

Appropriation Account 2019

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, 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 2019 for the salaries and expenses of the Office of the Attorney General, including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.019 million is liable for surrender to the Exchequer.

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

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 Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Director General/Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

Payroll and human resource functions are provided on a shared service basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Office
- there are systems aimed at ensuring the security of information and communications technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines are adhered to.

Procurement compliance

The Office 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. The Office complied with the guidelines with the exception of one contract to the value of €146,486 spent on parliamentary services. This contract was not subject to a competitive procurement process in the year because the Office is satisfied that the work cannot be procured any more economically due to the specialised nature of the work involved. It is one of eight contracts with an overall value of €492,563 awarded without following a competitive process and included in the 40/2002 return as they exceed the reporting threshold of €25,000. The seven remaining contracts with a value of €346,077 are considered compliant as the justification for awarding these contracts falls within the exceptions to a competitive process permitted in national and EU legislation.

Internal audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company 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 Office 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.

An internal audit function for the Office was in place during 2019.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2019 that resulted in, or may result in, a material loss.

Damien Moloney
Accounting Officer
Office of the Attorney General

27 March 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

Opinion on the appropriation account

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 3 Office of the Attorney General for the year ended 31 December 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Office of the Attorney General and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

10 June 2020

Vote 3 Office of the Attorney General

Appropriation Account 2019

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Delivery of professional legal services to Government, Departments and Offices	16,353	15,153	14,835
Gross expenditure	16,353	15,153	14,835
<i>Deduct</i>			
B Appropriations-in-aid	761	580	649
Net expenditure	15,592	14,573	14,186

Surplus

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

	2019	2018
	€	€
Surplus to be surrendered	1,019,223	1,135,979

Damien Moloney
Accounting Officer
Office of the Attorney General

27 March 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	2,073	2,008
Pay	10,971	10,771
Non pay	2,109	2,056
Gross expenditure	15,153	14,835
<i>Deduct</i>		
Appropriations-in-aid	580	649
Net expenditure	14,573	14,186
Changes in capital assets		
Purchases cash	(102)	
Depreciation	177	75
		(11)
Changes in net current assets		
Decrease in closing accruals	(71)	
Increase in stock	(8)	(79)
		126
Direct expenditure	14,569	14,301
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,521	2,258
Notional rents	791	763
Net programme cost	17,881	17,322

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere, net of costs of services provided to other Votes.

	2019	2018
	€000	€000
Vote 12 Superannuation and Retired Allowances	1,996	1,722
Vote 13 Office of Public Works	214	229
Vote 18 National Shared Services Office	13	13
Central Fund- pensions in respect of former Attorneys General	298	294
	2,521	2,258

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	327	402
Current assets			
Stocks	2.2	40	32
Prepayments		159	133
Other debit balances	2.3	84	95
Accrued income		3	—
Net Exchequer funding	2.5	21	435
Total current assets		<u>307</u>	<u>695</u>
Less current liabilities			
Bank and cash		62	138
Accrued expenses		69	111
Other credit balances	2.4	43	392
Total current liabilities		<u>174</u>	<u>641</u>
Net current assets		<u>133</u>	<u>54</u>
Net assets		<u>460</u>	<u>456</u>
Represented by:			
State funding account	2.6	<u>460</u>	<u>456</u>

2.1 Capital assets

	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2019	1,691	4,704	6,395
Additions	2	100	102
Disposals	(6)	(4)	(10)
Cost or valuation at 31 December 2019	1,687	4,800	6,487
Accumulated depreciation			
Opening balance at 1 January 2019	1,624	4,369	5,993
Depreciation for the year	20	157	177
Depreciation on disposals	(6)	(4)	(10)
Cumulative depreciation at 31 December 2019	1,638	4,522	6,160
Net assets at 31 December 2019	49	278	327
Net assets at 31 December 2018	67	335	402

2.2 Stocks

at 31 December	2019 €000	2018 €000
Stationery	15	9
IT consumables	25	23
	40	32

2.3 Other debit balances

at 31 December	2019 €000	2018 €000
Office of Public Works	38	38
Recoupable shared costs	—	1
Travel pass scheme	41	52
Miscellaneous	5	4
	84	95

2.4 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Professional services withholding tax	8	9
Value added tax	31	3
Pension contributions	4	374
Other creditors	—	6
	<u>43</u>	<u>392</u>

2.5 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	1,019	1,136
Exchequer grant undrawn	(1,040)	(1,571)
Net Exchequer funding	<u>(21)</u>	<u>(435)</u>
Represented by:		
Debtors		
Debit balances: suspense	84	95
	84	95
Creditors		
Due to State	(43)	(392)
Bank and cash	(62)	(138)
	(105)	(530)
	<u>(21)</u>	<u>(435)</u>

2.6 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		456	571
Disbursements from the Vote			
Estimate provision	Account	15,592	
Surplus to be surrendered	Account	(1,019)	
Net vote		14,573	14,186
Expenditure (cash) borne elsewhere	1.1	2,521	2,258
Non cash expenditure – notional rent	1	791	763
Net programme cost	1	(17,881)	(17,322)
Balance at 31 December		<u>460</u>	<u>456</u>

2.7 Commitments

At 31 December	2019	2018
	€000	€000
Procurement of goods and services	<u>559</u>	<u>648</u>

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2019		2018
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
i	Salaries, wages and allowances	11,894	10,971	10,771
ii	Travel and subsistence	210	271	249
iii	Training and development and incidental expenses	640	646	573
iv	Postal and telecommunication services	63	68	56
v	Office equipment and external IT services	590	705	761
vi	Office premises expenses	160	82	100
vii	Consultancy services and value for money and policy reviews	43	5	28
viii	Contract legal expertise	280	180	178
		13,880	12,928	12,716

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision: €11.894 million, outturn: €10.971 million

The savings of €923,000 arose due to all posts within the Office not being filled at all times during the year. Senior legal posts required specific sanction before the Office could move to fill same and the recruitment of staff took longer than anticipated. The security clearing of staff to be recruited also led to delays in the filling of posts.

viii Contract legal expertise

Estimate provision: €280,000, outturn: €180,000

The decrease of €100,000 arose due to lower than anticipated requirement for contract legal expertise. The Office only had one contractor drafting legislation during 2019 as it moves to fill permanent drafting positions within the Office.

Programme A Delivery of professional legal services to Government, Departments and Offices

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration– pay	11,894	10,971	10,771
A.2	Administration – non pay	1,986	1,957	1,945
A.3	Contributions to international organisations	39	44	39
A.4	Law Reform Commission	2,295	2,073	2,008
A.5	General law expenses	139	108	72
		16,353	15,153	14,835

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €1.2 million lower than provided. €952,000 of this related to administration expenditure and the balance of the variance of €248,000 was mainly due to the following:

A.4 Law Reform Commission

Estimate provision: €2.295 million, outturn: €2.073 million

The shortfall in expenditure of €222,000 relative to the estimate provision was due to lower than anticipated salary costs in the Law Reform Commission. This arose as not all sanctioned posts in the Commission were filled during the year.

Note 4 Receipts

4.1 Appropriations-in-aid

		2019		2018
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration ^a	753	577	648
2	Miscellaneous	8	3	1
	Total	761	580	649

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €181,000 more than the original estimate. Explanations for variances are set out below:

1 Receipts from additional superannuation contribution on public service remuneration

Estimate: €753,000, realised: €577,000

The shortfall of €176,000 arose because not all sanctioned posts, both in the Office and in the Law Reform Commission, were filled at times during 2019.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end	157	147

5.2 Pay

	2019 €000	2018 €000
Pay	9,967	9,844
Higher, special or additional duties allowance	90	67
Other allowances	14	29
Overtime	14	13
Employer's PRSI	886	818
Total pay	10,971	10,771

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019 €	2018 €
Higher, special or additional duties	12	4	20,745	20,614
Other allowances	9	—	8,969	8,969
Overtime	6	—	9,391	7,576
Extra remuneration in more than one category	2	—	7,467	12,280

5.4 Other remuneration arrangements

This account includes expenditure of €466,064 (€341,626 salary and €124,438 allowances) in respect of five officers serving outside of the Office for all or part of 2019 whose salaries were paid by the Office. Two of these officers were seconded to the European Union, one was seconded to the European Court of Human Rights whilst the other two are seconded national experts to the European Union. The salary figure of €341,626 is included in note 5.2 above but the allowances figure of €124,438 which is in respect of subsistence allowances is not included in note 5.2 above.

5.5 Payroll overpayments

Overpayments at the year-end were nil (2018: €16,843, six individuals).

Appendix A Accounts of Law Reform Commission (LRC)

The LRC operates under the aegis of the Office. Its last audited financial statements relate to 2018. The audit report issued on 16 December 2019. The Minister for Public Expenditure and Reform is responsible for laying the LRC's financial statements before the Houses of the Oireachtas. The 2018 audited financial statements have not yet been received by the Minister and have not yet been presented to the Oireachtas.