

Appropriation Account 2016

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2016 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €136,188 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 Public Appointments Service.

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

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Public Appointments Service and the National Shared Service Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the accounting officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Public Appointments Service.

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.

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 Public Appointments Service
- 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 Public Appointments Service 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. Two exceptions, with a combined value of €140,344, arose during 2016. Both related to Oracle support and software licensing and have been reported under Circular 40/2002. These two exceptions arose because there was only a single suitable supplier available for the proprietary software.

Internal Audit and Audit Committee

I confirm that the Public Appointments Service 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 Public Appointments Service 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.

Fiona Tierney
Accounting Officer
Public Appointments Service

29 March 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2016 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 her control, for the efficiency and economy of administration by the Public Appointments Service 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 17 Public Appointments Service for the year ended 31 December 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Public Appointments Service. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

26 September 2017

Vote 17 Public Appointments Service Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Civil and public service - redeployment/ recruitment/selection	9,650	9,537	8,802
Gross expenditure		9,650	9,537	8,802
<i>Deduct</i>				
B	Appropriations-in-aid	252	275	414
Net expenditure		9,398	9,262	8,388

Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	136,188	195,848

Analysis of administration expenditure ^a

	Estimate provision	2016 Outturn	2015 Outturn
	€000	€000	€000
i Salaries, wages and allowances	5,906	5,613	5,218
ii Travel and subsistence	70	60	86
iii Training and development and incidental expenses	180	245	158
iv Postal and telecommunications services	130	79	109
v Office equipment and external IT services	780	842	748
vi Office premises expenses	260	155	184
vii Recruitment costs – research and corporate governance	70	13	56
viii Recruitment costs – advertising and testing	1,216	992	1,023
ix Recruitment costs – interview boards	1,038	1,538	1,220
	9,650	9,537	8,802

^a The 2015 outturn values for subhead iii Training and development and incidental expenses and subhead ix Recruitment costs – interview boards, have been adjusted to reflect the reallocation of interview board member lunch expenses in 2016.

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Pay	5,613	5,218
Non pay	3,924	3,584
Gross expenditure	9,537	8,802
<i>Deduct</i>		
Appropriations-in-aid	275	414
Net expenditure	9,262	8,388
Changes in capital assets		
Purchases cash	(168)	
Depreciation	416	
Loss on disposals	1	
	249	312
Changes in net current assets		
Increase in closing accruals	93	
Decrease in stock	4	
	97	81
Direct expenditure	9,608	8,781
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	883	954
Notional rent	2,211	2,232
Net programme cost	12,702	11,967

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 45	45
Vote 12 Superannuation and Retired Allowances	e 822	898
Vote 18 National Shared Services Office	e 16	11
	883	954

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

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	921	1,170
Current assets			
Bank and cash	2.3	258	129
Stocks	2.4	143	147
Prepayments		256	339
Accrued income		54	50
Other debit balances	2.5	41	81
Total current assets		752	746
Less current liabilities			
Accrued expenses		101	87
Net Liability to the Exchequer	2.6	11	(38)
Other credit balances	2.7	288	248
Total current liabilities		400	297
Net current assets		352	449
Net assets		1,273	1,619
Represented by:			
State funding account	2.1	1,273	1,619

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		1,619	2,012
Disbursements from the Vote			
Estimate provision	Account	9,398	
Surplus to be surrendered	Account	(136)	
Net vote		9,262	8,388
Expenditure (cash) borne elsewhere	1.1	883	954
Non cash expenditure – notional rent	1	2,211	2,232
Net programme cost	1	(12,702)	(11,967)
Balance at 31 December		1,273	1,619

2.2 Capital Assets

	Office and IT equipment	Furniture and fittings	Building Improvement	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2016	8,599	667	691	9,957
Additions	157	11	—	168
Disposals	(2,018)	—	—	(2,018)
Cost or valuation at 31 December 2016	<u>6,738</u>	<u>678</u>	<u>691</u>	<u>8,107</u>
Accumulated depreciation				
Opening balance at 1 January 2016	7,486	610	691	8,787
Depreciation for the year	403	13	—	416
Depreciation on disposals	(2,017)	—	—	(2,017)
Cumulative depreciation at 31 December 2016	<u>5,872</u>	<u>623</u>	<u>691</u>	<u>7,186</u>
Net assets at 31 December 2016	<u>866</u>	<u>55</u>	<u>—</u>	<u>921</u>
Net assets at 31 December 2015	<u>1,113</u>	<u>57</u>	<u>—</u>	<u>1,170</u>

2.3 Bank and Cash

	2016	2015
	€000	€000
at 31 December		
PMG balance	248	119
Commercial bank account balance	10	10
	<u>258</u>	<u>129</u>

2.4 Stocks

	2016	2015
	€000	€000
at 31 December		
Test materials	115	125
IT consumables/stationery	28	22
	<u>143</u>	<u>147</u>

2.5 Other Debit Balances

	2016	2015
	€000	€000
at 31 December		
Salary suspense	—	20
Advances to OPW	—	11
Recoupable travel pass scheme	41	48
Other debit balance suspense items	—	2
	<u>41</u>	<u>81</u>

2.6 Net Liability to the Exchequer

	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	136	196
Exchequer grant undrawn	(125)	(234)
Net Liability to the Exchequer	<u>11</u>	<u>(38)</u>

Represented by:**Debtors**

Bank and cash	258	129
Debit balances suspense	41	81
	<u>299</u>	<u>210</u>

Creditors

Due to State	(274)	(236)
Credit balances suspense	(14)	(12)
	<u>11</u>	<u>(38)</u>

2.7 Other Credit Balances

	2016	2015
at 31 December	€000	€000

Amounts due to the State

Income Tax	165	148
Pay Related Social Insurance	83	65
Local Property Tax	1	1
Professional Services Withholding Tax	11	7
Value Added Tax	14	15
	<u>274</u>	<u>236</u>
Credit balances suspense	14	12
	<u>288</u>	<u>248</u>

2.8 Commitments

	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	23	112
Total of legally enforceable commitments	<u>23</u>	<u>112</u>

3 Programme Expenditure by Subhead

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A Civil and Public Service-Redeployment/Recruitment/Selection			
A.1 Administration - pay	5,906	5,613	5,218
A.2 Administration - non pay	3,744	3,924	3,584
	<u>9,650</u>	<u>9,537</u>	<u>8,802</u>

Explanation of significant variations

Overall, the expenditure in relation to Programme A was €113,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than estimated €000	Explanation
Administration-pay	293	The significantly higher levels of recruitment and resourcing activity that PAS was requested to progress throughout 2016 across the civil and wider public service (see below) and the resultant need to reallocate resources to support such recruitment activity necessitated the deferral of planned additions of staff until later in 2016.
Administration-non pay	(180)	Significantly higher levels of recruitment and resourcing activity throughout 2016 (candidate applications increased to 103,973 - up over 60%; and job assignment increased to 7,736) required the reallocation of available funding from the pay subhead to recruitment and resourcing related subheads.

4 Receipts

4.1 Appropriations-in-aid

	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	25	62	131
2. Receipts from pension-related deductions on public service remuneration	227	213	283
	<u>252</u>	<u>275</u>	<u>414</u>

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)	144	113
	2016	2015
	€000	€000
Pay	5,053	4,728
Higher, special or additional duties allowance	68	43
Overtime	87	81
Employer's PRSI	405	366
Total pay	5,613	5,218

The staff complement, at full time equivalent, as per the revised estimates was 137 while the outturn was 144.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	19	—	7,479	1,898
Other allowances	10	—	8,025	8,320
Overtime and extra attendance	86	2	13,000	11,567
Extra remuneration in more than one category	19	2	16,704	14,779

5.2 Other Remuneration Arrangements

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2016 (2015: €26,290).

Member	Status	Sector	Annual spend	
			2016	2015
			€	€
Ms. Fiona Tierney	Member (Chief Executive)	Civil servant	—	—
Ms. Judith Eve	Chairman	Private sector	11,970	8,977
Mr. Paul Lemass	Member	Civil servant	—	—
Dr. Eddie Molloy	Member	Private sector	7,695	5,771
Ms. Anne Marie Taylor	Member	Private sector	7,695	5,771
Ms. Eimear Kenny	Member	Private sector	7,695	5,771
Ms. Oonagh McPhillips	Member	Civil servant	—	—
Mr. Damien McCallion	Member	Public servant	—	—
Mr. David Cagney	Member	Civil servant	—	—
Total			€35,055	€26,290

6 Miscellaneous

6.1 Legal and compensation costs

Legal costs paid during the year are categorised as follows:

					2016	2015
	Number of cases	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Claims by employees of the Vote						
Employee injury claim	1	4	11	34	49	—
Claims by members of the public						
Injunction proceedings in relation to the constitution of an interview panel.	—	—	—	—	—	21