



## **Appropriation Account 2013**

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### **Vote 2**

### **Department of the Taoiseach**

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## **Introduction**

As Accounting Officer for Vote 2, 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 2013 for the salaries and expenses of the Department of the Taoiseach, including certain services administered by the Department and for payment of grants and grants-in-aid.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.18 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

### **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of appropriation accounts 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 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.

#### ***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
- 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.

***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. 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.

**Martin Fraser**  
Accounting Officer  
Department of the Taoiseach

28 March 2014

## **Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas**

### **Vote 2 Department of the Taoiseach**

I have audited the appropriation account for Vote 2 Taoiseach for the year ended 31 December 2013 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 2 Taoiseach for the year ended 31 December 2013.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of the Taoiseach. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

27 June 2014

## Vote 2 Department of the Taoiseach Appropriation Account 2013

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Supporting the work of the Taoiseach and Government	23,018	21,925	22,362
<b>Gross expenditure</b>		<b>23,018</b>	<b>21,925</b>	<b>22,362</b>
<i>Deduct</i>				
B	<b>Appropriations-in-aid</b>	<b>870</b>	<b>960</b>	<b>881</b>
<b>Net expenditure</b>		<b>22,148</b>	<b>20,965</b>	<b>21,481</b>

### Surplus for surrender

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

	2013	2012
	€	€
Surplus to be surrendered	1,182,599	2,146,203

### Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	11,122	11,323	11,266
ii	Travel and subsistence	390	350	333
iii	Training and development and incidental expenses	775	427	664
iv	Postal and telecommunications services	360	329	355
v	Office equipment and external IT services	960	658	695
vi	Office premises expenses	264	328	390
vii	Consultancy services and value for money and policy reviews	18	—	1
viii	EU Presidency	2,485	2,030	1,351
		<b>16,374</b>	<b>15,445</b>	<b>15,055</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	6,480	7,307
Pay <sup>1</sup>	11,960	11,685
Non pay	3,485	3,370
<b>Gross expenditure</b>	<b>21,925</b>	<b>22,362</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>960</b>	<b>881</b>
<b>Net expenditure</b>	<b>20,965</b>	<b>21,481</b>
<b>Changes in capital assets</b>		
Purchases cash	(84)	
Loss on disposals	2	
Depreciation	121	
	39	(12)
<b>Changes in net current assets</b>		
Increase in closing accruals	345	
Decrease in stock	64	
	409	(67)
<b>Direct expenditure</b>	<b>21,413</b>	<b>21,402</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	4,226	4,418
Notional rents	1,082	1,076
<b>Net programme cost</b>	<b>26,721</b>	<b>26,896</b>

<sup>1</sup> The pay figure for 2013 includes salaries for the EU Presidency amounting to €636,852 from subhead A (viii).

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 2 borne elsewhere less amounts incurred in relation to other Votes.

	2013	2012
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 2,455	2,529
Vote 13 Office of Public Works	e 710	713
Vote 20 Garda Síochána	e 190	187
Vote 24 Justice and Equality	e 222	228
Vote 36 Defence	e 50	75
Central Fund: Taoisigh and Ministerial pensions	599	688
Services provided to President's Establishment (Vote 1)	e —	(2)
	<b>4,226</b>	<b>4,418</b>

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

## 2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
<b>Capital assets</b>	2.2	<b>344</b>	<b>383</b>
<b>Current assets</b>			
Bank and cash	2.3	1,242	273
Stocks	2.4	54	118
Prepayments		147	353
Other debit balances	2.5	261	71
<b>Total current assets</b>		<b>1,704</b>	<b>815</b>
<b>Less current liabilities</b>			
Accrued expenses		244	105
Other credit balances	2.6	432	451
Net liability to the Exchequer	2.7	1,071	(107)
<b>Total current liabilities</b>		<b>1,747</b>	<b>449</b>
<b>Net current liabilities</b>		<b>(43)</b>	<b>366</b>
<b>Net assets</b>		<b>301</b>	<b>749</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>301</b>	<b>749</b>

2.1 State Funding Account	Note	2013 €000	2012 €000
<b>Balance at 1 January</b>		749	670
Disbursements from the Vote			
Estimate provision	Account	22,148	
Surplus to be surrendered	Account	(1,183)	
Net vote		20,965	21,481
Expenditure (cash) borne elsewhere	1	4,226	4,418
Non cash expenditure – notional rent	1	1,082	1,076
Net programme cost	1	(26,721)	(26,896)
<b>Balance at 31 December</b>		<b>301</b>	<b>749</b>

**2.2 Capital Assets**

	Office equipment €000	Furniture and fittings €000	Total €000
<b>Gross assets</b>			
Cost or valuation at 1 January 2013	3,056	595	3,651
Additions	77	7	84
Disposals	(913)	(5)	(918)
Transfer out <sup>1</sup>	(18)	(24)	(42)
Cost or valuation at 31 December 2013	<u>2,202</u>	<u>573</u>	<u>2,775</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2013	2,800	468	3,268
Depreciation for the year	94	27	121
Depreciation on disposals	(912)	(4)	(916)
Transfer out <sup>1</sup>	(18)	(24)	(42)
Cumulative depreciation at 31 December 2013	<u>1,964</u>	<u>467</u>	<u>2,431</u>
<b>Net assets at 31 December 2013</b>	<b><u>238</u></b>	<b><u>106</u></b>	<b><u>344</u></b>
<b>Net assets at 31 December 2012</b>	<b><u>256</u></b>	<b><u>127</u></b>	<b><u>383</u></b>

<sup>1</sup> Assets with an original cost of €41,926 were transferred to the Department of Finance.

**2.3 Bank and Cash**

	2013 €000	2012 €000
at 31 December		
PMG balances and cash	1,242	303
Orders outstanding	—	(30)
	<u>1,242</u>	<u>273</u>

**2.4 Stocks**

	2013 €000	2012 €000
at 31 December		
Gifts	9	10
Stationery	3	42
Publications	41	41
Consumables, etc.	1	25
	<u>54</u>	<u>118</u>

**2.5 Other Debit Balances**

	2013 €000	2012 €000
at 31 December		
Payroll suspense account	189	—
Recoupment of travel pass scheme	65	65
Other	7	6
	<u>261</u>	<u>71</u>

<b>2.6 Other Credit Balances</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Amounts due to the State		
Income Tax	196	217
Pay Related Social Insurance	68	74
Value Added Tax	7	6
Professional Services Withholding Tax	15	35
Pensions suspense	4	—
	<u>290</u>	<u>332</u>
Payroll deductions held in suspense	75	75
Other	67	44
	<u>432</u>	<u>451</u>

<b>2.7 Net Liability from the Exchequer</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	1,182	2,146
Exchequer grant undrawn	(111)	(2,253)
Net liability from the Exchequer	<u>1,071</u>	<u>(107)</u>

**Represented by:****Debtors**

Bank and cash	1,242	273
Debit balances: suspense	261	71
	<u>1,503</u>	<u>344</u>

**Creditors**

Due to State	(290)	(332)
Credit balances: suspense	(142)	(119)
	<u>(432)</u>	<u>(451)</u>
	<u>1,071</u>	<u>(107)</u>

<b>2.8 Commitments</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Total of legally enforceable commitments	—	16

**2.9 Matured Liabilities**

There were no matured liabilities undischarged at year end 2013 or in the previous year.

### 3 Programme Expenditure by Subhead

	2013		2012	
	Estimate provision	Outturn	Outturn	
	€000	€000	€000	
<b>A</b>	<b>Supporting the work of the Taoiseach and Government</b>			
A.1	Administration – pay	11,822	11,960	11,685
A.2	Administration – non pay	4,552	3,485	3,370
A.3	National Economic and Social Council (grant-in-aid)	2,012	1,950	2,027
A.4	Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1,612	2,513	1,593
A.5	Constitutional Convention	920	824	216
A.6	Referendum on abolition of the Seanad	2,100	1,193	—
—	<i>Referendum on EU Fiscal Stability Treaty</i>	—	—	3,471
		<b>23,018</b>	<b>21,925</b>	<b>22,362</b>

#### Significant variations

Overall, the gross expenditure in relation to the programme was €1.09 million lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
Tribunal of Inquiry	(901)	Variance principally due to payment of third party costs amounting to €1.7 million which were not budgeted for in 2013.
Referendum on the Abolition of the Seanad	907	Variance due to under spend by the Referendum Commission because of economies of scale as two referendums were held in tandem, i.e. the referendum on the abolition of the Seanad and the Court Appeals Referendum. Costs for advertising, printing and posting were split.
Administration non-pay	1,067	The savings arose mainly due to obtaining better value than anticipated on broadcasting costs for the EU presidency (€455,000). In addition, savings were achieved on incidental expenses mainly in respect of legal costs (circa €240,000). There was an under spend in the IT area due to a hardware replacement programme planned which was not completed due to other competing priorities and which will be completed by the end of the second quarter 2014 (€302,000).

## 4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	58	91	29
2. Receipts from pension-related deductions on public service remuneration	812	869	852
<b>Total</b>	<b>870</b>	<b>960</b>	<b>881</b>

## 5 Employee Numbers and Pay

	<b>2013</b>	<b>2012</b>
<b>Number of staff at year end</b> (full time equivalents)	201	215
	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Pay	11,744	12,092
Higher, special or additional duties allowance	375	406
Overtime and extra attendance	464	472
Employer's PRSI	751	757
<b>Total pay</b>	<b>13,334</b>	<b>13,727</b>

The Department's ECF at 31 December 2013 was 201.

The 2013 figures in the table above include core staff from the Department (177), National Economic and Social Council (NESC) (19), the Constitutional Convention (4), the Tribunal of Inquiry (1).

The 2012 comparative figures above and Note 5.1 have been amended to reflect these consolidated staff figures.

### 5.1 Allowances and Overtime Payments

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2013 €</b>	<b>Maximum individual payment 2012 €</b>
Higher, special or additional duties	39	18	26,940	28,430
Overtime and extra attendance	75	15	27,351	26,746

Certain individuals received extra remuneration in more than one category.

Certain individuals in NESC received an allowance of 16.67% of salary in lieu of pension.

Secretarial Allowances not on payroll included in the Tribunal Pay.

### 5.2 Other Remuneration Arrangements

Ex-gratia payment of €29,698 (2012 - €29,681) was made in respect of agreed retired benefit to one former employee.

## 6 Miscellaneous

### 6.1 Commissions and Inquiries

#### Commission, Committee or Special Inquiry

	Year of appointment	2013 €000	2012 €000
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1997	2,513	1,593

Cumulative expenditure to the end of December 2013 was €47.1 million.

There will be further payments associated with this Tribunal of Inquiry. Final costs cannot be determined at this point.

### 6.2 Official Gifts

The account includes the sum of €9,053 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2013. (2012: €3,997).

In addition to expenditure in the account, three gifts to a total value of €7,500 were received by the Taoiseach in 2013. These comprised of a painting, a vase and a laptop.

### 6.3 Legal Costs

There were no legal costs paid in 2013 (2012: €241,676).

### 6.4 Referendum on the Abolition of the Seanad

The Referendum on the Abolition of the Seanad was held on 4 October 2013.

A budget of €2.1 million was allocated for the Referendum Commission. The outturn was €1.2 million.

Other referendum expenses, for example the printing of ballot papers, return officer expenses etc. were charged to the Central Fund.

### Note 6.5 Settlement with the Revenue Commissioners

Included in accruals is a voluntary settlement of €78,644 to the Revenue Commissioners in March 2014. This covered the period 2012 to end January 2014 and concerned a liability for professional services withholding taxes applicable to certain suppliers amounting to €47,795, benefit in kind due on use of taxis to and from home totalling €24,506 and benefit in kind due in respect of clothing, footwear and tea allowances of €6,344 paid to employees in the period. New arrangements have been put in place by the Department to address all of these issues.