

Appropriation Account 2016

Vote 24

Justice and Equality

Introduction

As Accounting Officer for Vote 24, 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 Office of the Minister for Justice and Equality, Probation Service staff and of certain other services, including payments under cash-limited schemes administered by that Office, and payment of certain grants.

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 €25.52 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

Responsibility for Ordnance Survey Ireland (OSI) transferred from the Department of Communications, Energy and Natural Resources (now Department of Communications, Climate Action and Environment) with effect from 1 January 2016 under the Transfer of Departmental Administration and Ministerial Functions Order 2015 (S.1. No. 637 of 2015).

Vote Structure

The Justice and Equality vote has been structured on a programme basis since 2013. The programme structure was revised in 2016 to reflect the Department's Strategy Statement 2015-2017. As a result, the comparative figures for 2015 have been presented in the new programme format.

Each of the existing subheads has been grouped under one of five programmes and the administrative costs have been apportioned across the programmes.

The programmes are as follows

- A Leadership in and oversight of Justice and Equality policy and delivery
- B A safe secure Ireland
- C Access to justice for all
- D An equal and inclusive society
- E An efficient, responsive and fair immigration, asylum and citizenship system

The Policing Authority (formerly Subhead A.11) has been established as a separate Vote with effect from 1 January 2016. The prior year expenditure for the Policing Authority has been included under Programme A to ensure that the entire outturn for the vote in 2015 is reflected.

The subhead for the payments to the promoters of certain charitable lotteries (formerly Subhead D.12) has been retired in 2016 following the cessation of the payments scheme in question. The expenditure for 2015 is reflected under Programme A to ensure that the entire outturn for the vote in 2015 is reflected.

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 except for the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset is placed in service. Buildings are depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life. Vehicles and equipment are depreciated at a rate of 20% per annum on a straight line basis over the estimated useful life.

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. 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.

Shared Services

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office.

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 this Department.

I have provided a letter of assurance to Accounting Officers in receipt of financial shared services from the Department's Financial Shared Services (FSS) centre in Killarney regarding the controls in place.

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 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.

Public Procurement

The Department ensures that it is compliant with procurement law and Government policy and procedures. It utilises a central database to review expenditure in the Financial Management system to ensure that expenditure is on foot of appropriate procurement procedures. The vast majority of tender competitions are now being run by or in conjunction with the Office of Government Procurement (OGP). In circumstances where tendering is deemed not feasible, as envisaged in circular 40/2002, approval is sought from the Procurement Officer. An annual return is made to the Comptroller and Auditor General and the Office of Government Procurement in compliance with that circular.

A total of 31 supply arrangements are being reported under Circular 40/2002 in 2016 with a total value of €6,098,361. These are broken down as follows:

- Fourteen instances totalling expenditure of €2,092,438, where there is a sole supplier mostly for Forensic Science Ireland and ICT related expenditure. This category is mostly where long term support arrangements arise or in respect of consumables for proprietary laboratory equipment. Annual renewal costs of proprietorial ICT licences are also included.
- Thirteen instances totalling expenditure of €3,547,694, where an existing contract is extended while OGP led arrangements are put in place. Eight of these are the subject of published tenders and OGP has indicated that they will be running tenders in the other five cases. In support of OGP policy of "one voice to market" it is generally deemed not to be prudent to go to market for stop-gap, short-term tenders.
- Four instances totalling expenditure of €458,229 where the requirement for highly specialist knowledge precluded running a tender for services to do with the location of victims remains and for the services of an international expert to support a review by the Prisons Inspectorate and for specialist professional services required by the Criminal Assets Bureau.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of 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 the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Noel Waters

Accounting Officer

Department of Justice and Equality

25 September 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 24 Justice and Equality

I have audited the appropriation account for Vote 24 Justice and Equality 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 his control, for the efficiency and economy of administration by his Department 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 24 Justice and Equality 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 Department of the Justice and Equality. The appropriation account is in agreement with the accounting records.

Non-effective expenditure

Note 6.8 to the account discloses a settlement payment and expenditure in relation to fit-out and rent of a property leased by the Probation Service for a community based project. Due to planning issues, the property was not occupied for the purpose for which it was acquired and the Department could not find an alternative use for the premises. The lease has now been terminated. Total related costs incurred on the Vote were €3.89 million. The matter was reported on in Chapter 15 of the report on the accounts of the public services 2011.

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 2016.

Reporting on matters arising from audit

Chapter 13 of my report on the accounts of the public services for 2016 refers to the development of ICT systems by the Department.

Seamus McCarthy
Comptroller and Auditor General

26 September 2017

Vote 24 Justice and Equality Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Leadership in and oversight of justice and equality policy and delivery	52,656	48,631	41,669
B	A safe, secure Ireland	148,237	153,075	147,245
C	Access to justice for all	47,601	42,726	48,743
D	An equal and inclusive society	17,678	15,645	9,494
E	An efficient responsive and fair immigration asylum and citizenship system	145,123	129,765	119,185
Gross expenditure		411,295	389,842	366,336
<i>Deduct</i>				
G	Appropriations-in-aid	60,879	64,949	64,225
Net expenditure		350,416	324,893	302,111

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	25,522,743	9,014,861

Analysis of administration expenditure

		2016		2015
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
i	Salaries, wages and allowances	19,966	19,387	19,786
ii	Travel and subsistence	340	274	362
iii	Training and development and incidental expenses	3,517	5,139	4,835
iv	Postal and telecommunications services	635	1,213	1,003
v	Office equipment and external IT services	5,235	8,946	9,758
vi	Office premises expenses	1,633	2,024	1,773
vii	Consultancy services and value for money and policy reviews	73	136	5
viii	Research	82	—	1
ix	Financial shared services	8,542	6,186	7,461
		40,023	43,305	44,984

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	346,537	321,352
Pay ^a	23,526	24,983
Non-pay	19,779	20,001
Gross expenditure	389,842	366,336
<i>Deduct</i>		
Appropriations-in-aid	64,949	64,225
Net expenditure	324,893	302,111
Changes in capital assets		
Purchases cash	(2,829)	
Depreciation	6,463	
Loss on disposals	6	
Disposals cash	10	
	3,650	1,999
Changes in assets under development		
Cash payments	(2,016)	
Write off of lease improvements (note 2.3)	1,068	
	(948)	(2,231)
Changes in net current assets		
Increase in closing accruals	3,160	
Increase in stock	(35)	
	3,125	(3,568)
Direct expenditure	330,720	298,311
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	32,221	30,482
Notional rents	4,493	4,581
Net programme cost	367,434	333,374

^a The pay figure for 2016 includes salaries for the Financial Shared Services Centre amounting to €4,138,719 (2015: €5,197,147). This cost is charged to programme A – Leadership in and oversight of justice and equality policy and delivery, sub-head A.1 Administration – pay.

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 24 borne elsewhere and apportioned cost of the Departments' shared service centre.

		2016	2015
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	199	166
Vote 12 Superannuation and Retired Allowances	e	23,504	23,190
Vote 13 Office of Public Works	e	12,662	12,322
Vote 18 National Shared Services Office	e	272	169
Vote 20 Garda Síochána	e	170	185
Central Fund – Ministerial pensions		208	311
		<u>37,015</u>	<u>36,343</u>
Vote 24 Allied services – apportioned cost of Financial Shared Services Centre	e	(4,794)	(5,861)
		<u><u>32,221</u></u>	<u><u>30,482</u></u>

'e' indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	16,557	17,961
Capital assets under development	2.3	2,041	3,619
		18,598	21,580
Current assets			
Bank and cash	2.4	27,248	16,551
Stocks	2.5	1,628	1,593
Prepayments		6,723	6,405
Accrued income		4,435	7,859
Other debit balances	2.6	604	840
Total current assets		40,638	33,248
Less current liabilities			
Accrued expenses		5,876	5,810
Deferred income		103	115
Other credit balances	2.7	27,229	16,984
Net liability to the Exchequer	2.8	623	407
Total current liabilities		33,831	23,316
Net current assets		6,807	9,932
Net assets		25,405	31,512
Represented by:			
State funding account	2.1	25,405	31,512

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		31,512	27,494
Disbursements from the Vote			
Estimate provision	Account	350,416	
Surplus to be surrendered	Account	(25,523)	
Net vote		324,893	302,111
Net expenditure (cash) borne elsewhere	1.1	32,221	30,482
Non cash expenditure – notional rent	1	4,493	4,581
Net programme cost	1	(367,434)	(333,374)
Asset adjustments	2.2	(280)	218
Balance at 31 December		25,405	31,512

2.2 Capital Assets

	Land and buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2016	6,974	1,363	97,383	2,659	108,379
Additions	—	271	4,844	240	5,355
Adjustment ¹	—	—	(544)	—	(544)
Transfer in ²	—	—	102	—	102
Transfer out ³	(73)	—	—	—	(73)
Disposals ⁴	—	(79)	(3,035)	(42)	(3,156)
Cost or valuation at 31 December 2016	6,901	1,555	98,750	2,857	110,063
Accumulated depreciation					
Opening balance at 1 January 2016	1,044	990	86,281	2,103	90,418
Depreciation for the year	139	124	6,022	178	6,463
Adjustment ¹	—	—	(324)	—	(324)
Depreciation transfer in ²	—	—	102	—	102
Depreciation transfer out ³	(13)	—	—	—	(13)
Depreciation on disposals ⁴	—	(79)	(3,024)	(37)	(3,140)
Cumulative depreciation at 31 December 2016	1,170	1,035	89,057	2,244	93,506
Net assets at 31 December 2016	5,731	520	9,693	613	16,557
Net assets at 31 December 2015	5,930	373	11,102	556	17,961

¹ The adjustment relates to a reclassification of costs from capital to current expenditure in relation to an IT system for the Insolvency Service of Ireland.

² The assets transferred in refer to application licences for the Oracle financial management system received from the Department of Housing, Planning, Community and Local Government.

³ The asset transferred out relates to a portacabin from the State Pathology Laboratory to An Garda Síochána. The net book value of the asset is €60,000.

⁴ Arising from a review of fixed assets which is ongoing, a number of assets (most with a net book value of nil), which were not in place during the inventory were retired from the asset register in 2016. The removal of these assets from the asset register comprises the main part of the disposals figure in 2016.

2.3 Capital Assets under Development

	In-house computer applications	Buildings	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2016	2,551	1,068	3,619
Cash payments for the year	2,016	—	2,016
Termination of lease ¹	—	(1,068)	(1,068)
Transferred to capital assets	(2,526)	—	(2,526)
Balance at 31 December 2016	<u>2,041</u>	<u>—</u>	<u>2,041</u>

¹ Legal proceedings in relation to the use of an office premises in Wolfe Tone Street, Dublin 1, by a community based project funded by the Probation Service have now concluded with a settlement of €1.8 million paid by the Department. An amount of €1.068 million, spent on leasehold improvements, was reflected as an asset under development in previous years. As part of the settlement, the lease on this premises has now been terminated and no further costs will be incurred in relation to this property (see note 6.8).

2.4 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balances and cash	17,922	8,525
Commercial bank accounts	9,326	8,026
	<u>27,248</u>	<u>16,551</u>

2.5 Stocks

	2016	2015
at 31 December	€000	€000
Stationery	158	162
Forensic consumables	233	159
IT consumables	36	76
Immigration registration cards	1,128	1,133
Miscellaneous	26	18
Publications	23	23
Equipment/clothing	24	22
	<u>1,628</u>	<u>1,593</u>

2.6 Other Debit Balances	2016	2015
at 31 December	€000	€000
Advance to the Office of Public Works	29	(28)
Imprests	56	55
Recoupment of travel pass scheme	424	409
Criminal Assets Bureau receivership	35	35
Payroll suspense account (Paypath)	—	345
Other	60	24
	<u>604</u>	<u>840</u>

2.7 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State		
Income Tax	2,592	2,590
Pay Related Social Insurance	1,349	1,184
Value Added Tax	216	193
Construction Tax	1	—
Professional Service Withholding Tax	2,096	2,362
Balances in departmental accounts	9,326	8,026
	<u>15,580</u>	<u>14,355</u>
Payroll deductions held in suspense	863	906
ESF advance social inclusion project funding 2014 – 2020	1,702	1,216
Asylum, Migration and Integration Fund advance payments 2014 – 2020	8,473	—
Emergency resettlement and reach projects	53	(33)
Extra receipts payable to the Exchequer	1	—
Other	557	540
	<u>27,229</u>	<u>16,984</u>

2.8 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	25,523	9,015
Exchequer grant undrawn	(24,900)	(8,608)
Net liability to the Exchequer	<u>623</u>	<u>407</u>

Represented by:**Debtors**

Bank and cash	27,248	16,551
Debit balances: suspense	604	840
	<u>27,852</u>	<u>17,391</u>

Creditors

Due to State	(15,580)	(14,355)
Credit balances: suspense	(11,649)	(2,629)
	<u>(27,229)</u>	<u>(16,984)</u>
	<u>623</u>	<u>407</u>

2.9 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	6,162	3,350
Capital projects	51	57
Total of legally enforceable commitments	<u>6,213</u>	<u>3,407</u>

2.10 Matured Liabilities

There were no matured liabilities un-discharged at year end 2016 or in the previous year.

3 Programme Expenditure by Subhead

		2016		2015
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
A	Leadership in and oversight of justice and equality policy and delivery			
A.1	Administration – pay	9,957	8,576	9,725
A.2	Administration – non pay	5,790	6,106	6,326
A.3	Prisons Inspectorate	384	481	414
A.4	Garda Ombudsman Commission	9,546	8,386	8,648
A.5	Office of the Garda Inspectorate	1,255	904	1,061
A.6	Office of Data Protection Commissioner	4,748	3,906	2,963
A.7	Irish Film Classification Office	683	786	627
A.8	Central Authority	135	19	43
A.9	Legal Services Regulatory Authority	1,001	1,001	—
A.10	Charities Regulatory Authority	2,665	2,708	1,366
A.11	Property Services Regulatory Authority	1,760	1,915	1,341
A.12	Insolvency Service of Ireland	7,317	6,528	7,916
A.13	Ordnance Survey Ireland	7,415	7,315	—
	<i>Policing Authority</i>	—	—	239
	<i>Payments to the promoters of certain charitable lotteries</i>	—	—	1,000
		52,656	48,631	41,669

Significant variations

Overall, the expenditure in relation to the Programme was €4.03 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Garda Ombudsman Commission	1,160	The saving arose mainly due to not proceeding with a contract for investigation support services pending a review of all organisational matters being undertaken by the newly appointed Commission.
Office of the Garda Inspectorate	351	A saving of approximately €140,000 is attributable to less payroll costs than expected primarily due to the non-filling of two vacancies for much of 2016. The balance of the saving of €211,000 relates to administrative underspends in a number of areas including publication and external support costs.
Office of Data Protection Commissioner	842	The saving arose due to actual payroll costs being less than expected in 2016. Additional funding was provided to facilitate an increase in staffing levels by the end of 2016. However, there was a slower than expected increase with some staff being assigned later in the year than anticipated.

Description	Less/ (more) than provided	Explanation
	€000	
Irish Film Classification Office	(103)	The excess mainly arose as a result of legal costs in relation to a Supreme Court case which was settled in 2016 and once off building costs. In total, there was an overrun of €209,000 on non-payroll costs which was partially offset by a saving on payroll of €106,000 due to a time-lag in replacing staff taking up positions elsewhere in the public service.
Central Authority	116	The Central Authority provides a translation service for applications relating to international child abduction and maintenance recovery. The saving arose due to the number of applications received in 2016 being less than expected. As this is a demand led service, it is difficult to predict the expenditure requirement in a particular financial year.
Property Services Regulatory Authority	(155)	The excess is mainly due to expenditure on additional projects which arose during the year. The Authority outsourced its compliance audit inspections and a number of complaints which were in arrears were assigned to external inspectors. The Authority also engaged in a media campaign to raise consumer protection awareness and target unlicensed operators in the sector. The total overrun in non-payroll costs as a result of these initiatives was €296,000 which was offset by an underspend in payroll of €141,000 due to delays in filling certain posts.
Insolvency Service of Ireland	789	The saving mainly relates to an underspend on payroll costs due to the ISI not having its full complement of staff throughout the year.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	A safe and secure Ireland			
B.1	Administration – pay	7,158	6,949	7,093
B.2	Administration – non pay	4,128	6,355	6,356
B.3	Criminal Assets Bureau	7,042	6,687	6,678
B.4	Probation Service – salaries, wages and allowances	22,834	19,643	20,773
B.5	Probation Service – operating expenses	3,275	3,372	2,945
B.6	Probation Service – services to offenders	10,732	12,365	9,784
B.7	Community Service Order Scheme	2,122	1,953	1,999
B.8	Irish Youth Justice Service	17,396	17,551	17,426
B.9	Funding for services to victims of crime	1,462	1,446	1,212
B.10	Mental Health (Criminal Law) Review Board	397	400	390
B.11	Compensation for personal injuries criminally inflicted	4,233	3,963	4,166
B.12	Legal Aid (Criminal)	47,552	52,998	50,879
B.13	Legal Aid – Custody Issues	3,000	2,981	2,749
B.14	Parole Board	336	348	331
B.15	Crime prevention measures	397	397	197
B.16	Private Security Authority	2,447	2,640	2,390
B.17	COSC – domestic, sexual and gender based violence	2,416	2,210	1,582
B.18	Forensic Science Ireland	9,911	9,741	8,999
B.19	State Pathology	1,399	1,076	1,296
		148,237	153,075	147,245

Significant variations

Overall, the expenditure in relation to the Programme was €4.84 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(2,227)	The excess is mainly attributable to additional ICT costs which have been apportioned across the various programmes. Developments in accordance with the Public Service ICT Strategy (PSICTS), including additional infrastructure investment to support a 30% increase in the number of users of the Department's ICT shared services, migration to PSICTS Microsoft platform for ongoing and future delivery of services and development of a Justice and Equality data hub are the main items of additional expenditure. The excess is also accounted for by increased expenditure in 2016 in relation to certain other administrative costs such as contracted services, telecommunications and office premises expenses.
Criminal Assets Bureau	355	The savings arose mainly due to less expenditure on legal costs than expected.

Description	Less/ (more) than provided	Explanation
	€000	
Probation Service - salaries, wages and allowances	3,191	The saving arose due to a combination of unforeseen vacancies and slower than expected recruitment in 2016. The Probation Service intends to recruit a minimum of 39 Probation Officers in 2016/2017 with only 6 posts being filled by the end of 2016.
Probation Service – services to offenders	(1,633)	The excess mainly arose due to the settlement of legal proceedings in relation to the lease on a premises in Wolfe Tone Street, Dublin 1 for use by a community based project funded by the Probation Service (see note 6.8).
Community service order scheme	169	The saving arose due to a number of Community Service Supervisor vacancies which exist within the Probation Service and consequently impacted on payroll and non-pay expenditure. A recruitment competition was held in late November 2016 with a number of critical posts due to be filled by the second quarter of 2017.
Compensation for personal injuries criminally inflicted	270	The saving arose mainly due to a lower number of awards than expected partly due to vacancies in the membership of the Tribunal for a period during 2016.
Legal Aid (Criminal)	(5,446)	The excess arose due to the number and category of criminal matters coming before the Courts in which legal aid certificates were issued. Under the Criminal Justice (Legal Aid) Act 1962 the Judiciary are responsible for the granting of legal aid. This is a demand led scheme and the fees and expenses due to the legal practitioners are paid in accordance with the terms and conditions of the scheme.
Private Security Authority	(193)	The excess arose mainly due to expenditure on legal services and processing costs being greater than anticipated.
COSC - domestic, sexual and gender based violence	206	There were savings across a range of activities including payroll costs of €96,000 — €56,000 in relation to perpetrator programmes which started later in the year than had been planned and an underspend of €54,000 in rent and maintenance payments due to renegotiation of the lease of the office premises occupied by COSC. As this was not finalised before year end, it resulted in two quarterly payments not being made in 2016.
State Pathology	323	The savings arose due to staff vacancies and an underspend on capital totalling €648,000. The underspend on payroll and capital was €198,000 and €450,000 respectively. This was offset in part by an overrun on non-pay current expenditure of €325,000 mainly due to the fit out and equipment costs for the new laboratory.

	Estimate provision €000	2016	2015
		Outturn	Outturn
		€000	€000
C Access to justice for all			
C.1 Administration – pay	173	169	172
C.2 Administration – non pay	100	154	154
C.3 Magdalen Fund	4,902	2,400	5,455
C.4 Commissions and Special Inquiries	7,104	3,545	10,257
C.5 Legal Aid Board	34,838	36,188	32,471
C.6 Free Legal Advice Centres	98	98	98
C.7 Coroners Service	386	172	136
	<u>47,601</u>	<u>42,726</u>	<u>48,743</u>

Significant variations

Overall, the expenditure in relation to the Programme was €4.88 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Magdalen Fund	2,502	The saving arose as fewer new applications were received in 2016 than expected. The Assisted Decision Making (Capacity) Act 2015 was not commenced in 2016, and payments could not be made in approximately 19 cases in respect of applicants with capacity issues. In addition, there are approximately 25 cases on hands which are at various stages of processing – awaiting acceptance of offers, probate issues to be resolved and further investigation necessary before a determination can be made.
Commissions and Special Inquiries	3,559	The saving arose mainly due to further third party costs in relation to tribunals, which have been concluded such as Smithwick and Morris not falling due for payment in 2016 as anticipated.
Coroners Service	214	The saving arose due to less than anticipated expenditure on payroll (€86,000) and legal costs (€128,000). Implementation of Section 60 of the Coroners Act 1962 as amended (provision of legal services to a family member of the deceased person in certain circumstances) has not yet been implemented.

		2016		2015
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
D	An equal and inclusive society			
D.1	Administration – pay	553	536	547
D.2	Administration – non pay	318	491	490
D.3	National Disability Authority	3,804	3,743	3,750
D.4	Office for the Promotion of Migrant Integration	4,445	3,660	2,591
D.5	Social disadvantage measures (dormant accounts funded)	3,311	2,951	733
D.6	Grants to National Women's Organisations	400	400	300
D.7	Traveller Initiatives	2,205	2,080	738
D.8	Positive Action for Gender Equality	2,385	1,511	163
D.9	Disability Awareness Initiatives	257	273	182
		17,678	15,645	9,494

Significant variations

Overall, the expenditure in relation to the Programme was €2.03 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(173)	The excess is mainly attributable to additional ICT costs which have been apportioned across the various programmes. Developments in accordance with the Public Service ICT Strategy (PSICTS), including additional infrastructure investment to support a 30% increase in the number of users of the Departments ICT shared services, migration to PSICTS Microsoft platform for ongoing and future delivery of services and development of a Justice and Equality data hub are the main items of additional expenditure. The excess is also accounted for by increased expenditure in 2016 in relation to certain other administrative costs such as contracted services, telecommunications and office premises expenses.
Office for the Promotion of Migrant Integration	785	In the region of €249,000 of the saving arose in payroll costs due to a number of unfilled positions at the end of 2016. The balance of the saving is accounted for by less expenditure on integration programmes than expected. This is mainly due to the slower than expected intake of refugees for relocation under the Irish Refugee Protection Programme.
Social disadvantage measures (dormant accounts funded)	360	The saving is due primarily to delays in the setting up of new Garda youth diversion projects including a pilot mentoring service. Although significant progress was made on these projects in 2016, the delays encountered were mainly due to the recruitment of workers by the projects concerned being slower than expected.
Traveller initiatives	125	The saving arose due to a number of new projects and initiatives not being identified pending completion of the National Traveller and Roma Inclusion Strategy.

Description	Less/ (more) than provided	Explanation
	€000	
Positive action for gender equality	874	The saving arose due to delays in expenditure in relation to projects under the European Social Fund. The selected projects are commencing in 2017.

E	An efficient, responsive and fair immigration, asylum and citizenship system	2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	7,513	7,296	7,446
E.2	Administration – non pay	4,333	6,673	6,675
E.3	Asylum Migration and Integration Fund	1,500	18	1,045
E.4	Irish Naturalisation and Immigration Service	62,657	51,641	46,994
E.5	Asylum seekers accommodation	69,120	64,137	57,025
		<u>145,123</u>	<u>129,765</u>	<u>119,185</u>

Significant variations

Overall, the expenditure in relation to the Programme was €15.36 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	(2,340)	The excess is mainly attributable to additional ICT costs which have been apportioned across the various programmes. Developments in accordance with the Public Service ICT Strategy (PSICTS), including additional infrastructure investment to support a 30% increase in the number of users of the Departments ICT shared services, migration to PSICTS Microsoft platform for ongoing and future delivery of services and development of a Justice and Equality data hub are the main items of additional expenditure. The excess is also accounted for by increased expenditure in 2016 in relation to certain other administrative costs such as contracted services, telecommunications and office premises expenses.
Asylum Migration and Integration Fund	1,482	The saving arose due to the fund not becoming fully operational in 2016. The projects due to receive funding have now been selected and will commence in 2017.
Irish Naturalisation and Immigration Service	11,016	A saving of approximately €3.1 million arose in payroll due mainly to the fact that the additional staffing resources for a number of operational areas did not come on stream as quickly as expected. The areas in question included the border control function at Dublin Airport and case processing in preparation for the implementation of the International Protection Act 2015. The saving of €7.8 million in non-payroll costs is due to the demand led nature of many services provided from the subhead which can be difficult to predict. In particular, the savings arose due to the slower than anticipated intake of refugees for relocation under the Irish Refugee Protection Programme.
Asylum seekers accommodation	4,983	The saving arose as a result of the planned numbers of persons arriving in Ireland under the EU Relocation Programme being less than scheduled. Ireland has committed to receiving 4,000 persons under the Irish Refugee Protection Programme with the vast majority expected to arrive from Greece and Italy. In total, 519 refugees have arrived in Ireland under resettlement and 320 persons under relocation to the end of 2016.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Film censorship fees	1,703	1,641	1,581
2. Data protection fees	550	747	931
3. EU receipts	3,350	184	2,438
4. Miscellaneous receipts	583	416	350
5. Immigration registration fees	24,000	26,339	27,792
6. Visa fees	4,000	8,741	6,322
7. Dormant accounts receipts	3,311	2,940	733
8. Private Security Authority fees	2,364	3,241	2,386
9. Nationality and citizenship certificates fees	12,500	11,799	11,743
10. Legal Services Regulatory Authority – levy on professional bodies	1	—	—
11. Property Services Regulatory Authority fees	2,300	2,260	2,240
12. Insolvency Service Ireland fees	680	682	654
13. Pension Contribution from OSI staff	390	375	—
14. Receipts from Pension – related deduction on public service remuneration	5,147	5,584	7,055
	60,879	64,949	64,225

Explanation of significant variations

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

Description	Less/ (more) than provided	Explanation
	€000	
Data protection fees	(197)	The surplus mainly arose due to the Data Protection Commissioner proactively engaging with data controllers and data processors who had not renewed their registrations. This together with a much greater awareness of the requirement to register on foot of several prosecutions of data processors for failing to register contributed to the increase in administrative fees received in the year.
EU receipts	3,166	The shortfall in expected receipts was mainly due to a delay in the development of a centralised system, known as e-Cohesion, which is required to process ESF claims. It is expected that this system will be available in late 2017, at which point outstanding claims can be submitted.
Miscellaneous receipts	167	The shortfall is due to the difficulty in predicting the precise amount of receipts under this category which can vary from year to year.

Description	Less/ (more) than provided	Explanation
	€000	
Immigration registration fees	(2,339)	The surplus was as a result of a small increase in the number of non-European Economic Area (EEA) nationals registered over the course of the year. It is difficult to predict the level of these fees as it can be impacted by many factors but in particular by the prevailing economic environment. Also, contributing to the surplus was a student probationary scheme which dealt with a specific cohort of students in Ireland.
Visa fees	(4,741)	The surplus in Visa Fees is mainly as a result of an increased demand for both visa and re-entry applications. Improving economic conditions are a contributory factor to the increased demand and consequential increase in income from this source.
Dormant accounts receipts	371	The receipts in this subhead are linked to subhead D.5. As the drawdown in funding to projects such as the Garda Youth Diversion Project was less than expected there was a shortfall in receipts to correspond with the expenditure saving in subhead D.5. (€360,000). In addition, the corresponding receipt for expenditure of €11,000 under Dormant accounts in 2016 was not received by the end of the year but will be reimbursed during 2017.
Private Security Authority fees	(877)	The surplus was as a result of an increase in the volume of both first time and renewal licence applications received by the Private Security Authority in 2016. A total of 145 new contractor licence applications were received in the year compared to the expected figure of 90. In addition, contractors who renewed their licence showed an increase in turnover which in many cases resulted in higher fees.
Nationality and citizenship certificates fees	701	Income from nationality and citizenship certificate fees was lower than anticipated due to a continuing decline, from the historically high figures of recent years (2012 to 2014), in the number of citizenship applications and resulting certificates of naturalisation issued annually. The income which is generated by nationality and citizen certificate fees is directly attributable to the number of applications received during the year which is difficult to predict.
Receipts from Pension-related deduction on public service remuneration	(437)	The receipts from this source are directly related to payroll costs and were greater than expected.

4.2 Extra receipts payable to the Exchequer

	2016 €000	2015 €000
Balance at 1 January	—	—
Receipts from voluntary surrender of salary	1	—
Transferred to Exchequer	—	—
Balance at 31 December	<u>1</u>	<u>—</u>

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)	2,378	2,233
	2016	2015
	€000	€000
Pay	116,163	115,801
Higher, special or additional duties allowance	296	283
Other allowances	2,837	3,092
Overtime and extra attendance	2,340	1,745
Redundancy and severance	58	—
Employer's PRSI	7,035	6,709
Total Pay	128,729	127,630

The total pay figure included elements of pay from the following subheads: A.1, A.3, A.4, A.5, A.6, A.7, A.9, A.10, A.11, A.12, B.1, B.3, B.4, B.7, B.8, B.10, B.11, B.14, B.16, B.17, B.18, B.19, C.1, C.3, C.4, C.5, C.7, D.1, D.3, D.4, E.1 and E.4.

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	47	7	52,906	55,033
Overtime and extra attendance	499	38	47,606	25,350
Shift and roster allowances	98	6	11,578	9,736
Miscellaneous	240	26	19,112	21,406
Extra remuneration in more than one category	150	69	32,459	30,043

5.2 Other Remuneration Arrangements

A total amount of €231,598 was paid to 22 retired civil servants who were in receipt of civil service pensions in 2016. In addition, an amount of €97,143 was paid to 10 former public servants and €222,828 to 6 former judiciary members who were engaged in various roles in 2016. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and other provisions) Act 2012.

A total amount of €1,916,810 was paid through payroll to 143 individuals in respect of duties performed in relation to various boards, committees and commissions, etc.

5.3 Payroll Overpayments

Based on the reports provided by PeoplePoint and the PSSC, overpayments at the end of 2016 were €550,003 (150 employees) (2015: €665,617, 216 employees). Of this, €343,181 (73 employees) have recovery plans in place.

5.4 Redundancy and severance

Three employees received redundancy and severance payments in 2016 with cumulative values of €11,628 in respect of redundancy and €46,243 in respect of severance.

6 Miscellaneous

6.1 National Lottery Funding

Subhead	Description	2016		2015
		Estimate	Outturn	Outturn
		€000	€000	€000
	Payments to promoters of certain charitable lotteries (part funded by the National Lottery)	—	—	1,000

The subhead for the payments to the promoters of certain charitable lotteries (formerly Subhead D.12) has been retired in 2016 following the cessation of the payments scheme in question. The expenditure for 2015 is reflected under Programme A to ensure that the entire outturn for the vote in 2015 is reflected.

6.2 EU Funding

The outturns in respect of the subheads in the table below include expenditure in respect of activities co-funded by the European Union.

In addition, funding for an EU funded programme called the Safety Internet Plus Programme is administered through a suspense account by the Office for Internet Safety. Due to technical difficulties encountered in submitting an application for EU funding, it was necessary to make payments of €339,100 from the vote to four organisations under the EU programme in question. This was required to ensure continuity of service in relation to the area of internet safety. A further request for EU funding was made later in 2016 which is currently being evaluated.

The Department also received funding in 2016 for a number of EU funded projects that are administered through suspense accounts. This includes a number of projects in the Probation Service and the Asylum Migration and Integration Fund.

Subhead	Description	2016		2015
		Estimate	Outturn	Outturn
		€000	€000	€000
B.6.	Probation Service – services to offenders	263	—	—
B.8.	Garda youth diversion programmes	1,856	—	1,821
D.8.	Positive Action for Gender Equality	—	3	—
E.3.	Vulnerable migrants projects	165	—	—
E.4.	EU receipts (European Returns Fund)	443	—	—
E.3/D.4.	European Refugee Fund/European Integration Fund	860	—	617
E.3/D.4.	Asylum Migration and Integration Fund	1,960	181	—
		<u>5,547</u>	<u>184</u>	<u>2,438</u>

6.3 Commissions and Inquiries

	Year of appointment	2015	2016	Cumulative expenditure to 31 December 2016
		€000	€000	€000
<u>Permanent Commissions</u>				
Criminal Injuries Compensation Tribunal	1974	95	36	—
<u>Fixed Purpose Commissions</u>				
Morris Tribunal	2002	1,003	1,343	68,695
Smithwick Tribunal	2005	5,217	56	19,485
Dublin Archdiocese and Diocese of Cloyne Commission	2006	—	—	8,797
Location of Victims Remains	2007	1,043	529	6,738
Ronan MacLochlainn Commission of Investigation	2014	492	557	1,153
Independent Review Mechanism – certain allegations in relation to An Garda Síochána	2014	200	23	394
Inquiry under section 109 of the Garda Síochána Act 2005 into the conduct of a GSOC investigation	2015	63	113	176
Commission of Investigation Cavan/Monaghan Garda Division (O'Higgins)	2015	952	840	1,792
Murray Review - (review of the law in respect of providing for access to the retained telecommunications records of journalists)	2016	—	48	48
		9,065	3,545	107,278

6.4 Contingent Liability

The costs in relation to the Criminal Injuries Compensation Tribunal will continue as the work of the Tribunal is ongoing.

There will be further payments associated with the Morris Tribunal, Smithwick Tribunal, Dublin Archdiocese and Diocese of Cloyne Commission, Independent Commission for the Location of Victims Remains, Ronan MacLochlainn Commission of Investigation, the Independent Review Mechanism into Garda allegations, the Inquiry under Section 109 of the Garda Síochána Act 2005 into the conduct of a GSOC investigation, the Commission of Investigation Cavan/Monaghan Garda Division and the Murray Review.

The Morris Tribunal concluded its work in 2008. The only remaining costs relate to third party legal fees. The estimated final cost of the Tribunal is in the region of €70 million but this is a tentative provision pending the quantification of outstanding legal costs.

The Smithwick Tribunal concluded at the end of 2013. There are remaining costs with regard to the discharge of two third party costs orders. It is anticipated that, overall, these costs will be in the order of €1.2 million and it is intended that they will be discharged before the end of 2017.

The work of the Dublin Archdiocese and Diocese of Cloyne Commission has also concluded. As far as can be ascertained, the only remaining cost likely to occur relates to costs associated with a number of hearings concerning the publication of certain sections of the Commission's reports in respect of which the fees have yet to be settled. The remaining costs are unlikely to be significant.

The work of the Independent Commission for the Location of Victims Remains is ongoing and its activity and the associated costs are largely dependent on the information made available to it with regard to the victims whose remains it is seeking to locate.

The MacLochlainn Commission was established by Government Order on 23 July 2014 following the shooting dead of Ronan MacLochlainn on 1 May 1998 by members of An Garda Síochána. In its report of 24 May 2016, the Sole Member of the Commission, Ms Mary Rose Gearty SC, advised that on 16 May 2016 one person who is identified in the Commission's final report brought an application to the High Court seeking a direction pursuant to Section 35(1)(b) of the Commissions of Investigation Act 2004 that the report be amended before it is submitted to the Minister for Justice and Equality. The submission of the Commission's final report to the Minister must await the determination of this court application.

In May 2014, following publication of the Guerin report, an Independent Review Mechanism was set up to review certain allegations of Garda misconduct or inadequacies in the investigation of the allegations with a view to determining to what extent and in what manner further action may be required in each case. The Review Mechanism was established as a temporary measure, comprising of a review panel of two Senior and five Junior Counsel. The Panel returned recommendations in all 320 cases referred to them. The issuing of notification letters to complainants concluded during 2016.

The next phase of the Independent Review Mechanism, which is to undertake the actions agreed following recommendations by Counsel, is underway. This includes the establishment of five inquiries under Section 42 of the Garda Síochána Act 2005. An accurate estimation of the expenditure involved cannot be made at this point.

An inquiry was established under Section 109 of the Garda Síochána Act in June 2015 in relation to the conduct of an investigation by the Garda Síochána Ombudsman Commission (GSOC). The report in this case was received in the Department during 2016. It has yet to be determined if any third party legal costs will arise in this case.

The Commission of Investigation in relation to the Cavan/Monaghan Garda Division commenced its work in February 2015 and reported in May 2016. A legal challenge has been initiated in relation to certain aspects of costs in this case. The outcome of these proceedings are awaited.

The former Chief Justice, Mr John Murray, was appointed to carry out a non-statutory, independent review of the law in respect of providing for access to the retained telecommunications records of journalists. The review is expected to conclude shortly with total costs not expected to exceed €150,000.

6.5 Ex-gratia payments

Ex-gratia payments amounting to €85,231 (2015: €177,835) were made in respect of the non-statutory Legal Aid Scheme for CAB-type actions. This scheme is applicable to persons who are respondents and/or defendants in any court proceedings brought by, or in the name of, the Criminal Assets Bureau, including court proceedings under the Proceeds of Crime Act 1996, the Revenue Acts and the Social Welfare Acts and applications made by the Director of Public Prosecutions under Section 39 of the Criminal Justice Act 1994.

Ex-gratia payments amounting to €1,771,092 (2015: €1,443,647) were made in respect of the non-statutory Garda Station Legal Aid Advice Scheme. This scheme provides that where a person is detained in a Garda station for the purpose of the investigation of an offence and s/he has a legal entitlement to consult with a solicitor and the person's means are insufficient to enable him/her to pay for such consultation, that consultations with solicitors will be paid for by the State.

Ex-gratia payments totalling €22,182 (2015: €8,473) were made in a number of cases in relation to the Coroners' service. The payments in question relate to the cost of legal representation at inquests into the deaths of persons in State custody.

Ex-gratia payments amounting to €3,144 were made in respect of one other case related to the provision of legal aid in criminal proceedings.

6.6 Drugs Initiative Fund

An amount of €347,349 (2015: €282,487) was received from the Drugs Initiative Fund and is accounted for through a suspense account. The funding is provided under the National Drugs Strategy 2009 – 2016 and relates to a number of Local Drug Task Force owned projects which are Probation Service supported initiatives.

6.7 Legal costs

	Number of cases	Legal costs paid by the Department €000	Legal costs awarded €000	Compensation awarded €000	2016	2015
					Total	Total
					€000	€000
Claims by members of the public	338	1,401	5,555	10	6,966	7,337

Of the total of €6,966,000 in legal costs, €5,011,000 (72%) relates to the Irish Naturalisation and Immigration Service (INIS). The remaining legal costs were incurred across a number of areas of the Department including the Department's Courts Division, the Office of the Data Protection Commissioner, the Garda Síochána Ombudsman Commission, the Private Security Authority, the Irish Film Classification Office and the Property Services Regulatory Authority.

6.8 Probation Service Premises

Legal proceedings in relation to the leasing of an office premises in Wolfe Tone Street, Dublin 1, planned for use by a community-based project funded by the Probation Service have now concluded. The total cost of this issue was €3.89 million analysed as follows:

- a settlement of €1.8 million paid by the Department.
- write off of an amount of €1.068 million spent on leased premises fit out reflected as an asset under development in (note 2.3)
- €1.022 million incurred in rental of the premises and other related costs.

The Department had been legally advised that the draft lease agreement in relation to the premises was in order for signature. Subsequent to the lease being signed, it transpired that no planning permission was in existence. Legal proceedings which subsequently ensued were settled in late 2016 on the basis of strong legal advice to do so, thus avoiding any further costs accruing to the State. Prior to that settlement, significant efforts had been made to find an alternative use for the property but to no avail. As part of the settlement, the lease on this premises has now been terminated and no further costs will be incurred in relation to this property. The Department relied on legal advice at all times in relation to the matter.

6.9 Prompt Payment of Account Interest

The amount of prompt payment interest incurred by the Department in 2016 was €3,836 (2015: €4,700).

