

## **Appropriation Account 2020**

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### **Vote 32**

### **Enterprise, Trade and Employment**

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## Introduction

As Accounting Officer for Vote 32, 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 2020 for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for payment of certain subsidies and grants and for the payments of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums:

- (a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €76.222 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***

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2020* which took account of the alteration of the title of the Department of Business, Enterprise and Innovation to the Department of Enterprise, Trade and Employment with effect from 10 November 2020 (SI 519 of 2020).

The *Further Revised Estimates* also took account of the transfer of certain administration and ministerial functions from the Department of Foreign Affairs to the Department of Enterprise, Trade and Employment (SI 381 of 2020). That transfer of functions comprised

- managing and chairing the Export Trade Council (formerly known as the Foreign Trade Council)
- convening, chairing and managing joint economic commissions, and
- developing, where appropriate, new joint economic commissions.

In addition, the *Further Revised Estimates* took account of the transfer of certain administration and ministerial functions from the Department Social Protection to the Department of Enterprise, Trade and Employment (SI 438 of 2020). That transfer of functions comprised

- responsibility for certain employment rights policy
- certain functions relating to the Employment, Social Policy, Health and Consumer Affairs Council
- responsibility for the Low Pay Commission (including its secretariat).

In respect of the functions transferred to the Department, three posts were transferred from the Department of Foreign Affairs and 15 posts were transferred from the Department of Social Protection, including the Secretariat of the Low Pay Commission.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure and Reform, the *Further Revised Estimates for 2020* reflect the transferred functions on a full-year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfers of functions on a full-year basis.

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

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following.

### ***Valuation of capital assets***

As provided for in circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

### ***Depreciation***

Assets are depreciated annually on a straight line basis over their estimated useful life, starting with a full year's depreciation charged in the year of purchase and none charged in the year of disposal.

## **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***

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

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

***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 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.

***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. The work of internal audit 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.

***Procurement compliance***

I confirm that 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.

The Department complied with the guidelines with the exception of eight contracts (in excess of €25,000), totalling €461,652 (ex. VAT) details are set out below:

- One contract with a value of €30,500 related to the procurement of an Eircode user licence. There are effectively only two sellers of such licences and the contract entered into was at the cheapest available cost.

- A second contract with a value of €56,007 related to the provision of off-site file storage of records of the Companies Registration Office (CRO). Prior to the termination of the existing contract, the CRO had undertaken a procurement exercise for storage facilities and had a replacement contract in place with a new provider which was due to commence on 13 March 2020. The transfer to the new contract required the physical handling of 22,500 boxes of records over an eight month period. Given the advent of Covid-19 and the inherent health risks in manually handling such a volume of records, the CRO was anxious not to begin the transfer until it was satisfied that it could be completed without interruption. In the circumstances and in the interim until it was safe to move to the new provider, the CRO continued to use the services of the existing contractor on the basis of the same terms and conditions as the existing contract.
- A third contract with a value of €124,231 involved the purchase of a supply of laptops needed to support staff working from home as a result from the advent of Covid-19. The urgent need to facilitate staff remote working in response to the pandemic, particularly in the context of constrained device availability and uncertainty of delivery timeframes, meant that it was not possible to carry out a procurement exercise as per the guidelines. I am satisfied that the costs involved were in line with industry pricing norms.
- A fourth contract with a value of €26,220 related to the procurement of car parking spaces to protect the health and safety of departmental staff who in the initial stages of the pandemic were attending their work stations. This arrangement ceased once lockdown had been confirmed and working remotely was embedded across the Department. Whilst the dynamic of the advent of the pandemic did not allow for a procurement exercise to be carried out as per the guidelines, three quotes were procured before entering into this contract.
- A fifth contract to the value of €39,256 involved the emergency purchase of direct access devices to support staff working remotely. The unanticipated advent of the pandemic meant that it was not possible to engage in a procurement exercise as per the guidelines. I am satisfied that the costs involved were in line with industry pricing norms.
- A sixth contract with a value of €32,827 involved the purchase of translation services required by the Department's industrial relation bodies. The bodies concerned have been engaged with the Office of Government Procurement (OGP) for some time in terms of exploring competitive procurement options for translation services given the increase in the need for these services in recent times. The OGP had previously hoped to have a discrete procurement translation services framework in place during the course of 2020. Unfortunately, this did not prove to be possible. Indeed, the OGP has recently advised that it will not now be putting such a framework in place. Accordingly, the Department's industrial relations bodies will now proceed to undertake their own procurement for such services. In this regard it is expected that a new contract will be in place by the end of 2021.
- The seventh and eighth contracts to the value of €132,611 and €20,000 respectively involved the procurement from a particular supplier of legal advice in respect of two specific initiatives that the Department was developing as part of the supports for businesses impacted by the pandemic. Given the dynamic advent of the pandemic, it was not possible to carry out procurement exercises in relation to these contracts as per the guidelines.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

#### ***Risk and control framework***

The Department 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 Board 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 Management Board, 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 Department 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 Department responsible for the development and maintenance of the internal financial control framework.

***Covid-19 pandemic***

Assessments of the impact of Covid-19 were carried out across the various business units of the Department and its Offices. This included risk assessments in relation to possible impacts on internal controls, financial controls, ICT controls, staff training, ability to meet statutory obligations, health and safety, staff well-being, communication and engagement with clients etc. Appropriate changes in practices and control procedures were implemented to ensure that the integrity of the Department's control environment continued to be maintained in the new working environment and that the Department and its Offices continued to provide a full service to its clients.

Specifically, as regards IT controls, the advent of Covid-19 resulted in the majority of the staff of the Department and its Offices working remotely for most of the year. Staff were provided with remote access devices to allow them to do so. In terms of controls, all of these remote access devices are effectively on network. They connect directly to the Department via a 'direct access' secure tunnel. All staff assigned remote access rights were briefed on appropriate remote working behaviour, including the importance of locking the screen on unattended devices, good password protocols, what to do in the event of the loss or theft of a device etc.

In terms of financial controls, procedures were implemented to enable the electronic processing of payments by and receipts to the Department. Financial control procedures continue to ensure that there was an appropriate segregation of duties and that the various management and control systems continued to operate across the Department. Regular expenditure and financial reports continued to be provided to the Department's management and Ministerial Management Boards.

***Internal financial control issues***

A total of €27,007 was paid by the Department in respect of interest and compensation due under prompt payment legislation in 2020. This included a payment of €21,248 in respect of a single invoice where there was a significant delay in making payment to the supplier. I requested the Department's Head of Internal Audit to carry out a review of the circumstances which gave rise to this instance and to provide a report on the matter. The report found that the case in question was an exceptional case and was not indicative of a problem of non-compliance in the Department. The report did include a number of recommendations to improve existing internal controls and how these controls could be further communicated across the Department. I have put the necessary arrangements in place to ensure these recommendations are implemented.

No other weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

**Dr Orlaigh Quinn**

Accounting Officer

Department of Enterprise, Trade and Employment

16 September 2021

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 32 Enterprise, Trade and Employment**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 32 Enterprise, Trade and Employment for the year ended 31 December 2020 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 32 Enterprise, Trade and Employment for the year ended 31 December 2020, 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 Department of Enterprise, Trade and Employment 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*.

##### ***Restart grant schemes***

Chapter 6 of my report on the accounts of the public services for 2020 examines the Department's controls over the Covid-19 related restart grant and restart grant plus schemes. The expenditure on those schemes was charged to the appropriation account for Vote 32.

**Seamus McCarthy**  
Comptroller and Auditor General

17 September 2021

## Vote 32 Enterprise, Trade and Employment

### Appropriation Account 2020

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Jobs and enterprise development			
	<i>Estimate provision</i>	1,395,191		
	<i>Deferred surrender</i>	<u>32,500</u>		
			1,427,691	1,273,470
B	Innovation			439,362
	<i>Estimate provision</i>	422,024		
	<i>Deferred surrender</i>	<u>9,650</u>		
			431,674	413,743
C	Regulation		<u>90,662</u>	<u>77,465</u>
				78,700
<b>Gross expenditure</b>				
	<i>Estimate provision</i>	1,907,877		
	<i>Deferred surrender</i>	<u>42,150</u>		
			<b>1,950,027</b>	<b>1,764,678</b>
	<i>Deduct</i>			<b>929,268</b>
D	<b>Appropriations-in-aid</b>		<u><b>52,708</b></u>	<u><b>49,781</b></u>
				<b>58,977</b>
<b>Net expenditure</b>				
	<i>Estimate provision</i>	1,855,169		
	<i>Deferred surrender</i>	<u>42,150</u>		
			<u><b>1,897,319</b></u>	<u><b>1,714,897</b></u>
				<u><b>870,291</b></u>

#### Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €106.2 million of unspent allocations in respect of the capital elements of Subhead A.5, A.7, A.8, A.14, A.16, B.4 and B.5 were carried forward to 2021.

	2020	2019
	€	€
Surplus	182,421,683	54,274,812
Deferred surrender	<u>(106,200,000)</u>	<u>(42,150,000)</u>
<b>Surplus to be surrendered</b>	<u><b>76,221,683</b></u>	<u><b>12,124,812</b></u>

**Dr Orlaigh Quinn**  
Accounting Officer  
Department of Enterprise, Trade and Employment

31 March 2021

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	1,727,733	893,271
Pay	28,838	27,262
Non pay	8,107	8,735
<b>Gross expenditure</b>	<b>1,764,678</b>	<b>929,268</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>49,781</b>	<b>58,977</b>
<b>Net expenditure</b>	<b>1,714,897</b>	<b>870,291</b>
<b>Changes in capital assets</b>		
Purchases cash	(2,096)	
Depreciation	1,943	(153)
		21
<b>Changes in net current assets</b>		
Decrease in closing accruals	(1,626)	
Increase in stock	(45)	(102)
<b>Direct expenditure</b>	<b>1,713,073</b>	<b>870,210</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (cash) (note 1.1)	24,854	23,779
Notional rents (non-cash)	2,847	2,847
<b>Net programme cost</b>	<b>1,740,774</b>	<b>896,836</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 32 borne elsewhere.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	63	96
Vote 12 Superannuation and Retired Allowances	20,029	19,432
Vote 13 Office of Public Works	4,082	3,814
Vote 18 National Shared Services Office	113	102
Vote 20 Garda Síochána	208	—
Central Fund – ministerial pensions	359	335
	<b>24,854</b>	<b>23,779</b>

## Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
<b>Capital assets</b>	2.1	7,655	7,502
<b>Current assets</b>			
Bank and cash		117,795	47,246
Stocks	2.2	244	199
Other debit balances	2.3	1,004	862
Prepayments		1,556	1,764
Accrued income		551	520
<b>Total current assets</b>		<b>121,150</b>	<b>50,591</b>
<b>Less current liabilities</b>			
Accrued expenses		939	762
Deferred income		2,326	4,306
Other credit balances	2.4	5,169	4,430
Net Exchequer funding	2.5	113,630	43,678
<b>Total current liabilities</b>		<b>122,064</b>	<b>53,176</b>
<b>Net current assets</b>		<b>(914)</b>	<b>(2,585)</b>
<b>Net assets</b>		<b>6,741</b>	<b>4,917</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.6	<b>6,741</b>	<b>4,917</b>

## 2.1 Capital assets

	Office and IT equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
<b>Gross assets</b>				
Cost or valuation at 1 January 2020	33,378	3,224	2,787	39,389
Additions	1,344	26	726	2,096
Brought into use in year	3,488	—	(3,488)	—
Disposals	(2)	(25)	—	(27)
Cost or valuation at 31 December 2020	38,208	3,225	25	41,458
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2020	29,120	2,767	—	31,887
Depreciation for the year	1,868	75	—	1,943
Depreciation on disposals	(2)	(25)	—	(27)
Cumulative depreciation at 31 December 2020	30,986	2,817	—	33,803
<b>Net assets at 31 December 2020</b>	<b>7,222</b>	<b>408</b>	<b>25</b>	<b>7,655</b>
Net assets at 31 December 2019	4,258	457	2,787	7,502

## 2.2 Stocks

at 31 December	2020 €000	2019 €000
Stationery	162	127
IT supplies	69	64
Cleaning materials	13	8
	<b>244</b>	<b>199</b>

## 2.3 Other debit balances

at 31 December	2020 €000	2019 €000
Advances to OPW	112	227
Miscellaneous debit balances	818	502
Recoupable expenditure:		
Travel	4	
Shared services	70	
	74	133
	<b>1,004</b>	<b>862</b>

**2.4 Other credit balances**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income tax	966	946
Pay related social insurance	592	517
Local property tax	7	7
Professional services withholding tax	90	106
Value added tax on intra EU acquisitions	52	79
Universal social charge	182	179
	<u>1,889</u>	<u>1,834</u>
Share of patent renewal fees payable to the European Patents Office	1,806	1,720
Staff pay-overs	687	147
Employers pension liability	125	92
Recoupable salaries	159	133
Other miscellaneous balances	503	504
	<u><b>5,169</b></u>	<u><b>4,430</b></u>

**2.5 Net Exchequer funding**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	76,222	12,125
Deferred surrender	106,200	42,150
Exchequer grant undrawn	(68,792)	(10,597)
<b>Net Exchequer funding</b>	<u><b>113,630</b></u>	<u><b>43,678</b></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	117,795	47,246
Other debit balances	1,004	862
	<u>118,799</u>	<u>48,108</u>
<b>Creditors</b>		
Due to the State	(1,889)	(1,834)
Other credit balances	(3,280)	(2,596)
	<u>(5,169)</u>	<u>(4,430)</u>
	<u><b>113,630</b></u>	<u><b>43,678</b></u>

## 2.6 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		4,917	4,836
Disbursements from the Vote			
Estimate provision	Account	1,897,319	
Deferred surrender	Account	(106,200)	
Surplus to be surrendered	Account	(76,222)	
Net vote		1,714,897	870,291
Expenditure (cash) borne elsewhere	1.1	24,854	23,779
Non cash expenditure – notional rent		2,847	2,847
Net programme cost	1	(1,740,774)	(896,836)
<b>Balance at 31 December</b>		<b>6,741</b>	<b>4,917</b>

## 2.7 Commitments

### a) Global commitments <sup>a</sup>

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	185,523	190,494
Non-capital grant programmes	10,854	1,550
Capital grant programmes	2,115,494	1,819,969
<b>Total of legally enforceable commitments</b>	<b>2,311,871</b>	<b>2,012,013</b>

Note <sup>a</sup> Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

### b) Non-capital grant programmes

	2020	2019
	€000	€000
Opening balance	1,550	1,241
Grants paid in the year	(38,434)	(13,103)
New grant commitments	51,695	13,494
Grants cancelled	(3,957)	(82)
<b>Closing balance</b>	<b>10,854</b>	<b>1,550</b>

### c) Capital grant programmes

	2020	2019
	€000	€000
Opening balance	1,819,969	1,471,877
Grants paid in the year	(686,794)	(566,665)
New grant commitments	1,121,402	995,310
Grants cancelled	(139,083)	(80,553)
<b>Closing balance</b>	<b>2,115,494</b>	<b>1,819,969</b>

**d) Major capital projects**

Capital grants involving total expenditure of €10 million or more is shown below.

	<b>Cumulative expenditure to 31 December 2019</b>	<b>Expenditure in 2020</b>	<b>Project commitments in subsequent years</b>	<b>Expected total spend lifetime of project 2020</b>	<b>Expected total spend lifetime of project 2019 <sup>a</sup></b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Agency commitments</b>					
IDA Ireland (A.5)	23,726	7,432	92,330	123,488	92,326
Enterprise Ireland (A.7)	352,997	28,290	151,755	533,042	486,703
Science Foundation Ireland (B.4)	301,313	92,664	523,481	917,458	724,392
Enterprise Ireland (B.4)	38,412	4,998	19,238	62,648	63,556
<b>Department commitments</b>					
Programme for Research in Third Level Institutions (PRTL) (B.5)	101,180	548	62	101,790	101,790
INTERREG (A.10)	6,734	4,080	10,186	21,000	21,000
Strategic Banking Corporation of Ireland loan schemes (A.14)	39,031	48,292	39,908	127,231	51,000
	<b>863,393</b>	<b>186,304</b>	<b>836,960</b>	<b>1,886,657</b>	<b>1,540,767</b>

Note <sup>a</sup> Excludes projects completed by end 2019.

**Significant variations**

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

**IDA Ireland (A.5)**

*Increase in expected total spend: €31 million*

The increase principally relates to two projects approved for €32 million and one project where the approval amount was reduced by €1 million.

**Enterprise Ireland (A.7)**

*Increase in expected total spend: €46 million*

The increase principally relates to a net increase in the value of the commitment on four projects by €13 million and five new projects with a value of €33 million.

**Science Foundation Ireland (B.4)**

*Increase in expected total spend: €193 million*

The increase relates to five new research centre projects with an average commitment of €38 million for each project.

**Enterprise Ireland (B.4)**

*Decrease in expected total spend: €1 million*

The decrease relates to one project where the approval amount was reduced by €1 million.

**Strategic Banking Corporation of Ireland loan schemes (A.14)***Increase in expected total spend: €76 million*

The increase relates to additional funding being provided to the Working Capital Scheme €12 million and €64 million to the Future Growth Loan Scheme.

**2.8 Matured liabilities**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	<b>215</b>	<b>128</b>

## 2.9 Contingent liabilities

### ***Credit guarantee schemes***

The Credit Guarantee Scheme (CGS) which became operational in 2012 and was revised in 2017, provides a state guarantee through the Department to accredited lenders of 80% on eligible loans or performance bonds to viable micro, small and medium-sized enterprises (SMEs).

The Covid-19 Credit Guarantee Scheme (CCGS) was launched in September 2020 to assist businesses that have been negatively impacted by Covid-19. The CCGS provides a state guarantee of 80% to accredited lenders on lending facilities up to a maximum of €2 billion. The Scheme was developed in accordance with the European Commission's State Aid Temporary Framework and is available to SMEs, small mid-caps (an enterprise that is not an SME but has fewer than 500 employees) and primary producers that meet the eligibility criteria.

In the case of both the CGS and the CCGS the guarantee is paid by the State (the 'guarantor') to the lender on the unrecovered outstanding principal balance on a scheme facility in the event of a borrower defaulting on the scheme facility repayments.

At 31 December 2020, a total of €113 million in loans outstanding was covered by both schemes (2019: €30.2 million). The total maximum exposure for the Department in relation to loans outstanding at 31 December 2020 was €80.067 million (2019: €5.147 million).

Businesses availing of either the CGS or the CCGS are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead A.9. Payments to the Strategic Banking Corporation of Ireland (SBCI) to operate the scheme are also paid out of this subhead.

A summary of receipts and payments related to this scheme are set out below.

	<b>2020</b>	<b>2012-2020</b>
	<b>€000</b>	<b>€000</b>
Receipts in relation to premiums paid by SMEs	179	2,714
Scheme expenditure:		
Scheme administration	(885)	(3,324)
Claims paid	(90)	(835)
Total cost of scheme	(975)	(4,159)
<b>Net cost of scheme</b>	<b>(796)</b>	<b>(1,445)</b>

### ***Other contingent liabilities***

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	33,480	28,838	27,262
ii	Travel and subsistence	875	338	889
iii	Learning and development and incidental expenses	1,543	1,461	1,628
iv	Postal and telecommunications services	311	294	370
v	Office equipment and external IT services	4,088	4,352	4,099
vi	Office premises expenses	834	613	771
vii	Consultancy services and value for money and policy reviews	1,280	889	755
viii	Advertising and information resources	362	160	223
		<b>42,773</b>	<b>36,945</b>	<b>35,997</b>

### Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

#### ii Travel and subsistence

*Estimate provision €875,000; outturn €338,000*

The impact of Covid-19 on domestic, EU and international travel from March onwards resulted in a significant saving on projected travel and subsistence expenditure.

#### vi Office premises expenses

*Estimate provision €834,000; outturn €613,000*

This underspend related to the impact of Covid-19 on planned furniture acquisition and related works.

#### vii Consultancy services and value for money and policy reviews

*Estimate provision €1.28 million; outturn €889,000*

A number of consultancy projects that had been approved for funding in 2020 did not proceed as anticipated due to delays/cancellations/reprioritisation.

#### viii Advertising and information resources

*Estimate provision €362,000; outturn €160,000*

The underspend arose primarily due to a number of communication campaigns held in December for which agreed invoices were not received until after year end.

**Programme A Jobs and enterprise development**

		2020		2019	
		Estimate provision		Outturn	
		€000	€000	€000	
A.1	Administration – pay		11,511	10,207	9,468
A.2	Administration – non pay		2,944	2,575	2,776
A.3	Agency legacy pensions		41,040	39,250	39,741
A.4	InterTrade Ireland		12,692	12,724	9,901
A.5	IDA Ireland		219,177	198,177	199,470
A.6	NSAI – grant for administration and general expenses		7,290	5,798	5,854
A.7	Enterprise Ireland				
	<i>Estimate provision</i>	895,488			
	<i>Deferred surrender</i>	23,500			
			918,988	844,487	119,431
A.8	Local enterprise development				
	<i>Estimate provision</i>	97,481			
	<i>Deferred surrender</i>	6,000			
			103,481	79,475	37,931
A.9	Temporary partial credit guarantee scheme		1,000	975	341
A.10	Matching funding for INTERREG		5,050	4,080	4,277
A.11	Subscriptions to international organisations, etc.		2,160	2,460	2,122
A.12	Commissions, committees and special inquiries		201	—	—
A.13	Legal costs and other services		155	13	13
A.14	Strategic Banking Corporation of Ireland loan schemes		56,960	48,292	8,031
A.15	Humanitarian relief scheme		251	167	6
A.16	Micro Finance Ireland				
	<i>Estimate provision</i>	41,791			
	<i>Deferred surrender</i>	3,000			
			44,791	24,790	—
			<b>1,427,691</b>	<b>1,273,470</b>	<b>439,362</b>

**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 €154.221 million lower than originally provided (inclusive of deferred surrender). There was an underspend of €1.673 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €152.548 million, was mainly due to the following.

**A.5 IDA Ireland**

*Estimate provision €219.177 million; outturn €198.177 million*

The underspend of €21 million was primarily due to an underspend of €18 million related to the Covid-19 Temporary Aid Scheme for Medicinal Products. The scheme supports research, development and production of medicinal products in Ireland in the fight against Covid-19. The evolution of the pandemic and related response in terms of public health demands, clinical data, challenges of trial enrolment, pace of regulatory approvals and the emergence of variants directly influenced investment decisions and timing. These related complexities resulted in drawdown under the scheme in 2020 being less than was anticipated. The other €3 million of the underspend in IDA's property related expenditure was as a result of the Covid-19 imposed shutdown of construction sites.

**A.6 NSAI - grant for administration and general expenses**

*Estimate provision €7.29 million; outturn €5.798 million*

The underspend of €1.492 million was due primarily to delays in recruiting additional staff that had been approved for the Authority.

**A.7 Enterprise Ireland**

*Estimate provision €918.988 million; outturn €844.487 million*

The underspend of €74.5 million included a saving in current expenditure of €2.2 million and a saving of €72.3 million on capital expenditure. In terms of current expenditure, there were savings of €1.7 million and €1.5 million on pay and non-pay respectively due primarily to delays in recruiting additional staffing resources to assist in Enterprise Ireland's response to Covid-19 and reduced expenditure on certain non-pay programmes. These savings were offset to some degree by an excess of €1 million in expenditure on pensions.

As regards capital expenditure, Enterprise Ireland received significant additional funding beyond its normal capital allocation to assist it in its response to Brexit and Covid-19. This allowed it to roll out a number of Covid-19 and Brexit focussed supports in addition to its suite of existing enterprise support programmes. The nature of these supports is that there can be a time lag between applications/projects being approved and such projects being completed and being submitted for payment. The effect of such time lags was that some €41 million of the capital moneys provided for these enterprise support programmes was not drawn down by year end.

Enterprise Ireland also generated additional own resource income (ORI) beyond what had been anticipated which enabled it to increase its contribution to its capital programme by some €31.3 million which reduced the funding required from the exchequer by this amount. The aforementioned €41 million of undrawn capital moneys and the €31.3 million in additional ORI contributions resulted in an overall capital underspend of €72.3 million.

**A.8 Local enterprise development**

*Estimate provision €103.481 million; outturn €79.475 million*

The underspend of €24 million included a saving in current expenditure of €1.3 million and a saving of €22.7 million on capital expenditure. In terms of current expenditure, additional funding was allocated to assist the Local Enterprise Offices (LEOs) in strengthening their resources as part of their response to Brexit/Covid-19. Delays in recruiting these additional staffing and related resources resulted in the €1.3 million current expenditure underspend. In terms of capital expenditure, significant additional funding was also provided to assist the LEOs to respond to Brexit/Covid-19. This allowed the LEOs to increase the funding available under a number of its existing enterprise supports and to roll out a number of additional Brexit/Covid-19 measures. EU state aid and related considerations affected the drawdown on a number of discrete LEOs supports which was the primary reason for the capital underspend of €22.7 million.

**A.10 Matching funding for INTERREG**

*Estimate provision €5.05 million; outturn €4.08 million*

Accurate forecasting of expenditure under the INTERREG programme is difficult as it is a multi-annual programme spread over seven years. Expenditure in 2020 was significantly impacted by Covid-19 which affected activity and drawdown of funding. Nevertheless, DETE's overall contribution commitment over the seven years of the current round of the programme remains at €21 million.

**A.11 Subscriptions to international organisations, etc.**

*Estimate provision €2.16 million; outturn €2.46 million*

There was an increase in Ireland's membership fee to the World Trade Organisation (WTO). This essentially is because the fee is calculated on the basis of Ireland's share of total value of trade, which has increased, together with a higher percentage rate of membership contribution being applied in 2020.

**A.12 Commissions, committees and special enquiries**

*Estimate provision €201,000; outturn €nil*

This provision primarily relates to costs associated with Joint Economic Commissions (JEC). Due to Covid-19, restrictions on international travel remain in place since March with the result that it was not possible for meetings to be scheduled with Ireland's JEC partners. The absence of such meetings prevented the formulation of applications for funding under the JEC allocation of €201,000 and resulted in no funding being drawn down.

**A.13 Legal costs and other services**

*Estimate provision €155,000; outturn €13,000*

It is prudent vote management to provide some level of contingency funding in the event that any unforeseen costs arise during the year. As it happened, the actual level of contingency expenditure was less than had been estimated.

**A.14 Strategic Banking Corporation of Ireland loan schemes**

*Estimate provision €56.96 million; outturn €48.292 million*

The main Strategic Banking Corporation of Ireland (SBCI) loans supported under this subhead are the Working Capital Scheme and the Future Growth Loan Scheme. The underspend of €8.668 million mainly related to savings on the Working Capital Scheme. This scheme operates in partnership between the Department and the Department of Agriculture, Food and the Marine and is supported by the InnovFin SME Guarantee Facility. Funding in 2020 was allocated on the premise of increasing the amount of lending under the scheme by €125 million, as approved by Government. In the event, the European Investment Fund (EIF) advised that it was only in a position to support an additional €37.5 million in lending under the scheme rather than the agreed €125 million. This reduction in the level of the guarantee by the EIF meant that only €4 million of the €12.6 million of funding allocated to the Working Capital Scheme was required in 2020.

**A.16 Micro Finance Ireland**

*Estimate provision €44.791 million; outturn €24.79 million*

Micro Finance Ireland (MFI) provides finance to micro enterprises who cannot obtain loans from commercial providers. The Department supports MFI through periodic capital injections from the DETE vote. Significant additional capital funding was provided to MFI in 2020 to support the expected increased demand for its loan products arising from Covid-19 and Brexit. MFI experienced an initial surge in demand for lending post the advent of Covid-19. Legislative amendments in the course of 2020 increased the level of capitalisation that could be provided by the Department to MFI and extended MFI's borrowing powers. This allowed MFI to provide a wider range of supports to businesses. Following the enactment of the legislative amendments, the actual amount of lending provided by MFI resumed at more normal levels with the result that MFI did not require the full level of funding allocated to it.

**Programme B Innovation**

		2020		2019	
		Estimate provision		Outturn	
		€000	€000	€000	
B.1	Administration – pay		8,574	7,806	7,290
B.2	Administration – non pay		2,644	2,207	2,443
B.3	Intellectual Property Office of Ireland		3,133	3,069	3,165
B.4	Science and Technology Development Programme				
	<i>Estimate provision</i>	330,565			
	<i>Deferred surrender</i>	6,425			
			336,990	332,490	326,034
B.5	Programme for Research in Third Level Institutions (PRTL)				
	<i>Estimate provision</i>	24,072			
	<i>Deferred surrender</i>	425			
			24,497	24,497	26,299
B.6	Subscriptions to international organisations, etc.		22,875	24,370	30,556
B.7	Commissions, committees and special inquiries		1	—	—
B.8	Legal costs and other services		160	4	4
B.9	Disruptive Technologies Innovation Fund				
	<i>Estimate provision</i>	30,000			
	<i>Deferred surrender</i>	2,800			
			32,800	19,300	15,415
			<b>431,674</b>	<b>413,743</b>	<b>411,206</b>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €17.931 million lower than originally provided (inclusive of deferred surrender). There was an underspend of €1.205 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €16.726 million, was mainly due to the following.

**B.6 Subscriptions to international organisations, etc.**

*Estimate provision €22.875 million; outturn €24.37 million*

The excess of €1.495 million arose mainly as a result of an additional €1.5 million paid to the European Space Agency (ESA) for investment in three ESA technology programmes in order to meet liabilities in respect of contracts being placed with Irish companies.

**B.8 Legal costs and other services**

*Estimate provision €160,000; outturn €4,000*

It is prudent vote management to provide some level of contingency funding in the event of any unforeseen costs arising during the year. As it happened, the actual level of contingency expenditure was considerably less than had been estimated.

**B.9 Disruptive Technologies Innovation Fund**

*Estimate provision €32.8 million; outturn €19.3 million*

The Disruptive Technologies Innovation Fund (DTIF) supports collaborations that can alter the way business operates, involve new products or the emergence of new business models etc. Collaborations under the Fund are by their nature complex. Projects being supported under the Fund encompass a total of 159 project partners involving consortia of up to 13 partners comprising of SMEs, multinationals, research performing organisations etc. The complexities of the inter dependencies of the DTIF project consortia meant that contract discussions took longer than had been anticipated. Consequently, some projects which had been approved did not commence in 2020. In addition, the impact of Covid-19 also resulted in the commencement of a further number of approved projects being delayed.

**Programme C Regulation**

		<b>2020</b>		<b>2019</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
C.1	Administration – pay	13,395	10,825	10,504
C.2	Administration – non pay	3,705	3,325	3,516
C.3	Workplace Relations Programme	19,299	15,949	18,066
C.4	Grants for trade union education and advisory services – cash limited	900	900	900
C.5	Health and Safety Authority – grant for administration and general expenses	20,502	18,122	19,297
C.6	Trade union amalgamations	60	118	—
C.7	Office of the Director of Corporate Enforcement	6,057	4,306	4,300
C.8	Competition and Consumer Protection Commission	13,836	12,700	11,842
C.9	Personal Injuries Assessment Board	246	144	408
C.10	Consumer support	70	70	67
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses	7,875	7,427	7,064
C.12	Irish Auditing and Accounting Supervisory Authority	1,942	1,220	1,442
C.13	Subscriptions to international organisations, etc.	1,320	1,419	1,118
C.14	Commissions, committees and special inquiries	186	20	80
C.15	Legal costs and other services	779	346	96
C.16	Low Pay Commission	490	574	—
		<b>90,662</b>	<b>77,465</b>	<b>78,700</b>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to programme C was €13.197 million lower than originally provided. There was an underspend of €2.95 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €10.247 million, was mainly due to the following.

**C.3 Workplace Relations Programme**

*Estimate provision €19.299 million; outturn €15.949 million*

The underspend of €3.35 million was due to a number of factors including the following.

- an underspend in relation to the superannuation and pensions for members of the Labour Court due to provision being made for the payment of pensions and gratuities in respect of a member who was eligible for retirement but who did not opt for retirement in 2020
- an underspend by the Labour Court due to Covid-19 related issues, such as no travel and subsistence expenses to attend court hearings in the regions, no room rental costs, reductions in costs of translations and interpreters and reduction in expenditure overall
- an underspend in the Employment Appeals Tribunal (EAT) due to the fact that hearings could not take place because of Covid-19 restrictions, resulting in no travel and subsistence and room rental costs
- an underspend in pay expenditure by the Workplace Relations Commission (WRC) due to delays in filling a number of vacancies, an underspend in non-pay expenditure due to Covid-19 related issues such as moving to desk-based inspections with little or no travel and subsistence expense and the consequent reduction in ancillary costs.

**C.5 Health and Safety Authority – grant for administration and general expenses**

*Estimate provision: €20.502 million, outturn: €18.122 million*

The underspend of €2.38 million on the Health and Safety Authority's (HSA) allocation resulted primarily from the impact of Covid-19. Delays in filling vacancies resulted in a pay saving of €980,000. A reduction in demand for meetings, communication, legal services, accommodation and travel and subsistence resulted in non-pay savings of €1.4 million.

**C.7 Office of the Director of Corporate Enforcement**

*Estimate provision €6.057 million; outturn €4.306 million*

The underspend of €1.751 million was made up of savings of €1.449 million on pay and €302,000 on non-pay. The €1.449 million pay underspend resulted from vacancies arising during the year as well as delays in recruiting new staff. This €302,000 non-pay underspend was as a result of an expected procurement that did not proceed in 2020.

**C.8 Competition and Consumer Protection Commission**

*Estimate provision €13.836 million; outturn €12.7 million*

The underspend of €1.136 million included €1.44 million savings on pay due to delays in filling vacancies and a number of seconded staff returning to their parent body. This underspend was offset to some degree by an excess of €300,000 in expenditure on non-pay administration costs, which was principally due to Brexit related communications, ICT updates, preparation for litigation and an unanticipated market study.

**C.9 Personal Injuries Assessment Board**

*Estimate provision €246,000; outturn €144,000*

The underspend of €102,000 was due to the fact there were no retirement lump sums paid out in 2020 instead of the two that had been provided for.

**C.11 Companies Registration Office and Registry of Friendly Societies**

*Estimate provision €7.875 million; outturn €7.427 million*

The underspend was primarily due to non-pay savings. Savings were achieved from efficiencies in certain areas including maintenance, light and heating, furniture and fitting costs, postal and printing as well as the deferment of a number of administration projects. These savings were offset by additional expenditure on IT and telecommunications costs. Overall non-pay savings of €498,000 were achieved in 2020. The non-pay savings were offset to some degree by an additional €50,000 in expenditure on pay.

**C.12 Irish Auditing and Accounting Supervisory Authority**

*Estimate provision €1.942 million; outturn €1.22 million*

The underspend of €722,000 arose mainly from delays experienced in recruiting a number of staff to the authority. At the end of the year, a total of 30 staff were employed by the Authority out of its approved complement of 36.

**C.14 Commissions, committees and special inquiries**

*Estimate provision €186,000; outturn €20,000*

The underspend of €166,000 included.

- an underspend of €86,000 on the Company Law Review Group due to the meetings all being held remotely from March, resulting in savings in meeting costs and also a legal research post remaining vacant for the year
- €80,000 in miscellaneous savings in respect of less than anticipated expenditure by Joint Labour Committees, Business Regulation Group, Sales Law Review Group, Future of Work Initiative and Company Law Inquires.

**C.15 Legal costs and other services**

*Estimate provision €779,000; outturn €346,000*

It is prudent vote management to provide some level of contingency funding in the event any unforeseen costs arising during the year. As it happened, the actual level of contingency expenditure was considerably less than had been estimated.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
<b>Employment rights and industrial relations</b>				
1	Receipts from the Social Insurance Fund	100	67	162
2	Employment permit fees	11,000	11,662	13,517
3	Employment agency licences	355	374	411
4	WRC fixed penalty notices	22	3	6
5	WRC court award costs	20	27	26
<b>Insurance and company law</b>				
6	Companies Registration Office	16,200	12,882	17,559
7	Registry of Friendly Societies	50	28	46
8	Beneficial ownership of companies and industrial and provident societies	50	32	8
<b>Trade, competition and market rights</b>				
9	Receipts under the Trade Marks Act 1963 and Patents Act 1964	9,000	9,842	9,873
10	Occasional trading licences	1	—	—
11	Competition and Consumer Protection Commission	508	436	523
12	Merger notifications	320	336	376
<b>Other</b>				
13	ODCE legal	50	—	1
14	Miscellaneous	84	581	326
15	Enterprise policy <sup>a</sup>	5,545	4,120	5,764
16	Competition and Consumer Protection Commission <sup>b</sup>	1,500	1,555	1,884
17	PIAB superannuation	1,168	1,152	1,129
18	HSA superannuation	—	98	—
19	Temporary Loan Guarantee Scheme	408	179	415
20	Expert Group on Future Skills Needs	557	448	453
21	Receipts from additional superannuation contributions on public service remuneration	5,770	5,959	6,498
<b>Total</b>		<b>52,708</b>	<b>49,781</b>	<b>58,977</b>

Note <sup>a</sup> Enterprise policy shows amounts received from current and former enterprise agencies in relation to staff pension contributions and INTERREG-ERDF reimbursement. The agencies are InterTrade Ireland, IDA, EI, SFI and the former SFADCo.

<sup>b</sup> Receipts under this line are in part-recoupment of the expenditure under subhead C.8.

**Significant variations**

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall appropriations-in-aid were €2.927 million lower than the estimate. Explanations for variances are set out below:

**2 Employment permit fees**

*Estimate €11 million; realised €11.662 million*

The excess of €662,000 in receipts was because there continues to be strong demand in the labour market for applicants with the required skills and experience to supplement Ireland's skill stock.

**6 Companies Registration Office**

*Estimate €16.2 million; realised €12.882 million*

The shortfall of €3.318 million was primarily due to a reduction in income generated from late filing fees. In light of the impact of Covid-19 on businesses, the CRO suspended the application of late fees for those deadlines that fell during the height of 'lockdown'.

**9 Receipts under the Trade Marks Act 1963 and Patents Act 1964**

*Estimate €9 million; realised €9.842 million*

The increase of €842,000 was primarily due to fee income from the renewal of European patent applications being greater than anticipated.

**14 Miscellaneous**

*Estimate €84,000; realised €581,000*

Due to the nature of miscellaneous receipts, it is difficult to accurately estimate them in any one year. A significant portion of the receipts (€472,000) related to the Intellectual Property Office of Ireland's participation in some European Patent Office and European Intellectual Property Office co-operation activities and programmes.

**15 Enterprise policy**

*Estimate €5.545 million; realised €4.12 million*

The shortfall of €1.425 million arose mainly from a reduction in both expected reimbursements of expenditure on the INTERREG programme and expected pension receipts from a number of the Department's existing and former enterprise agencies. As regards the INTERREG programme there was a shortfall of €1.12 million in expected reimbursements from the ERDF. This shortfall was a direct consequence of the underspend under the programme caused by the advent of Covid-19 which in turn reduced the amount of the reimbursement that could be recouped from the ERDF.

The other €300,000 of the shortfall related to pension receipts from a number of existing and former agencies of the Department being less than what had been estimated. There were varied reasons for the reductions in these receipts including an increase in the numbers of staff leaving/retiring, new staff paying contributions centrally as members of the Single Scheme etc.

**19 Temporary Loan Guarantee Scheme**

*Estimate €408,000; realised €179,000*

The Credit Guarantee Scheme provides a state backed guarantee on loans under the scheme. Loans taken under the scheme require that a small premium is paid.

The shortfall in receipts in 2020 occurred for two reasons:

- Following the onset of the Covid-19, it was decided to introduce a new Credit Guarantee Scheme (CGS) which would be more widely available and offer cheaper loans. Businesses availed of other government backed loan schemes and wider business supports while this scheme was being developed. This gave rise to a fall-off in demand for the traditional CGS and thus reduced premiums on new business in relation to the scheme. Premiums were principally received in respect of existing loans.
- The Covid-19 CGS was developed with an operational change in the collection of premiums. Rather than premiums being paid to the Strategic Banking Corporation of Ireland (SBCI) and remitted to the Department on a monthly basis, lenders now collect premiums directly from their customers and remit them to SBCI on a quarterly basis. This can give rise to a timing difference between collection and funds being remitted to the Department. The Covid-19 CGS was launched in September 2020, as a result premiums will begin to be received by the Department in 2021.

**20 Expert Group on Future Skills Needs**

*Estimate €557,000; realised €448,000*

A number of the group's expected projects were delayed due to Covid-19, which resulted in reduced expenditure and a consequent reduction in recoupment of expenses from the National Training Fund.

**4.2 Extra receipts payable to the Exchequer**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Local Enterprise – current <sup>a</sup>	1	131
Local Enterprise – capital <sup>b</sup>	16	—
Personal Injuries Assessment Board (PIAB) <sup>c</sup>	—	9,000
Enterprise Ireland – excess own resource income <sup>d</sup>	10,789	—
Enterprise Ireland – return of unused 2020 Restart grant <sup>e</sup>	2,795	—
Miscellaneous	6	—
Transferred to the Exchequer	<u>(13,607)</u>	<u>(9,131)</u>
<b>Balance at 31 December</b>	<b><u>—</u></b>	<b><u>—</u></b>

Note <sup>a</sup> Local Enterprise Offices - current: this related to unused funds in subhead A.8 for pay and non-pay in 2019.

<sup>b</sup> Local Enterprise Offices - capital: this related to unused funds in subhead A.8 for particular capital programmes in 2019.

<sup>c</sup> The PIAB generates its funding income from fees charged to claimants and respondents. In accordance with an audit recommendation, the PIAB (Amendment) Act 2019 set out the policy of revenue reserves to be followed by PIAB. The Act also obliges PIAB to submit moneys in excess of its prescribed reserves threshold to the Minister for the benefit of the Exchequer. In advance of the final determination of PIAB's requisite revenue reserves threshold, the sum of €9 million was forwarded to the Department in recognition of PIAB's legal obligation under the 2019 Act.

<sup>d</sup> Enterprise Ireland – excess own resource income: this relates to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by PER for their own use in 2020.

<sup>e</sup> Enterprise Ireland – return of unused 2020 Restart grant: this represents the return of unused 2020 Restart grant funding to Enterprise Ireland from a number of local authorities, who in turn have returned the moneys in the form of an extra Exchequer receipt in accordance with the PER sanction.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department and Offices:		
Department <sup>a</sup>	508	475
Intellectual Property Office of Ireland	45	42
Workplace Relations Commission	180	174
Office of Director of Corporate Enforcement	37	35
Companies Registration Office	125	115
Labour Court	35	31
	<b>930</b>	<b>872</b>
Agencies <sup>b</sup>	1,772	1,615
	<b>2,702</b>	<b>2,487</b>

- Notes
- <sup>a</sup> Includes the staff of the Secretariat of the Low Pay Commission.
- <sup>b</sup> Includes employees of the Personal Injuries Assessment Board, a non-commercial state agency that, aside from a pension provision, is not in direct receipt of Exchequer funding.

### 5.2 Pay – Department, Offices and Agencies

	2020	2019
	€000	€000
Pay	172,050	164,724
Higher, special or additional duties allowances	870	2,467
Other allowances	2,561	3,450
Overtime	230	896
Employer's PRSI	13,642	11,764
<b>Total pay</b>	<b>189,353</b>	<b>183,301</b>

The remuneration arrangements refer to the pay element of Subheads A.1, A.4, A.5, A.6, A.7, B.1, B.3, B.4, C.1, C.3, C.5, C.7, C.8, C.11, C.12 and C.16.

**5.3 Department**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Pay <sup>a, b</sup>	46,553	44,865
Higher, special or additional duties allowances	622	671
Other allowances	1,129	750
Overtime	133	342
Employer's PRSI	3,431	3,186
<b>Total pay <sup>c</sup></b>	<b>51,868</b>	<b>49,814</b>

- Notes
- <sup>a</sup> Includes pension payments to 24 former members of the Labour Court, the Competition Authority, the National Consumer Agency (now known as the Competition and Consumer Protection Commission).
  - <sup>b</sup> Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.
  - <sup>c</sup> Total pay includes administration pay (A.1, B.1 and C.1) and the pay elements of the Offices of the Department (B.3, C.3, C.7, C.11 and C.16). The amount included for pay in Note 1 refers to administrative subheads only.

**5.4 Allowances and overtime payments – Department staff**

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	38	11	46,078	48,086
Other allowances	78	21	90,810	79,911
Overtime	109	—	8,415	18,207
Extra remuneration in more than one category	26	5	47,379	47,240

## 5.5 Agencies

The agencies included here are the Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority Ireland, InterTrade Ireland, Irish Auditing and Accounting Supervisory Authority and Science Foundation Ireland.

The pay expenditure of the agencies is not a direct financial transaction of the Department and as such the Department does not hold detailed pay and allowance information in respect of agency staff. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements/annual reports or directly from the agencies concerned.

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Pay	125,497	119,859
Higher, special or additional duties allowances	248	1,796
Other allowances	1,432	2,700
Overtime	97	554
Employer's PRSI	10,211	8,578
<b>Total pay</b>	<b>137,485</b>	<b>133,487</b>

## 5.6 Allowances and overtime payments - Agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	53	8	52,389	44,212
Other allowances	266	21	28,702	31,462
Overtime	56	2	23,214	27,803
Extra remuneration in more than one category	6	1	9,951	16,757

## 5.7 Other remuneration arrangements

A company car was provided to the CEO of Enterprise Ireland.

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €78,587. The payments made were consistent with the principles of the Public Service (Single Scheme and other provisions) Act 2012.

This account includes expenditure of €82,032 in respect of one officer who was serving outside the Department for 2020 and whose salary was paid by the Department.

### 5.8 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	61	200,412	235,712
Recovery plans in place	31	116,934	130,457 <sup>a</sup>

Five overpayment recovery plans in respect of three individuals to the value of €1,984 were transferred to three other departments in the year.

Note <sup>a</sup> Figures restated for 2019

### 5.9 Severance/redundancy

During 2020, three staff members received severance and redundancy payments due to changes of Ministers to the Department. These payments totalled €52,270.

## Note 6 Miscellaneous

### 6.1 EU funding

The Department, and the following bodies under the aegis of the Department received EU aid directly as shown below.

Subhead	Description	2020	2019
		Outturn €000	Outturn €000
A.4	InterTrade Ireland	911	396
A.10	Matching funding for INTERREG	880	2,215
B.3	Intellectual Property Office of Ireland	707	270
B.4	Science Foundation Ireland	254	249
B.4	Enterprise Ireland	1,014	4,287
C.5	Health and Safety Authority	31	16
		<b>3,797</b>	<b>7,433</b>

### 6.2 Commissions, committees and special inquiries

	Year of establishment	2020	2019
		€000	€000
<b>Permanent/open-ended</b>			
Joint Labour Committees	1946	6	17
Company Law Review Group	2000	14	36
The Future of Work Initiative	2017	—	14
Sales Law Review Group	2009	1	—
Departmental Audit Committee	2004	2	3
Business Regulation Group	2006	—	10
		<b>23</b>	<b>80</b>

### 6.3 Compensation and legal costs

					2020	2019
	Number of cases	Legal costs paid by the Department €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
<b>Claims by employees against:</b>						
Department	6	—	—	100	100	5
<b>Claims by members of the public against:</b>						
Workplace Relations Commission	1	24	—	—	24	—
Labour Court	—	—	—	—	—	15
Employment permits	2	—	69	—	69	57
	<b>9</b>	<b>24</b>	<b>69</b>	<b>100</b>	<b>193</b>	<b>77</b>

### 6.4 Employment and training levy

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department of Enterprise, Trade and Employment continues to receive amounts relating to historical payments of the levy. The Employment and Training Levy is collected by the Office of the Revenue Commissioners and paid over to the Department of Enterprise, Trade and Employment monthly. The moneys are in turn paid over to the Exchequer.

Statement of payments made in accordance with Section 25(1) of the Labour Services Act 1987.

	2020 €000	2019 €000
Received from Revenue Commissions	33	26
Paid into the Exchequer	32	26

### 6.5 Late payment penalties

	2020 €000	2019 €000
Interest and compensation	<u>27</u>	<u>4</u>

## **Appendix A Accounts of bodies and funds under the aegis of the Department of Enterprise, Trade and Employment**

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

<b>Body/Departmental fund</b>	<b>Last accounting period</b>	<b>Date of audit report</b>	<b>Date received by Minister/ Department</b>	<b>Date presented to the Oireachtas</b>
IDA Ireland	2019	9 Jun 2020	11 Jun 2020	9 Jul 2020
National Standards Authority of Ireland	2019	30 Jun 2020	7 Jul 2020	5 Aug 2020
Enterprise Ireland	2019	24 Jun 2020	30 Jun 2020	17 Jul 2020
Science Foundation Ireland	2019	29 Jun 2020	14 Jul 2020	25 Aug 2020
Health and Safety Authority	2019	24 Dec 2020	12 Jan 2021	21 Jan 2021
Competition and Consumer Protection Commission	2019	10 Jul 2020	24 Jul 2020	28 Jul 2020
Personal Injuries Assessment Board	2019	4 Jun 2020	30 Jun 2020	29 Jul 2020
Irish Auditing and Accounting Supervisory Authority	2019	15 Jun 2020	16 Jun 2020	22 Jun 2020
InterTrade Ireland	2019	11 Dec 2020	11 Mar 2021	—