<u>10,000</u>	208,090	207,897
C. Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces				
	<i>Original</i>	9,000		
	<i>Supplementary</i>	<u>(190)</u>	8,810	8,716
D. Payments in respect of Veterans of the War of Independence				
	<i>Original</i>	1,500		
	<i>Supplementary</i>	<u>(70)</u>	1,430	1,430
E. Compensation payments				
	<i>Original</i>	200		
	<i>Supplementary</i>	<u>(180)</u>	20	18
F. Medical appliances and travelling and incidental expenses				
	<i>Original</i>	100		
	<i>Supplementary</i>	<u>(60)</u>	40	42
<b>Gross Expenditure</b>				
	<i>Original</i>	208,993		
	<i>Supplementary</i>	<u>9,500</u>	<b>218,493</b>	<b>218,202</b>
<b>Deduct</b>				
G. Appropriations-in-aid			<u>6,500</u>	<u>6,230</u>
<b>Net Expenditure</b>				
	<i>Original</i>	202,493		
	<i>Supplementary</i>	<u>9,500</u>	<u>211,993</u>	<u>211,972</u>
<b>Surplus to be surrendered</b>				
			<u><u>€21,227</u></u>	<u><u>€18,361</u></u>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2010

		<b>2010</b>	<b>2009</b>
	<b>Note</b>	<b>€000</b>	<b>€000</b>
Expenditure on administration		99	105
Expenditure on services and programmes		218,103	214,700
<b>Gross expenditure</b>		<u>218,202</u>	<u>214,805</u>
Deduct			
<b>Appropriations-in-aid</b>		6,230	5,623
<b>Direct expenditure</b>		<u>211,972</u>	<u>209,182</u>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure	1.1	1,734	1,681
<b>Total operating cost</b>		<u><u>213,706</u></u>	<u><u>210,863</u></u>

#### 1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 37 borne elsewhere

		<b>2010</b>	<b>2009</b>
<b>Vote</b>		<b>€000</b>	<b>€000</b>
36	Defence	1,734	1,681
		<u>1,734</u>	<u>1,681</u>

## 2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
<b>Current Assets</b>			
Bank and cash	2.1	1,229	36
Other debit balances	2.2	9	10
<b>Total Current Assets</b>		<b>1,238</b>	<b>46</b>
<b>Less Current Liabilities</b>			
Credit balances	2.3	1,218	29
Net Liability to the Exchequer	2.4	20	17
<b>Total Current Liabilities</b>		<b>1,238</b>	<b>46</b>
<b>Net Current Assets</b>		<b>—</b>	<b>—</b>
<b>2.1 Bank and Cash</b>			
at 31 December		<b>2010 €000</b>	<b>2009 €000</b>
PMG balances and cash		2,477	1,094
Orders outstanding		(1,248)	(1,058)
		<b>1,229</b>	<b>36</b>
<b>2.2 Other Debit Balances</b>			
at 31 December		<b>2010 €000</b>	<b>2009 €000</b>
Suspense and payroll deductions		9	10
		<b>9</b>	<b>10</b>
<b>2.3 Credit Balances</b>			
at 31 December		<b>2010 €000</b>	<b>2009 €000</b>
<b>Amounts due to the State</b>			
Income Tax		946	2
Income Levy		156	—
Pay Related Social Insurance		100	—
Professional Services Withholding Tax		1	—
		<b>1,203</b>	<b>2</b>
Suspense and payroll deductions		15	27
		<b>1,218</b>	<b>29</b>

**2.4 Net Liability to the Exchequer**  
at 31 December

	<b>2010</b>	<b>2009</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	21	18
Exchequer grant undrawn	(1)	(1)
Net liability to the Exchequer	<u>20</u>	<u>17</u>

**Represented by:**

**Debtors**

Bank and cash	1,229	36
Debit balances: suspense	9	10
	<u>1,238</u>	<u>46</u>

**Creditors**

Amounts due to the State	(1,203)	(2)
Credit Balances: Suspense and payroll deductions	(15)	(27)
	<u>(1,218)</u>	<u>(29)</u>

	<u>20</u>	<u>17</u>
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### 3 Variations in Expenditure

Expenditure outturn on all subheads was not significantly different from the amounts provided.

### 4 Receipts

#### 4.1 Appropriations-in-aid

	2010 Estimated €000	2010 Realised €000	2009 Realised €000
1. Contributions to Defence Forces Spouses' and Children's Pension Schemes	5,400	4,847	4,269
2. Contributions to Defence Forces Contributory (Main) Pensions Schemes	945	1,294	1,261
3. Recoveries of overpayments	40	31	22
4. Payments received in respect of transferred service	40	27	4
5. Miscellaneous	70	26	64
6. Receipts from pension-related deductions on public service remuneration	5	5	3
	6,500	6,230	5,623

#### Explanation of significant variations

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

Heading	Less/(more) than estimated €000	Explanation
1.	553	The shortfall is due to an overestimation of anticipated receipts and also to a greater than anticipated number of scheme contributors leaving the Permanent Defence Forces in 2010.
2.	(349)	The anticipated receipts for 2010 were underestimated. It is difficult to accurately estimate receipts as the numbers paying contributions vary during the year.

## 5 Employee Numbers and Pay

	2010	2009
<b>Number of staff at year end</b> (full time equivalents)	2	2
	<b>2010</b>	<b>2009</b>
	<b>€000</b>	<b>€000</b>
Pay	93	103
Higher, special or additional duties allowances	—	—
Other allowances	—	—
Overtime	—	—
Employer's PRSI	2	2
<b>Total pay</b>	<b>95</b>	<b>105</b>

The two staff members are administrative support to the Army Pensions Board. In addition to these payroll costs approximately €4,000 was paid in respect of travel and subsistence in 2010.

Twenty-six employees of the Department of Defence are engaged in the administration of pensions and other related payments. Their remuneration, which amounts to approximately €1.2m, is charged to Vote 36.

## 6 Miscellaneous Items

### 6.1 Write-offs

During the year an amount of €71,658 was written off in respect of 55 cases of overpayment of pensions and allowances. The gross overpayments were €72,053 of which €395 was recovered.

