

Vote 37: Army Pensions

Introduction

As Accounting Officer for Vote 37, 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 retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

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 5 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 Department of Defence.

MICHAEL HOWARD
Accounting Officer
Department of Defence
29 March 2010

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Army Pensions 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 Department of Defence in respect of Army Pensions. 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.

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 37 Army Pensions Appropriation Account 2009

Service		2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000	€000
Army Pensions Board				
A. Salaries, wages and allowances		110	105	105
Pensions, allowances, etc.				
B. Defence Forces (Pensions) Schemes and payments in respect of transferred service				
	<i>Original</i>	196,940		
	<i>Supplementary</i>	7,200	204,140	204,002
		<u>204,140</u>		192,551
C. Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces				
	<i>Original</i>	9,600		
	<i>Supplementary</i>	(705)	8,895	8,943
		<u>8,895</u>		8,837
D. Payments to or in respect of Veterans of the War of Independence				
	<i>Original</i>	1,900		
	<i>Supplementary</i>	(200)	1,700	1,704
		<u>1,700</u>		2,118
E. Compensation payments				
	<i>Original</i>	400		
	<i>Supplementary</i>	(380)	20	18
		<u>20</u>		18
F. Medical appliances and travelling and incidental expenses				
	<i>Original</i>	50		
	<i>Supplementary</i>	(15)	35	33
		<u>35</u>		47
Gross Expenditure				
	<i>Original</i>	209,000		
	<i>Supplementary</i>	5,900	214,900	214,805
		<u>214,900</u>		203,676
Deduct				
G. Appropriations-in-aid				
	<i>Original</i>	7,000		
	<i>Supplementary</i>	(1,300)	5,700	6,995
		<u>5,700</u>		5,623
Net Expenditure				
	<i>Original</i>	202,000		
	<i>Supplementary</i>	7,200	209,200	196,681
		<u>209,200</u>	<u>209,182</u>	<u>196,681</u>
Surplus to be surrendered			€18,361	€121,735

Notes to the Appropriation Account

1 Operating Cost Statement 2009

	Note	2009 €000	2008 €000
Expenditure on administration		105	105
Expenditure on services and programmes		214,700	203,571
Gross expenditure		<u>214,805</u>	<u>203,676</u>
Deduct			
Appropriations in aid		5,623	6,995
Direct expenditure		<u>209,182</u>	<u>196,681</u>
Expenditure borne elsewhere			
Net allied services expenditure	1.1	1,681	1,988
Total operating cost		<u><u>210,863</u></u>	<u><u>198,669</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 37 borne elsewhere

Vote		2009 €000	2008 €000
36	Defence	1,681	1,988
		<u>1,681</u>	<u>1,988</u>

2 Statement of Assets and Liabilities as at 31 December 2009

		2009	2008
	Note	€000	€000
Current Assets			
Bank and cash	2.1	36	64
Other debit balances	2.2	10	4
Total Current Assets		46	68
Less Current Liabilities			
Credit balances	2.3	29	6
Net Liability to the Exchequer	2.4	17	62
Total Current Liabilities		46	68
Net Current Assets		—	—
2.1 Bank and Cash		2009	2008
at 31 December		€000	€000
PMG balances and cash		1,094	1,433
Orders outstanding		(1,058)	(1,369)
		<u>36</u>	<u>64</u>
2.2 Other Debit Balances		2009	2008
at 31 December		€000	€000
Suspense and payroll deductions		10	4
		<u>10</u>	<u>4</u>
2.3 Credit Balances		2009	2008
at 31 December		€000	€000
Amounts due to the State (Income tax, income levy, PRSI and pension contributions)		2	3
Suspense and payroll deductions		27	3
		<u>29</u>	<u>6</u>

2.4 Net Liability to the Exchequer
at 31 December

	2009	2008
	€000	€000
Surplus to be surrendered	18	122
Exchequer grant undrawn	(1)	(60)
Net liability to the Exchequer	<u>17</u>	<u>62</u>

Represented by:

Debtors

Bank and cash	36	64
Debit balances: suspense	10	4
	<u>46</u>	<u>68</u>

Creditors

Amounts due to the State	(2)	(3)
Credit Balances: Suspense and payroll deductions	(27)	(3)
	<u>(29)</u>	<u>(6)</u>

	<u>17</u>	<u>62</u>
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3 Receipts

3.1 Appropriations-in-aid

		2009 Estimated €000	2009 Realised €000	2008 Realised €000
1. Contributions to Defence Forces Spouses' and Children's Pension Schemes				
	<i>Original</i>	5,800		
	<i>Supplementary</i>	<u>(1,300)</u>	4,500	5,760
2. Contributions to Defence Forces Contributory (Main) Pensions Schemes		1,045	1,261	1,116
3. Recoveries of overpayments		40	22	41
4. Payments received in respect of transferred service		40	4	29
5. Miscellaneous		70	64	49
6. Receipts from Pension-related Deductions on Public Service Remuneration		5	3	—
		<u>5,700</u>	<u>5,623</u>	<u>6,995</u>

Explanation of significant variations

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

Heading	Less/(more) than estimated €000	Explanation
1.	231	The shortfall in receipts for 2009 is due mainly to a refund of pension contributions of €1.348m to some 1,700 post-2004 personnel who paid contributions in excess of the requirement.
2.	(216)	The estimated receipts for 2009 were slightly underestimated. It is difficult to accurately estimate receipts as the numbers paying can increase during the year.

4 Employee Numbers and Pay

	2009	2008
Number of staff at year end (full time equivalents)	2	2
	2009	2008
	€000	€000
Pay	103	103
Higher, special or additional duties allowances	—	—
Other allowances	—	—
Overtime	—	—
Employer's PRSI	2	2
Total pay	<u>105</u>	<u>105</u>

The two staff members are administrative support to the Army Pensions Board. Staff engaged in the administration of pensions and other payments are employees of the Department of Defence and their remuneration is charged to Vote 36.

5 Miscellaneous Items

5.1 Write-offs

51 cases of overpayment of pensions/allowances resulted in a gross loss of €7,952, of which €2,205 was recovered and €5,747 was written off.

