

Appropriation Account 2020

Vote 28

Foreign Affairs

Introduction

As Accounting Officer for Vote 28, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2020 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administered by that Office, including grants and contributions to international organisations.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €8.812 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.

Transfer of functions

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2020* which took account of the alteration of the title of the Department of Foreign Affairs and Trade to the Department of Foreign Affairs with effect from 24 September 2020 (SI 382 of 2020).

The *Further Revised Estimates for 2020* also took account of the transfer of certain administration and ministerial functions from the Department of Foreign Affairs to the Department of Enterprise, Trade and Employment (SI 381 of 2020).

The transfer of functions comprised

- managing and chairing the Export Trade Council (formerly known as the Foreign Trade Council)
- convening, chairing and managing joint economic commissions, and
- developing, where appropriate, new joint economic commissions

In respect of the functions transferred to the Department of Enterprise, Trade and Employment, three posts were transferred from the Department of Foreign Affairs.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure and Reform, the *Further Revised Estimates for 2020* reflect the transfer of the Department functions on a full-year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfers of functions on a full-year basis.

Statement of Accounting Policies and Principles

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

Capital assets

The carrying value of land and buildings included in capital assets is based on valuations conducted in 2005 adjusted as follows

- improvements to land and buildings since 2005 are reflected at cost
- land and buildings acquired since 2005 are also reflected at cost
- three mission properties are included on the basis of revaluations conducted in 2011.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of each month. Foreign exchange transactions completed by headquarters are recorded at the rate at date of settlement of the transaction.

Accruals, prepayments, commitments and stocks at diplomatic missions

Accruals, prepayments, commitments and stocks do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

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

I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Department and the National Shared Services Office for the provision of payroll and human resource functions.

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

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place. It includes the following and, in particular, that

- there is segregation of duties and 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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. The annual 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Non-compliance with procurement rules

I confirm that the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Department complied with the guidelines with the exception of nine contracts (in 2019: 16), totalling €1,016,608 (2019: €1,447,193) details are set out below:

- Three contracts (2019: five) with a value of €580,611 (2019: €774,742) were extended beyond the original contract date without a competitive process, primarily while revised arrangements are being put in place by the Office of Government Procurement (OGP). The OGP tender process for these contracts commenced in Q1 2021.
- Two contracts (2019: six) with a value of €234,214 (2019: €395,569) had previously been awarded under a competitive process but were extended while revised arrangements are being put in place by the Department.
- Four contracts (2019: five) with a value of €201,783 (2019: €276,882) had previously been awarded but exceeded the relevant thresholds that required a competitive process. These contracts will be tendered during 2021.

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

Capital assets

Over recent audits, the Office of the Comptroller and Auditor General has commented on weakness in the Department's fixed asset register.

During 2019 and 2020, a full review of all the Department's global fixed asset registers was carried out. This review was undertaken to update and enhance the information recorded in the Department's fixed asset registers and reconcile it to the trial balance. The project identified assets no longer in use and items that were originally incorrectly classified as fixed assets which required removal from the registers and the trial balance (the details of the adjustment are shown in Note 2.1). The review also found a number of assets that were included in the fixed assets of Vote 28 Foreign Affairs which are properly attributable to Vote 27 International Co-operation. The majority of assets removed were historic and fully depreciated.

Missions tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function include a review of compliance with local taxes in each mission's internal audit review. The Department also includes training on local tax rules as part of its training programme for staff in advance of overseas postings.

During a mission visit, the Department identified a failure by two missions, in the same country, to fully comply with local payroll income taxes. The Department, following legal and taxation advice, made a voluntary disclosure of this non-compliance to the relevant national tax authority. A settlement amounting to €432,000 was paid. The Department did not incur any penalties or interest. The two missions are now tax compliant.

Risk and control framework

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

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is 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. Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit plan.

Ongoing monitoring and review

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

Review of effectiveness

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

COVID-19 pandemic

Assessments of the impact of Covid-19 were carried out in Ireland and in missions overseas.

With the Management Board, I have reviewed operating procedures to address these risks and adapt the procedures for remote working arrangements and supports from headquarters. While some programmes and services were negatively impacted by restrictions across the world, the effects of the pandemic have increased the demand for certain services and grants provided by the Department. The Department adopted a comprehensive approach to the repatriation of Irish citizens during early 2020. Our focus was on helping our citizens who are normally resident in Ireland to return home safely on commercial flights wherever possible, and where not possible, if available, on chartered repatriation flights. The review of operating procedures included the establishment of the necessary measures to ensure the continued delivery of crucial services, while protecting the health and wellbeing of staff and ensuring compliance with relevant restrictions in those jurisdictions in which the Department operates.

Arising from the Covid-19 pandemic the Evaluation and Audit Unit, along with the staff of the Department, moved to working remotely in March 2020 with all travel cancelled. This presented limitations in the manner in which the Unit's work could be completed. In May 2020, I approved the Unit's revised risk-based work plan, which reset priorities for the year, including increased emphasis on real time business advisory work. This revised work plan was delivered remotely and this approach offers a new and potentially more efficient approach to evaluation and audit work, supplemented by physical visits where possible.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Niall Burgess
Accounting Officer
Department of Foreign Affairs

31 August 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 28 Foreign Affairs for the year ended 31 December 2020 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 28 Foreign Affairs for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Foreign Affairs and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

7 September 2021

Vote 28 Foreign Affairs

Appropriation Account 2020

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A	To serve our people at home and abroad to promote reconciliation and co-operation ('Our People')	85,184	78,039
B	Protect and advance our values and interests in Europe ('Our Place in Europe')	32,974	29,360
C	To work for a fairer, more just, secure and sustainable world ('Our Values')	54,944	61,782
D	To advance Ireland's prosperity by promoting our economic interests internationally ('Our Prosperity')	44,325	41,476
E	To strengthen our influence and capacity to deliver our goals ('Our Influence')	52,718	55,727
	Gross expenditure	270,145	266,384
	<i>Deduct</i>		
F	Appropriations-in-aid	44,701	69,213
	Net expenditure	225,444	197,171

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	8,811,952	15,329,537

Niall Burgess
Accounting Officer
Department of Foreign Affairs

31 August 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	68,275	75,333
Pay	104,510	101,952
Non pay	82,111	89,099
Gross expenditure	254,896	266,384
<i>Deduct</i>		
Appropriations-in-aid	38,264	69,213
Net expenditure	216,632	197,171
Changes in capital assets		
Purchases cash	(1,522)	
Disposals cash	44	
Profit on disposals	(44)	
Depreciation	3,413	1,891
		(22)
Changes in net current assets		
Decrease in closing accruals	(415)	
Increase in closing prepayments	(4,285)	
Increase in stock	(1,415)	(6,284)
Direct expenditure	212,408	190,865
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	24,902	24,322
Notional rents	3,200	2,953
Net programme cost	240,510	218,140

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere, net of costs of shared services provided to other Votes.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	60	60
Vote 12 Superannuation and Retired Allowances	18,771	17,014
Vote 13 Office of Public Works	5,347	6,787
Vote 18 National Shared Services Office	164	144
Vote 20 Garda Síochána	194	309
Central Fund – ministerial pensions	382	372
Costs of shared services provided to other Votes	(16)	(364)
	24,902	24,322

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	166,885	168,527
Current assets			
Stocks	2.3	11,299	9,884
Prepayments	2.4	15,088	10,803
Other debit balances	2.6	7,445	7,580
Total current assets		33,832	28,267
Less current liabilities			
Bank and cash	2.2	3,796	(1,306)
Accrued expenses	2.5	1,895	2,310
Other credit balances	2.7	2,887	2,968
Net Exchequer funding	2.8	762	5,918
Total current liabilities		9,340	9,890
Net current assets		24,492	18,377
Net assets		191,377	186,904
Represented by:			
State funding account	2.9	191,377	186,904

2.1 Capital assets

	Land and buildings	Motor Vehicles	Furniture and Fittings	Office equipment	Assets under development ^b	Total
		€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	159,293	2,972	45,676	79,478	1,942	289,361
Transfers from assets under development	—	—	—	1,634	(1,634)	—
Additions	—	356	—	441	725	1,522
Disposals	—	(178)	—	—	—	(178)
2020 fixed asset project cost adjustment ^a	—	(145)	(37,570)	(18,268)	—	(55,983)
Transfers to Vote 27	—	(310)	(59)	(439)	—	(808)
Cost or valuation at 31 December 2020	159,293	2,695	8,047	62,846	1,033	233,914
Accumulated depreciation						
Opening balance at 1 January 2020	—	2,246	44,970	73,618	—	120,834
Depreciation for the year	—	338	105	2,970	—	3,413
Depreciation on disposals	—	(178)	—	—	—	(178)
2020 fixed asset project accumulated depreciation adjustment ^a	—	(145)	(37,820)	(18,270)	—	(56,235)
Transfers to Vote 27	—	(310)	(59)	(436)	—	(805)
Cumulative depreciation at 31 December 2020	—	1,951	7,196	57,882	—	67,029
Net assets at 31 December 2020	159,293	744	851	4,964	1,033	166,885
Net assets at 31 December 2019	159,293	726	706	5,860	1,942	168,527

- Note ^a During the year, a major review of fixed assets was carried out which identified items with a gross value of €55.983 million and accumulated depreciation of €56.235 million that were no longer in use, were originally incorrectly classified as fixed assets or had incorrect depreciation applied. This adjustment reflects the necessary accounting correction.
- ^b Assets under development represents assets for the Passport Service Reform Programme currently in progress. These assets represent projects that were not complete at 31 December 2020.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	(21,246)	(10,510)
Commercial bank account balances	5,149	2,762
Mission bank balances and cash	12,301	9,054
	<u>(3,796)</u>	<u>1,306</u>

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Passport books and cards	11,163	9,280
Protocol stocks	49	53
Stationery	38	512
Prepaid postage	5	4
IT consumables	44	35
	<u>11,299</u>	<u>9,884</u>

2.4 Prepayments

at 31 December	2020	2019
	€000	€000
Mission rents	1,948	2,036
Contributions to international organisations	9,208	7,559
Other prepayments	3,932	1,208
	<u>15,088</u>	<u>10,803</u>

2.5 Accrued expenses

at 31 December	2020	2019
	€000	€000
Administration accruals	1,025	2,123
Programme accruals	845	119
Travel and subsistence accruals	25	68
	1,895	2,310

2.6 Other debit balances

at 31 December	2020	2019
	€000	€000
Departmental and agency accounts	5,271	5,602
Imprest and personal suspense accounts	1,120	1,070
Salary advance accounts	1	13
Repatriations	626	—
Payroll control accounts	324	659
Honorary consulate debtors	97	222
Other balances	6	14
	7,445	7,580

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,119	1,049
Pay related social insurance	773	726
Universal social charge	231	219
Local property tax	7	8
Value added tax	70	57
Professional services withholding tax	140	82
	2,340	2,141
Sundry creditors ^a	547	827
	2,887	2,968

Note ^a Sundry creditors include amounts due to creditors of €479,030 and suspense accounts of €67,957.

2.8 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	8,812	15,329
Exchequer grant undrawn	<u>(8,050)</u>	<u>(9,411)</u>
Net Exchequer funding	<u>762</u>	<u>5,918</u>
Represented by:		
Debtors		
Other debit balances	<u>7,445</u>	<u>7,580</u>
	7,445	7,580
Creditors		
Bank and cash	(3,796)	1,306
Due to the State	(2,340)	(2,141)
Other credit balances	<u>(547)</u>	<u>(827)</u>
	<u>(6,683)</u>	<u>(1,662)</u>
	<u>762</u>	<u>5,918</u>

2.9 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		186,904	180,598
Disbursements from the Vote			
Estimate provision	Account	225,444	
Surplus to be surrendered	Account	<u>(8,812)</u>	
Net vote		216,632	197,171
Expenditure (cash) borne elsewhere	1.1	24,902	24,322
Non cash expenditure – notional rent	1	3,200	2,953
Non-cash items – capital assets adjustments	2.1	249	—
Net programme cost	1	<u>(240,510)</u>	<u>(218,140)</u>
Balance at 31 December		<u>191,377</u>	<u>186,904</u>

2.10 Commitments

Commitments include those amounts for which the Department may be legally liable in 2021 and subsequent years under binding enforceable contracts and relate to property rental payments abroad and commitments to purchase equipment.

at 31 December	2020	2019
	€000	€000
The amount is analysed as follows:		
Equipment and other administrative costs	—	150
Lease commitments ^a	94,137	91,937
Total Commitments	94,137	92,087

Note ^a Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.948 million (2019: €2.036 million) which is included in the prepayments figure of €15.088 million (Note 2.4). Lease commitments at 31 December 2020 reflect total future commitments under legally binding lease agreements.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i	Salaries, wages and allowances	106,427	104,510
ii	Travel and subsistence	7,944	3,619
iii	Training and development and incidental expenses	8,148	5,062
iv	Postal and telecommunications services	6,986	4,916
v	Office equipment and external IT services	24,218	20,629
vi	Office premises expenses	32,619	35,744
vii	Consultancy services and value for money and policy reviews	100	130
viii	Posting supports	11,597	12,011
		198,039	186,621
		191,051	191,051

Significant variations

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

i Salaries, wages and allowances

Estimate provision €106.427 million; outturn €104.510 million

The underspend of €1.917 million on salaries, wages and allowances was due to delays in recruitment and filling posts as a result of restrictions during the Covid-19 pandemic.

ii Travel and subsistence

Estimate provision €7.944 million; outturn €3.619 million

The underspend of €4.325 million on travel expenditure was due to significantly lower travel than planned due to the impact of Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €8.148 million; outturn €5.062 million

The underspend of €3.086 million on expenditure on training and development and incidental expenses was due to a general reduction in operating activity across headquarters and mission as a result of operating restrictions due to the Covid-19 pandemic.

iv Postal and telecommunications services

Estimate provision €6.986 million; outturn €4.916 million

The underspend of €2.07 million resulted from a decrease in postage costs associated with the significant decrease in the volume of passport applications due to the Covid-19 pandemic.

Programme A Our people

	2020		2019
	Estimate provision €000	Outturn €000	Outturn €000
A.1 Administration – pay	28,193	27,685	26,909
A.2 Administration – non pay	36,918	32,860	33,866
A.3 Fulbright Commission	404	404	404
A.4 Emergency consular assistance	79	355	9
A.5 Support for Irish emigrant services	12,595	12,538	12,360
A.6 North-South and Anglo-Irish co-operation	3,745	3,673	3,729
A.7 International Fund for Ireland	2,650	2,650	150
A.8 Diaspora affairs	600	591	612
	85,184	80,756	78,039

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €4.428 million lower than provided. The variation of €4.566 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

A.4 Emergency consular assistance

Estimate provision €79,000; outturn €355,000

The additional spend of €276,000 resulted from the unforeseen increase in repatriations in 2020 due to the Covid-19 pandemic.

Programme B Our place in Europe

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B.1 Administration – pay	24,457	24,016	23,428
B.2 Administration – non pay	6,134	4,803	4,608
B.3 Actions consequent on Title V of the Treaty of European Union	418	366	420
B.4 EU engagement	965	910	904
B.5 Irish personnel in EU and international institutions	1,000	2,106	—
	32,974	32,201	29,360

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €773,000 lower than provided. The variation of €1.772 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

B.5 Irish personnel in EU and international institutions

Estimate provision €1 million; outturn €2.106 million

The additional spend of €1.106 million was due to additional cost claims from other departments relating to earlier periods that were submitted and paid during 2020.

Programme C Our values

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
C.1 Administration – pay	13,230	12,992	12,655
C.2 Administration – non pay	6,911	5,411	4,360
C.3 Contributions to international organisations	34,803	37,885	44,767
	54,944	56,288	61,782

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €1.344 million higher than originally provided. Administration expenditure was €1.738 million less than provided and has already been explained. The balance was due to the following:

C.3 Contributions to international organisations

Estimate provision €34.803 million; outturn €37.885 million

The increase of €3.082 million was due to higher than anticipated mandatory contributions to international organisations, primarily the UN.

Programme D Our prosperity

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
D.1 Administration – pay	21,492	21,105	20,749
D.2 Administration – non pay	10,488	10,387	12,579
D.3 Promoting Ireland	9,116	2,435	4,869
D.4 Contributions to national and international organisations	3,229	3,324	3,279
	44,325	37,251	41,476

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €7.074 million lower than provided. The variation of €488,000 in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

D.3 Promoting Ireland

Estimate provision €9.116 million; outturn €2.435 million

The underspend of €6.681 million was due to the significant reduction in promotional activity during 2020 as a result of operating restrictions arising from the COVID-19 pandemic.

Programme E Our influence

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	19,055	18,712	18,211
E.2	Administration – non pay	31,161	28,650	33,685
E.3	Information services	2,502	1,038	3,831
		52,718	48,400	55,727

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €4.318 million lower than originally provided. The variation of €2.854 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

E.3 Information services

Estimate provision €2.502 million; outturn €1.038 million

The underspend of €1.464 million arose from a reduction in planned expenditure on promoting of passport and other services due to the Covid-19 pandemic.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Passports, visa and other consular services	41,770	34,067	65,295
2 Repayments of repatriation and maintenance advances	30	1	—
3 VAT refunds to diplomatic missions	—	1,266	936
4 Miscellaneous	500	707	638
5 Receipts from additional superannuation contributions on public service remuneration	2,401	2,223	2,344
Total	44,701	38,264	69,213

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.437 million less than the estimate. Explanations for variances are set out below:

1 Passports, visa and other consular services

Estimate €41.770 million; realised €34.067 million

Income was €7.703 million less than projected as a result of the Covid-19 pandemic. This resulted in a significant decrease in passport applications. As the passport service is demand-led, it was significantly impacted in 2020.

3 VAT refunds to diplomatic missions

Estimate €nil; realised €1.266 million

Income was ahead by €1.266 million due to higher than anticipated VAT refund and sales tax refunds from foreign governments to missions overseas. A number of these refunds relate to previous years outstanding VAT recoupments that were finalised in 2020.

4 Miscellaneous

Estimate €500,000; realised €707,000

Income was ahead by €207,000. This relates to a range of receipts by the Department including refund of security deposits on rented properties, payroll overpayment refunds, refunds from Government departments/offices and other miscellaneous items. It is difficult to project with certainty the level of these receipts in any given year.

5 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.401 million; realised €2.223 million

The shortfall of €178,000 arose as receipts were less than anticipated due to lower than anticipated payroll costs.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>1,816</u>	<u>1,745</u>

5.2 Pay

	2020	2019
	€000	€000
Pay	93,924	91,557
Redundancy and severance	166	95
Higher, special or additional duties allowances	149	119
Other allowances	205	146
Overtime	540	962
Employer's PRSI	5,801	5,370
Foreign social security/health insurance (missions)	<u>3,725</u>	<u>3,703</u>
Total pay	<u>104,510</u>	<u>101,952</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties	41	5	20,100	20,613
Other allowances	116	—	6,776	9,375
Overtime	194	17	31,033	39,055
Extra remuneration in more than one category	70	16	33,355	41,318

5.4 Other remuneration arrangements

Payments totalling €12,455 (2019: €7,452) were paid to three (2019: three) retired civil servants whose services were retained on specialised tasks.

5.5 Overpayments

	Number of recipients	2020 €	2019 €
Overpayments	65	152,447	188,299
Recovery plans in place	33	100,527	101,004

15 overpayment recovery plans in respect of 15 individuals to the value of €27,559 were transferred to eight other government bodies during the year.

5.6 Severance

Severance payments amounting to €36,528 (2019: €66,311) was paid to two (2019: one) former staff members. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms has been granted.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Legal costs paid during the year are categorised as follows:

	Number of cases	Legal costs		Compensation awarded		2020	2019
		paid by the Department	awarded			Total	Total
		€000	€000	€000	€000	€000	€000
Claims by employees	3	1	—	—	1	299	
Claims by members of the public	5	—	106	1	107	51	
	8	1	106	1	108	350	

6.2 Late payment penalties

	2020	2019
	€	€
Interest and compensation	11,990	8,972

Appendix A Accounts of Bodies and Funds under the Aegis of the Department of Foreign Affairs

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

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Ireland–United States Commission for Educational Exchange (Fulbright Commission) ^a	1 Oct 2019 - 30 Sep 2020	5 Mar 2021	9 Mar 2021	15 Mar 2021

Note ^a The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Governments and supports study, research, teaching and other educational activities between Ireland and the United States. The Commission receives annual funding from the Department and further funding from other sources.