

## **Vote 9: Office of the Revenue Commissioners**

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## **Introduction**

As Accounting Officer for Vote 9, 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 2009 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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**

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Office of the Revenue Commissioners.

**JOSEPHINE FEEHILY**

Accounting Officer  
Office of the Revenue Commissioners  
31 March 2010

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for the Office of the Revenue Commissioners for 2009 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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 Office of the Revenue Commissioners. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2009.

Chapters 12 to 18 of my annual report refer to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

**JOHN BUCKLEY**  
Comptroller and Auditor General  
7 September 2010

## Vote 9 Office of the Revenue Commissioners Appropriation Account 2009

	2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000
<b>Administration</b>			
A.1. Salaries, wages and allowances	337,823	329,744	331,804
A.2. Travel and subsistence	4,262	3,615	6,380
A.3. Incidental expenses	15,082	13,095	16,261
A.4. Postal and telecommunications services	13,900	13,849	17,411
A.5. Office machinery and other office supplies, and related services	57,498	69,452	73,979
A.6. Office premises expenses	9,300	10,499	15,245
A.7. Consultancy services	200	29	428
A.8. Value for money and policy reviews	125	48	130
A.9. Motor Vehicles & Specialised Enforcement Equipment	5,220	3,392	4,302
A.10. Law Charges, fees and rewards	17,091	15,978	18,572
A.11. Compensation and losses	300	469	367
<b>Gross Expenditure</b>	<b>460,801</b>	<b>460,170</b>	<b>484,879</b>
<b>Deduct</b>			
A.12 Appropriations-in-aid	<b>57,546</b>	<b>66,987</b>	<b>49,202</b>
<b>Net Expenditure</b>	<b>403,255</b>	<b>393,183</b>	<b>435,677</b>
<b>Surplus to be surrendered for the year</b>		<b>€10,072,089</b>	<b>€ 9,140,806</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
<b>Gross expenditure on administration</b>			460,170	484,879
Deduct				
<b>Appropriations in aid</b>			66,987	49,202
<b>Net expenditure</b>			<u>393,183</u>	<u>435,677</u>
<b>Changes in capital assets</b>				
Purchases cash		(11,461)		
Depreciation		32,951		
Disposals cash		29		
Gain on disposals		(60)	21,459	15,361
<b>Changes in assets under development</b>				
Cash payments			(20,698)	(20,296)
<b>Changes in net current assets</b>				
Decrease in closing accruals		(7,366)		
Decrease in stock		196		
			<u>(7,170)</u>	<u>(3,338)</u>
<b>Direct expenditure</b>			<u>386,774</u>	<u>427,404</u>
Net allied services expenditure	1.1		75,081	62,677
Notional rents			18,465	20,227
<b>Total operating cost</b>			<u><u>480,320</u></u>	<u><u>510,308</u></u>

#### 1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 9 borne elsewhere.

Vote		2009 €000	2008 €000
7	Superannuation and Retired Allowances	63,384	54,049
10	Office of Public Works	26,715	23,952
	Services Rendered Without Charge	(15,018)	(15,324)
		<u><u>75,081</u></u>	<u><u>62,677</u></u>

**2 Statement of Assets and Liabilities as at 31 December 2009**

	Note	2009 €000	2008 €000
<b>Capital Assets</b>	2.1	70,136	63,312
<b>Capital Assets under Development</b>	2.2	5,507	13,078
		<b>75,643</b>	<b>76,390</b>
<b>Current Assets</b>			
Bank and cash	2.3	5,964	11,966
Stocks	2.4	1,758	1,954
Prepayments		15,735	13,883
Accrued income		650	521
Other debit balances	2.5	5,963	3,425
<b>Total Current Assets</b>		<b>30,070</b>	<b>31,749</b>
<b>Less Current Liabilities</b>			
Accrued expenses		2,514	7,870
Deferred Income		75	104
Other credit balances	2.6	11,767	13,059
Net Liability to the Exchequer	2.7	160	2,332
<b>Total Current Liabilities</b>		<b>14,516</b>	<b>23,365</b>
<b>Net Current Assets</b>		<b>15,554</b>	<b>8,384</b>
<b>Net Assets</b>		<b>91,197</b>	<b>84,774</b>

**2.1 Capital Assets**

	<b>Vehicles &amp; Equipment</b>	<b>Office/IT Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>				
Cost or valuation at 1 January 2009	8,919	347,086	50,353	406,358
Additions	3,956	34,868	965	39,789
Disposals	(268)	(2,487)	(163)	(2,918)
Cost or valuation at 31 December 2009	<u>12,607</u>	<u>379,467</u>	<u>51,155</u>	<u>443,229</u>
<b>Accumulated Depreciation</b>				
Opening balance at 1 January 2009	7,283	293,623	42,140	343,046
Depreciation for the year	1,359	29,582	2,010	32,951
Depreciation on disposals	(266)	(2,487)	(151)	(2,904)
Cumulative depreciation at 31 December 2009	<u>8,376</u>	<u>320,718</u>	<u>43,999</u>	<u>373,093</u>
<b>Net Capital Assets at 31 December 2009</b>	<b><u>4,231</u></b>	<b><u>58,749</u></b>	<b><u>7,156</u></b>	<b><u>70,136</u></b>
<b>Net Capital Assets at 31 December 2008</b>	<b><u>1,637</u></b>	<b><u>53,462</u></b>	<b><u>8,213</u></b>	<b><u>63,312</u></b>

**2.2 Capital Assets under Development**

	<b>In-House Computer Applications</b>
	<b>€000</b>
Amounts brought forward at 1 January 2009	13,078
Cash payments for the year	20,698
Transferred to asset register	(28,269)
Amounts carried forward at 31 December 2009	<u>5,507</u>

**2.3 Bank and Cash**

	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
PMG balances and cash	8,296	13,820
Orders outstanding	(2,332)	(1,854)
	<u>5,964</u>	<u>11,966</u>

**2.4 Stocks**

	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
Stationery	1,210	1,527
IT consumables	548	427
	<u>1,758</u>	<u>1,954</u>

<b>2.5 Other Debit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Shared Building Advances	200	200
Advances to OPW for Building Works etc.	67	945
Advances for Travel and Subsistence purposes	17	25
Miscellaneous Suspense	113	42
Recoupable Expenditure	5,453	792
Vote 8 (Appeal Commissioners)	113	144
Net Pay	—	1,277
	<u>5,963</u>	<u>3,425</u>
	<u><u>5,963</u></u>	<u><u>3,425</u></u>
<b>2.6 Other Credit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
<b>Amounts due to the State</b>		
Income Tax	3,835	4,253
Pay Related Social Insurance	2,314	1,848
Professional Services Withholding Tax	897	1,392
Value Added Tax	381	454
Pensions	540	595
Exchequer Extra Receipts	—	960
	<u>7,967</u>	<u>9,502</u>
Payroll deductions held in suspense	3,716	3,546
Other credit suspense items	84	11
	<u>11,767</u>	<u>13,059</u>
	<u><u>11,767</u></u>	<u><u>13,059</u></u>

<b>2.7 Net Liability to the Exchequer</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Surplus to be surrendered	10,072	9,141
Exchequer grant undrawn	(9,912)	(6,809)
Net liability to the Exchequer	160	2,332
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	5,964	11,966
Shared Buildings Advances	200	200
Advances to OPW for Building Works etc.	67	945
Advances for Travel and Subsistence	17	25
Miscellaneous Suspense	113	42
Recoupable Expenditure	5,453	792
Vote 8 (Appeal Commissioners)	113	144
Net Pay	—	1,277
	11,927	15,391
<b>Creditors</b>		
Payroll Deductions	(3,716)	(3,546)
Due to State	(7,967)	(9,502)
Miscellaneous Credit Balances	(84)	(11)
	(11,767)	(13,059)
	160	2,332
<b>2.8 Commitments</b>		
at 31 December	€000	€000
Total of legally enforceable commitments	44	1,950

### 3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, by more than €100,000, and by more than 25%.

Sub-head	Less/(more) than provided €000	Explanation
A.7.	171	The requirement for consultants was less than anticipated.
A.9.	1,828	Costs associated with a number of the items under this subhead, including in particular the acquisition of the container X-ray scanner, were lower than originally anticipated.
A.11	(169)	It is difficult to accurately forecast expenditure under this subhead.

### 4 Receipts

4.1 Appropriations-in-aid	2009	2009	2008
	Estimated €000	Realised €000	Realised €000
1. Receipts for services relating to Pay-Related Social Insurance Scheme	37,437	37,437	36,670
2. Fines, forfeitures, law costs recovered	4,000	5,393	6,040
3. Cherished Numbers	400	142	566
4. Receipts in respect of Environmental Levy Collection	400	397	392
5. Miscellaneous	1,330	9,155	5,534
6. Receipts from Pension related Deduction on Remuneration	13,979	14,463	—
<b>Total</b>	<b>57,546</b>	<b>66,987</b>	<b>49,202</b>

#### 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%.

Head ing	Less/(more) than estimated €000	Explanation
2.	(1,393)	It is difficult to estimate receipts for this item.
3.	258	Receipts vary with demand.
5	(7,825)	Under an agreement reached in March 2009, we retain an increased share of the collection costs for Customs duty in certain circumstances.

#### 4.2 Extra receipts payable to the Exchequer

An amount of €423,436 in respect of bank interest on Revenue Accounts held with the Central Bank was paid to the Exchequer.

An amount of €1,867,033 which was received as Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with a global cigarette manufacturer, was paid to the Exchequer.

The sum of €115,023 was lodged to the Exchequer in respect of cash forfeited under Section 39 of the Criminal Justice Act, 1994.

Other receipts totalling €158,666 were transferred to the Exchequer during the year.

## 5 Employee Numbers and Pay

	2009	2008
<b>Number of staff at year end</b> (full time equivalents)	6,105	6,575
	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Pay	308,794	306,949
Allowances	4,181	4,419
Overtime	3,999	7,072
Employer's PRSI	12,770	13,364
<b>Total pay</b>	<b>329,744</b>	<b>331,804</b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2009 €	Maximum individual payment 2008 €
Higher, special or additional duties	531	15	19,568	19,161
Overtime and extra attendance	2,409	117	20,501	31,227
Shift and roster allowances	171	28	20,724	22,497
Miscellaneous	74	2	10,000	6,537

### 5.2 Performance Awards

A total of €252,800 was spent on Exceptional Performance Awards (i.e. 621 individual awards ranging from €50 to €3,000 and 34 group awards ranging from €100 to €2,250).

### 5.3 Other Remuneration Arrangements

The cost of Revenue staff on loan to other Departments/Agencies without recoupment was €598,890.

## 6 Miscellaneous Items

### 6.1 Compensation and Legal Costs

Compensation of €132,711 was paid in respect of legal action taken by members of the public.

Compensation of €93,054 was paid to a member of the public arising from the seizure of a vehicle.

A total of €80,000 was paid to former members of staff arising from cases involving mediators.

An amount of €141,722 was paid in respect of the purchase of service for superannuation purposes in respect of a former member of staff. (Department of Finance reference P18/216/08).

### 6.2 EU Funding

A grant in the amount of €375,000 was received from the European Anti-fraud Office (OLAF) towards the cost of the purchase of a container X-ray scanner.

### 6.3 Other

As agreed with the Department of Finance under the delegated administrative budget scheme, a carryover of €628,000 is included in the Estimate for 2010.

