

Appropriation Account 2025

Vote 18

National Shared Services Office

Introduction

As Accounting Officer for Vote 18, I am required each year to prepare the appropriation account for the Vote, and 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 2025 for the salaries and expenses of the National Shared Services Office.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2025, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2025 out of unspent 2024 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €6.577 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, Infrastructure, Public Service Reform and Digitalisation in circular 25 of 2025 have been applied in the preparation of the account, including the application of a number of Central Government Accounting Standards (CGAS) brought into effect for periods of account commencing from 1 January 2025.

Capital assets under development

Capital expenditure in respect of the development of a Financial Management Shared Services (FMSS) system by the National Shared Service Office is included as part of note 2.2 Intangible assets. Staff, client service partner and overhead costs incurred as part of the development of the system are capitalised since the adoption of CGAS 31 on 1 January 2024.

Basis of measurement

Depreciation of property, plant and equipment and amortisation of intangible assets are calculated and charged in accordance with CGAS 17 and CGAS 31 respectively.

The useful lives and associated rates of depreciation/amortisation for major classes of capital assets are as follows.

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of depreciation/ amortisation</i>
Software licences and externally acquired software	Licence term/5 years	20%
Acquired and developed software	10	10%
Office and IT equipment	5	20%

Basis of charge for services

The National Shared Services Office applies a service charge for human resource (HR) services and pensions administration. The service charge for 2025 has distributed a portion of operational costs on a pro-rata basis among each public sector body served, based on their employee headcount. The remainder is borne by the National Shared Services Office.

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 National Shared Services Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Accounting Officer. 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

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 and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for key business processes have been documented.
- There are systems in place to safeguard the assets.

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.

- 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 and Risk Committee

The National Shared Services 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 National Shared Services Office is exposed and its annual internal audit plans, jointly approved by me and the Audit and Risk Committee, 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 and Risk 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 professional and other contracted services amounted to a total of €30.979 million in 2025.

The Office had no non-competitively procured contracts in excess of €25,000 to report in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

Risk and control framework

The National Shared Services Office 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 National Shared Services Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by Senior Management 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. These are communicated to those responsible for taking corrective action and 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 National Shared Services Office has procedures to monitor the effectiveness of its risk management and control procedures. The Offices' 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 responsible for the development and maintenance of the internal financial control framework.

Assurance reports on controls at a service organisation

I have put in place an audit process to provide independent assurance on the operation of controls surrounding the delivery of services by the National Shared Services Office.

The audits are conducted by independent auditors in accordance with the International Standards on Assurance Engagements (ISAE) 3402 *Assurance Reports on Controls at a Service Organisation*. A separate assurance process is in place for An Garda Síochána and Prison Service payrolls.

HR Services, Payroll Services and Finance Shared Services achieved ISAE Type II certification in 2026 based on testing performed in 2025. This provides me with the assurance that, in all material respects, the control objectives were achieved and operated effectively throughout the period under review.

Overpayments

Overpayments to client staff in 2025 in respect of which the root cause was attributable to the National Shared Services Office were made in 1,170 cases (2024: 1,412 cases) with an estimated value of €1.467million (2024: €2.041 million). This amounts to 22% of the financial value of all overpayments in 2025 (2024: 27%) and 19% of the number of all overpayment cases in 2025 (2024: 22%).

The National Shared Services Office continues to address the overpayments attributable to the National Shared Services Office through process improvement and automation and improved end to end reporting and monitoring.

Internal control issues

In 2025, weakness in controls operated by the NSSO were identified in respect of three non-standard categories of pay and pension cases. The weakness related to

- chargeable excess tax (CET) and withholding tax (WHT) liabilities on high value pensions not being applied or not being discharged appropriately
- assignment of some ministers and office holders to incorrect pension schemes, resulting in under/over deduction of pension contributions and additional superannuation contributions (ASC), and mistreatment of salary gifting for taxation purposes
- miscalculation of retirement benefits on allowances paid to some former civil servants who had availed of work-sharing for periods during their service.

On foot of this weakness, I requested a full internal review and corrective action was taken in 2025 to address all issues identified within processes and systems, and new controls have been introduced where required. An external audit has been commissioned to review processes and systems and is expected to be concluded in 2026.

In July 2025, the Office of the Revenue Commissioners commenced an audit of all CET and WHT for the period 2015 to date. The audit is ongoing, and the potential findings are yet to be finalised. The NSSO has paid €240,457 interest and penalties during 2025 and recognised a provision of €290,000 for additional interest and penalties as at 31 December 2025.

No other weaknesses in internal financial control were identified in relation to 2025 that require disclosure in the appropriation account.

Bernie Kelly

Accounting Officer

National Shared Services Office

10 March 2026

Comptroller and Auditor General

Report for presentation to Dáil Éireann

Vote 18 National Shared Services Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 18 National Shared Services Office for the year ended 31 December 2025 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 18 National Shared Services Office for the year ended 31 December 2025, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

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 National Shared Services Office 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.

Tax non-compliance: interest and penalties incurred

The statement on internal financial control discloses that the National Shared Services Office paid interest and penalties of €240,000 in 2025 and has made provision for estimated further liabilities of €290,000 that may arise on finalisation of an ongoing audit by the Revenue Commissioners.

The National Shared Services Office administers pension payments on behalf of Vote 12 Superannuation and Retired Allowances.

The interest and penalties arise on chargeable excess tax (CET) and withholding tax (WHT) on high value pensions not being charged appropriately. In 2024, Vote 12 made an unprompted voluntary disclosure to the Revenue Commissioners and made a payment in respect of CET of €2.3 million and interest of €469,000. Following this the NSSO undertook an internal review of retirements and this identified a number of new previously unreported cases where a CET liability was due. As a result, in 2025, Vote 12 paid a further €1.1 million to the Revenue Commissioners in respect of these cases. The audit by the Revenue Commissioners commenced in July 2025 and covers the period from 2015 to date.

Financial management shared services: implementation progress

Chapter 12 of my *Report on the Accounts of the Public Services* for 2025 reviews the progress made by the National Shared Services Office in rolling out the Financial Management Shared Services (FMSS) system to client public service bodies.

Seamus McCarthy

Comptroller and Auditor General

7 September 2026

Appendix to the report of the Comptroller and Auditor General

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, Infrastructure, Public Service Reform and Digitalisation's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
- 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 Dáil Éireann 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, Infrastructure, Public Service Reform and Digitalisation'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.

Appendix to the report of the Comptroller and Auditor General (continued)**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 18 National Shared Services Office

Appropriation Account 2025

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	NSSO Function			
	<i>Original</i>	47,313		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	(299)		
			48,014	44,031
				36,120
B	Employee Services			
	<i>Original</i>	27,431		
	<i>Supplementary</i>	2,000		
			29,431	28,561
				26,648
C	Finance Shared Services			
	<i>Original</i>	7,481		
	<i>Supplementary</i>	(1,700)		
			5,781	4,924
				9,452
Gross expenditure				
	<i>Original</i>	82,225		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	1		
			83,226	77,516
				72,220
<i>Deduct</i>				
D	Appropriations-in-aid		6,876	7,743
				7,351
Net expenditure				
	<i>Original</i>	75,349		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	1		
			76,350	69,773
				64,869

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 spending in the following year (note 6.1).

	2025 €	2024 €
Surplus	6,577,141	8,898,285
Deferred surrender	—	(1,000,000)
Surplus to be surrendered	<u>6,577,141</u>	<u>7,898,285</u>

Bernie Kelly
Accounting Officer
National Shared Services Office

10 March 2026

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2025

	2025	2024
	€000	€000
Programme cost	11,522	6,379
Pay	44,576	40,766
Non pay	21,418	25,075
Gross expenditure	77,516	72,220
<i>Deduct</i>		
Appropriations-in-aid	7,743	7,351
Net expenditure	69,773	64,869
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Purchases	(231)	
Depreciation	1,151	
<i>Intangible assets (note 2.2)</i>		
Purchases	(8,067)	
Amortisation	3,775	
	(3,372)	1,737
Changes in net current assets		
Decrease in prepayments	879	
Increase in accrued expenses	745	
Increase in provisions	290	
Decrease in amounts owed from public bodies	96	
	2,010	1,506
Direct voted expenditure	68,411	68,112
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(18,215)	(16,029)
Notional rent	880	1,758
Net programme cost	51,076	53,841

Note 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere, net of expenditure borne by Vote 18 in relation to other votes.

		2025	2024
		€000	€000
Vote 9	Office of the Revenue Commissioners	82	82
Vote 12	Superannuation and Retired Allowances	2,642	2,547
Vote 13	Office of Public Works	772	1,508
Vote 43	Office of the Government Chief Information Officer	1,099	1,158
Apportioned cost of shared services for other Votes		(22,810)	(21,324)
		(18,215)	(16,029)

Note 2 Statement of Financial Position as at 31 December 2025

	Note	2025 €000	2024 €000
Fixed assets			
Property, plant and equipment	2.1	5,310	6,262
Intangible assets	2.2	28,467	24,143
		33,777	30,405
Current assets			
Bank and cash	2.3	4,180	—
Prepayments	2.4	4,427	5,306
Client funding due	2.8	—	2,688
Other debit balances	2.5	1,580	1,278
Amounts owed from public bodies		1	97
		10,188	9,369
<i>Less</i>			
Current liabilities			
Bank and cash	2.3	—	1,253
Accrued expenses	2.6	3,649	2,904
Other credit balances	2.7	2,686	1,958
Client funding/advance balances	2.8	1,486	—
Provisions	2.9	290	—
Net Exchequer funding	2.10	1,588	755
		9,699	6,870
Net current assets		489	2,499
Net assets		34,266	32,904
Represented by:			
State funding account	2.11	34,266	32,904

2.1 Property, plant and equipment

	Office and IT equipment €000	Furniture and fittings €000	Assets under development €000	Total €000
Cost or valuation				
At 1 January 2025	6,639	31	5,021	11,691
Additions	83	—	148	231
Brought into use	5,026	—	(5,026)	—
Adjustment	(33)	—	1	(32)
At 31 December 2025	11,715	31	144	11,890
Accumulated depreciation				
At 1 January 2025	5,398	31	—	5,429
Depreciation for the year	1,151	—	—	1,151
At 31 December 2025	6,549	31	—	6,580
Net assets				
At 31 December 2025	5,166	—	144	5,310
At 31 December 2024	1,241	—	5,021	6,262

2.2 Intangible assets

	Acquired and developed software €000	Assets under development €000	Total €000
Cost or valuation			
At 1 January 2025	55,435	2,185	57,620
Additions	270	7,797	8,067
Brought into use	8,120	(8,120)	—
Adjustment	32	—	32
At 31 December 2025	63,857	1,862	65,719
Accumulated amortisation			
At 1 January 2025	33,477	—	33,477
Amortisation for the year	3,775	—	3,775
At 31 December 2025	37,252	—	37,252
Net assets			
At 31 December 2025	26,605	1,862	28,467
At 31 December 2024	21,958	2,185	24,143

2.3 Bank and cash

at 31 December	2025	2024
	€000	€000
PMG balances and cash	2,694	1,153
Client funded bank balances	1,486	(2,406)
	4,180	(1,253)

2.4 Prepayments

at 31 December	2025	2024
	€000	€000
IT services and support	3,286	4,010
Finance shared services IT services and support	915	944
Other prepayments	226	352
	4,427	5,306

2.5 Other debit balances

at 31 December	2025	2024
	€000	€000
Payroll control account	895	570
Recoupable HRMS	602	636
Recoupable travel pass scheme expenditure	56	54
Other debit suspense items	27	14
Office of Public Works	—	4
	1,580	1,278

2.6 Accrued expenses

at 31 December	2025	2024
	€000	€000
Payroll related accruals	2,104	1,803
FMSS project	669	119
Finance shared services IT services and support	420	486
Other IT services and support	204	195
Bank charges	98	94
Other accruals	89	128
Facilities	65	79
	3,649	2,904

2.7 Other credit balances

at 31 December	2025	2024
	€000	€000
Amounts due to the State		
Professional services withholding tax	1,222	648
Pay related social insurance	473	427
Income tax	437	399
Value added tax	171	127
Pension contributions	134	120
Universal social charge	78	89
Local property tax	2	3
Office of Public Works	1	—
	<u>2,518</u>	<u>1,813</u>
Suspense		
Payroll deductions held in suspense	168	145
	<u>2,686</u>	<u>1,958</u>

2.8 Client funding due/advance balances

The National Shared Services Office provides a payroll shared service function to a number of Government departments, offices and agencies.

The amount of €1.486 million held on behalf of clients at 31 December 2025 consists of €1.264 million to cover funding for salaries over the new year period, and €221,674 representing amounts due to individuals and third-party organisations.

The amount of €2.688 million owed by clients at 31 December 2024, consists of €2.847 million to cover funding for salaries over the new year period and €158,940 representing amounts due to individuals and third-party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €7.4 billion in 2025 (2024: €7.3 billion).

2.9 Provisions

at 31 December	2025	2024
	€000	€000
Provision for interest and penalties	290	—
Total	290	—
Current liabilities	290	—
	290	—

Movement for each class of provision as follows

	Interest and penalties	Total
	€000	€000
Opening balance	—	—
Provision	290	290
Closing balance	290	290

Note ^a As at 31 December 2025, a provision of €290,000 was made in respect of interest and penalties due to the Revenue Commissioners in respect of chargeable excess tax (CET) and withholding tax (WHT) liabilities on high value pensions not being applied or not being discharged appropriately. These unpaid taxes are subject to an ongoing audit by the Office of the Revenue Commissioners which has not been finalised as of 10 March 2026. While the CET and WHT will be paid by Superannuation and Retired Allowances Vote 12, the NSSO will pay any related interest and penalties.

2.10 Net Exchequer funding

at 31 December	2025	2024
	€000	€000
Surplus to be surrendered	6,577	7,898
Deferred surrender	—	1,000
Exchequer grant undrawn	(4,989)	(8,143)
Net Exchequer funding	1,588	755

Represented by:

Debtors

Bank and cash	4,180	—
Client funding/advance balances	—	2,688
Debit balances: suspense	1,580	1,278
	<u>5,760</u>	<u>3,966</u>

Creditors

Due to the State	(2,518)	(1,813)
Bank and cash	—	(1,253)
Client funding/advance balances	(1,486)	—
Credit balances: suspense	(168)	(145)
	<u>(4,172)</u>	<u>(3,211)</u>
	1,588	755

2.11 State funding account

	Note	2025	2024
		€000	€000
Balance at 1 January		32,904	36,147
Disbursements from the Vote			
Estimate provision	Account	76,350	
Deferred surrender	Account	—	
Surplus to be surrendered	Account	(6,577)	
Net Vote		69,773	64,869
Expenditure borne elsewhere	1.1	(18,215)	(16,029)
Non-cash item: notional rent	1	880	1,758
Net programme cost	1	(51,076)	(53,841)
Balance at 31 December		34,266	32,904

2.12 Commitments

	2025	2024
a) Global commitments	€000	€000
at 31 December		
Procurement of goods and services	—	—
Capital projects and programmes	14,757	861
Total of legally enforceable commitments	14,757	861

b) Major capital projects where the project value exceeds €20 million

Programme/ project	Expenditure			Expected lifetime cost	
	To 31 Dec 2024	In 2025	Committed	2025	2024
	€000	€000	€000	€000	€000
Financial Management Shared Services	36,555	5,734	14,757	57,046	37,164
	36,555	5,734	14,757	57,046	37,164

Significant variations

An explanation is provided below in relation to any major capital project where the expected total lifetime project cost changed by more than €1 million compared to 2024.

Financial Management Shared Services

Increase in expected total spend: €19.882 million

The increase in total expected spend over the lifetime of the project is the result of the completion of a new contract for the system implementer in 2025.

2.13 Matured liabilities

at 31 December	2025	2024
	€000	€000
Estimate of matured liabilities not discharged at year end	58	127

2.14 Impact of accounting policy changes

Commencing from 1 January 2024, central government accounting standards (CGAS) are being implemented on a phased basis. The implementation had the following impact on the State funding balance in the year of account.

As at 31 December	2025	2024
	€000	€000
Payroll accrual ^a	—	(1,003)
Holiday accrual ^a	—	(800)
Foreign exchange gain/(loss) ^b	(1)	—
Provisions ^c	—	—
	(1)	(1,803)

Note ^a CGAS 39A Employee Benefits Part A

^b CGAS 4 The Effects of Changes in Foreign Exchange Rates

^c CGAS 19 Provisions, Contingent Liabilities and Contingent Assets

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	45,588	44,576	40,766
ii	Travel and subsistence	294	190	202
iii	Training and development	593	568	649
iv	Operating expenses			
	<i>Original</i>	2,822		
	<i>Supplementary</i>	500		
		3,322	2,253	3,369
v	Digital capital investment and IT expenses			
	<i>Original</i>	18,916		
	<i>Supplementary</i>	701		
		19,617	17,641	20,047
vi	Premises expenses	613	766	808
vii	Policy reviews, consultancy services and research	100	—	—
		70,127	65,994	65,841

Previously, the Office's activities were split across four programmes. Following a review of the Employee Services Division's operating model there are now three programmes for the whole Office. Programme B HR Shared Services and Programme C Payroll Shared Services were amalgamated into Programme B Employee Services for 2025. Programme D Finance Shared Services was renamed Programme C Finance Shared Services for 2025. The 2024 comparatives are reclassified to reflect the new structure.

Significant variations

The following notes outline the reasons for significant variations in administration expenditures (at least +/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €294,000; outturn €190,000

The underspend is primarily driven by forecasted travel and subsistence costs not materialising due to continued use of virtual events.

vii Policy reviews, consultancy services and research

Estimate provision €100,000; outturn €nil

The underspend arises as expected expenditure related to an external audit will now be incurred in 2026.

Programme A National Shared Services Office Function

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		13,941	12,377
A.2	Administration – non pay			
	<i>Original</i>	20,073		
	<i>Supplementary</i>	901		
		20,974	18,758	17,364
A.3	Financial Management Shared Services Project			
	<i>Original</i>	13,299		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	(1,200)		
		13,099	11,522	6,379
		48,014	44,031	36,120

Significant variations

The following notes outline the reasons for significant variations in programme expenditures (at least +/- 5% and €100,000).

A.2 Administration – non pay

Estimate provision €20.073 million; outturn €18.758 million

The underspend is primarily driven by savings in ICT expenditure during 2025 compared to estimate.

A.3 Financial Management Shared Services Project

Estimate provision €14.299 million; outturn €11.522 million

The Wave 2 deployment of FMSS was not at the scale originally planned for 2025 resulting in lower than profiled expenditure.

Programme B Employee Services

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	Original	26,102		
	Supplementary	1,500		
			27,602	27,136
B.2	Administration – non pay			25,409
	Original	1,329		
	Supplementary	500		
			1,829	1,425
			29,431	28,561
				26,648

Programme C Finance Shared Services

		2025		2024
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	Original	5,545		
	Supplementary	(1,500)		
			4,045	3,689
C.2	Administration – non pay			2,980
	Original	1,936		
	Supplementary	(200)		
			1,736	1,235
			5,781	4,924
				6,472
				9,452

Significant variations

The following notes outline the reasons for significant variations in programme expenditures (at least +/- 5% and €100,000).

C.1 Administration pay

Estimate provision €5.545 million; realised €3.689 million

The variance of €1,856,000 is a result of Wave 2 deployment of FMSS not being at the scale originally planned for 2025 resulting in lower than profiled expenditure.

C.2 Administration non pay

Estimate provision €1.936 million; realised €1.235 million

The variance of €701,000 is a result of Wave 2 deployment of FMSS not being at the scale originally planned for 2025 resulting in lower than profiled expenditure.

Note 4 Receipts and Revenue

4.1 Appropriations-in-aid

		2025		2024
		Estimate provision	Realised	Realised
		€000	€000	€000
1	HR services levy	6,136	6,147	6,342
2	Additional superannuation contributions	520	785	696
3	Miscellaneous	220	811	313
		6,876	7,743	7,351

Significant variations

The following notes outline the reasons for significant variations in appropriations-in-aid (at least +/- 5% and €100,000).

2 Additional superannuation contributions

Estimate provision €520,000; realised €785,000

The variance of €265,000 was driven by the increase in additional superannuation contributions from pay agreements implemented during the year.

3 Miscellaneous

Estimate provision €220,000; realised €811,000

The variance of €591,000 was driven by the increase in receipts from other departments and offices in respect of expenditure incurred by the National Shared Services Office. This income and expenditure is accounted for on a gross basis.

4.2 Revenue of the Vote

Appropriations-in-aid represent cash amounts received in the year. Revenue of the Vote represents income related to the activity of the year, based on the accrual principle.

	2025
	€000
Non-exchange transaction revenue	
Central Fund grant	69,773
Additional superannuation contributions	785
Exchange transaction revenue	
Rendering of services	6,404
Other revenue	
Miscellaneous	554
Total revenue	77,516
Represented by	
Total appropriations-in-aid (note 4.1)	7,743
Central Fund grant	69,773
	77,516

Note 5 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

At 31 December	2025	2024
Number of staff at year end	<u>914</u>	<u>883</u>

5.2 Pay

	2025	2024
	€000	€000
Pay	41,571	37,916
Higher, special or additional duties allowances	102	132
Other allowances	14	6
Overtime	442	455
Employer's PRSI	<u>4,209</u>	<u>3,803</u>
	<u>46,338</u>	<u>42,312</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2025 €	2024 €
Higher, special or additional duties allowances	17	2	34,488	40,855
Other allowances	4	—	6,981	2,606
Overtime	305	3	14,100	15,568
Extra remuneration in more than one category	2	1	14,639	5,678

5.4 NSSO employee pay bands

The number of NSSO 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	2025	2024
20,000	59,999	714	721
60,000	69,999	67	44
70,000	79,999	24	19
80,000	89,999	21	18
90,000	99,999	16	13
100,000	109,999	12	7
110,000	119,999	4	3
120,000	129,999	3	4
130,000	139,999	3	—
140,000	149,999	1	1
150,000	159,999	—	1
160,000	169,999	—	—
170,000	179,999	1	1
180,000	189,999	2	1
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2025 €	2024 €
Overpayments	49	45,510	42,163
Recovery plans in place	5	8,840	39,501

Four overpayment recovery plans to the value of €6,487 were transferred to other departments during 2025 (2024: nil).

5.6 Other remuneration arrangements

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €21,178. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €8,348 in respect of one officer who was serving outside the Office for all or part of 2025 and whose salary was paid by the Office.

This account does not include expenditure in respect of three officers who were serving outside the Office for all or part of 2025 in other Government Departments/Offices and whose salaries were not recouped by the Office.

5.7 Remuneration and benefits of Accounting Officer

	2025	2024
	€000	€000
Basic pay	214	207
	214	207

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the superannuation scheme for non-established State employees and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Deferred surrender

Deferred surrender comprises savings in 2024 of €1 million in capital expenditure in the following subheads that were carried over to 2025.

	2025 €000	2024 €000
A.3 Financial Management Shared Services	—	1,000
	<u>—</u>	<u>1,000</u>

6.2 Financial Management Shared Services programme

The cumulative spend to date on the Financial Management Shared Services (FMSS) programme amounted to €95.187 million (inclusive of VAT) as at 31 December 2025 (2024: €83.667 million). The approved budget for the FMSS project is €115 million.

€49.822 million (2024: €44.632 million) of the spend to end 2025 is categorised as capital expenditure. The balance of €45.365 million (2024: €39.035 million) is categorised as current expenditure and includes staff, client service partner and other operational costs.

Since the adoption of CGAS 31 on 1 January 2024, expenditure on staff, client service partner and overhead costs incurred as part of the development of the FMSS system are now capitalised. As at 31 December 2025, expenditure on such costs totalling €2.217 million has been capitalised in accordance with CGAS 31.

6.3 Compensation and legal costs

Payments/costs paid by the Office in the year

	2025		2024
	Claims		Total
	Employees	Members of the public	Total
	Personal injuries ^a	Loss or damage	
Number of cases	—	1	1
	€000	€000	€000
Office's own legal costs	—	—	—
Payments by/on behalf of the Office			
Compensation	—	—	—
Legal costs	—	38	38
Other costs	—	—	—
2025 Total	—	38	38
2024 Total	—	—	—

Note ^a At 31 December 2025, there is one outstanding personal injury claim.