

## **Vote 38: Social and Family Affairs**

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## Introduction

As Accounting Officer for Vote 38, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2009 for the salaries and expenses of the Office of the Minister for Social and Family Affairs, for certain services administered by that Office, and for certain grants including a grant-in aid.

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

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

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

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

### **Statement on Internal Financial Control**

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Social and Family Affairs.

**BERNADETTE LACEY**

Accounting Officer  
Department of Social and Family Affairs  
31 March 2010

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Social and Family Affairs 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 Social Protection. 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.

I am required, under section 3 (5) of the Comptroller and Auditor General (Amendment) Act 1993, to refer in my audit certificate on an Appropriation Account to any material level of payment in excess of entitlement included in the charge to that account.

Chapter 32 of my annual report outlines the estimated range of payments in excess of entitlement included in the Appropriation Account.

Chapters 31, 33, 34 and 35 of my annual report refer to certain other matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

A handwritten signature in blue ink, appearing to read 'John Buckley', with a long horizontal stroke extending to the right.

**JOHN BUCKLEY**

Comptroller and Auditor General

7 September 2010

## Vote 38 Social and Family Affairs Appropriation Account 2009

Service	2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000
<b>Administration</b>			
A.1. Salaries, wages and allowances	229,036	237,089	214,754
A.2. Travel and subsistence	3,892	3,166	4,320
A.3. Incidental expenses	11,243	7,212	8,143
A.4. Postal and telecommunications services	18,155	18,813	18,286
A.5. Office machinery and other office supplies and related services	34,810	30,594	31,484
A.6. Office premises expenses	12,780	10,750	12,122
A.7. Consultancy services	1,131	1,146	1,920
A.8. Payments for agency services	67,347	64,156	63,625
- eGovernment - REACH*	—	—	4,518
A.9. Value for money and policy reviews	340	321	266
A.10. eGovernment related projects	8,940	1,276	2,671
<b>Social Assistance</b>			
B. State Pension (Non-Contributory)	981,715	1,000,546	972,765
C. Blind Pension	16,548	16,277	16,319
D. Child Benefit	2,500,140	2,495,304	2,453,957
E. Jobseeker's Allowance	2,190,230	2,004,556	1,158,851
F. Farm Assist scheme	87,672	93,297	84,881
G. Employment Support Services	180,394	193,888	160,531
H. Pre-retirement Allowance	105,757	96,606	117,666
I. One-parent Family Payment	1,101,341	1,121,344	1,067,158
J. Widows'/ Widowers' Pension and Guardian's Payment (Non-Contributory)	24,490	27,299	28,328
K. Social Assistance / Deserted Wives without Dependent Children	6,130	6,044	6,631
L. Family Income Supplement	211,630	167,133	170,309
M. Carer's Allowance	483,261	502,469	450,260
N. Supplementary Welfare Allowances	1,114,562	1,031,950	866,941
O. Disability Allowance	1,090,960	1,142,769	1,052,660
P. Respite Care Grant	112,200	99,200	98,204
Q. Free Schemes (Assistance)	368,289	353,166	324,110
R. Money Advice & Budgeting Service**	17,934	17,041	16,217
S. Grant to Family Support Agency	35,707	34,660	35,981
T.1. Combat Poverty Agency***	4,088	1,564	4,114
T.2. EU Community Action Programme for Employment and Social Solidarity (PROGRESS) 2007-2013	90	21	—
U. Grant to the Citizens Information Board**	28,112	28,005	29,468

Service	2009 Estimate provision	2009 Outturn	2008 Outturn
<b>Social Assistance - continued</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
V. Dormant accounts - economic and social disadvantage	1,000	642	—
W. Domiciliary Care Allowance	41,000	31,017	—
X. Miscellaneous services	39,168	38,231	40,631
<b>Gross Expenditure</b>	<b>11,130,092</b>	<b>10,877,552</b>	<b>9,518,091</b>
<b>Deduct</b>			
Y. Appropriations-in-aid	213,083	219,040	190,051
<b>Net Expenditure</b>	<b>10,917,009</b>	<b>10,658,512</b>	<b>9,328,040</b>
<b>Surplus to be surrendered</b>		<b>€258,497,235</b>	<b>€119,176,560</b>

\*Responsibility for the Public Services Broker (the REACH project) was transferred to the Department of Finance with effect from 1 April 2008.

\*\*The Money Advice and Budgeting Service was transferred to the Citizen's Information Board during 2009.

\*\*\*The Combat Poverty Agency was dissolved on 1 July 2009 and its functions and staffing were integrated into the Department's Social Inclusion Division.

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			374,523	362,109
Expenditure on services and programmes			10,503,029	9,155,982
<b>Gross expenditure</b>			<b>10,877,552</b>	<b>9,518,091</b>
Deduct				
<b>Appropriations in aid</b>			<b>219,040</b>	<b>190,051</b>
<b>Net expenditure</b>			<b>10,658,512</b>	<b>9,328,040</b>
<b>Changes in capital assets</b>				
Purchases cash		(9,204)		(12,891)
Depreciation		15,837		15,055
Loss on disposals		13	6,646	111
<b>Changes in assets under development</b>				
Cash payments			(17,325)	(12,777)
<b>Changes in net current assets</b>				
Decrease in closing accruals		(1,588)		1,411
Increase in stock		(323)	(1,911)	83
<b>Direct expenditure</b>			<b>10,645,922</b>	<b>9,319,032</b>
Net allied services expenditure	1.1		36,637	28,555
Notional rents			16,458	17,409
<b>Total operating cost</b>			<b>10,699,017</b>	<b>9,364,996</b>

#### 1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 38 borne elsewhere

Vote		2009 €000	2008 €000
7	Superannuation and Retired Allowances	27,950	19,771
10	Office of Public Works	8,453	8,537
20	Garda Síochána	176	190
	Central Fund - Ministerial etc. pensions	58	57
		<b>36,637</b>	<b>28,555</b>

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

	Note	2009 €000	2008 €000
<b>Capital Assets</b>	2.1	50,843	55,147
<b>Capital Assets under Development</b>	2.2	27,659	12,623
		<u>78,502</u>	<u>67,770</u>
<b>Current Assets</b>			
Bank and cash	2.3	48,950	15,902
Stocks	2.4	1,739	1,416
Prepayments		2,332	2,418
Accrued income		7	—
Other debit balances	2.5	12,033	3,154
Net Liability from/(to) the Exchequer	2.7	23,855	(93,785)
<b>Total Current Assets</b>		<u>88,916</u>	<u>(70,895)</u>
<b>Less Current Liabilities</b>			
Accrued expenses		15,798	17,474
Other credit balances	2.6	84,838	(74,729)
<b>Total Current Liabilities</b>		<u>100,636</u>	<u>(57,255)</u>
<b>Net Current Liabilities</b>		(11,720)	(13,640)
<b>Net Assets</b>		<u>66,782</u>	<u>54,130</u>

**2.1 Capital Assets**

	<b>Office Equipment</b>	<b>Furniture and Fittings</b>	<b>Totals</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2009	220,348	27,865	248,213
Transfers <sup>1</sup>	273	169	442
Additions	9,774	1,709	11,483
Disposals	(214)	(164)	(378)
Cost or valuation at 31 December 2009	<u>230,181</u>	<u>29,579</u>	<u>259,760</u>
<b>Accumulated Depreciation</b>			
Opening balance at 1 January 2009	173,122	19,944	193,066
Depreciation on transfers	225	154	379
Depreciation for the year	14,078	1,759	15,837
Depreciation on disposals	(209)	(156)	(365)
Cumulative depreciation at 31 December 2009	<u>187,216</u>	<u>21,701</u>	<u>208,917</u>
<b>Net Assets at 31 December 2009</b>	<u>42,965</u>	<u>7,878</u>	<u>50,843</u>
<b>Net Assets at 31 December 2008</b>	<u>47,226</u>	<u>7,921</u>	<u>55,147</u>

<sup>1</sup>Following the dissolution of the Combat Poverty Agency on 1 July 2009 and the integration of its functions and staffing into the Department's Social Inclusion Division, fixed assets with a value at cost of €441,013 transferred to the Department.

A fixed asset with a value at cost of €1,068 transferred from the Property Registration Authority to the General Registry Office in June 2009.

**2.2 Capital Assets under Development**

	<b>In-House Computer Applications</b>
	<b>€000</b>
Amounts brought forward at 1 January 2009	12,623
Cash payments for the year	17,325
Transferred to asset register	(2,289)
Amounts carried forward at 31 December 2009	<u>27,659</u>

**Note:** Cash payments do not include in-house developed software which is fully developed during the course of the year.

<b>2.3 Bank and Cash</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
An Post balance <sup>1</sup>	237,972	91,369
PMG balances and cash	(184,273)	(70,314)
Orders outstanding	(4,749)	(5,153)
	<u>48,950</u>	<u>15,902</u>
	<u><u>48,950</u></u>	<u><u>15,902</u></u>
<b>2.4 Stocks</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Stationery	1,726	1,372
IT consumables	13	44
	<u>1,739</u>	<u>1,416</u>
	<u><u>1,739</u></u>	<u><u>1,416</u></u>
<b>2.5 Other Debit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Advances to An Post for postage expenditure	885	1,092
Advances to OPW for office furniture and electrical work	808	220
Other debit suspense items	10,212	1,753
Other recoupable expenditure	128	89
	<u>12,033</u>	<u>3,154</u>
	<u><u>12,033</u></u>	<u><u>3,154</u></u>

<sup>1</sup>As agreed with An Post, both Vote 38 and the Social Insurance Fund (SIF) make payments in advance to An Post to meet scheme expenditure. At 31 December 2009, Vote 38 had a recorded balance of €237.9 million paid to An Post and the SIF had a recorded balance of €69.6 million due to An Post. The net combined amount held by An Post for Vote 38 and SIF was €168.3 million.

<b>2.6 Other Credit Balances</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>
at 31 December		€000	€000
<b>Amounts due to the State</b>			
Income Tax		2,083	2,141
Superannuation Contributions		368	306
Pay Related Social Insurance		1,811	1,230
Interstat Value Added Tax		49	32
Withholding Tax		1,798	483
Extra exchequer receipts		75	33
		<u>6,184</u>	<u>4,225</u>
Payroll Deductions		2,386	1,995
PARP Suspense	6.5	7,000	—
Due to/(from) Social Insurance Fund in respect of Jobseeker's and Free Scheme Payments		68,991	(93,878)
Other credit suspense items		277	12,929
		<u>84,838</u>	<u>(74,729)</u>
		<u><u>84,838</u></u>	<u><u>(74,729)</u></u>

<b>2.7 Net Liability (from)/to the Exchequer</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Surplus to be surrendered	258,497	119,177
Exchequer grant undrawn	(282,352)	(25,392)
Net liability (from)/to the Exchequer	<u>(23,855)</u>	<u>93,785</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Debit balances: suspense	12,033	97,032
Bank and cash	48,950	15,902
	<u>60,983</u>	<u>112,934</u>
<b>Creditors</b>		
Due to State	(6,184)	(4,192)
Credit balances: suspense	(78,654)	(14,957)
	<u>(84,838)</u>	<u>(19,149)</u>
	<u>(23,855)</u>	<u>93,785</u>
<b>2.8 Commitments</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Total of legally enforceable commitments likely to materialise in subsequent years	53,958	39,804

### 3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided	Explanation
€000		
A.3.	4,031	The Department's contingency allocation, which is used to cater for unforeseen circumstances, is held in this subhead. The saving in 2009 was due to the Department's contingency not being required.
A.10.	7,664	Following the introduction of new arrangements for IT and Telecommunications expenditures in February 2009 (arising from a Government Decision of July 2008 aimed at reducing risks and achieving better value-for-money), formal sanction was required in order to proceed with all ICT related projects, including eGovernment projects. As the required sanction for the Public Services Card project was only received in October, 2009, this project was not advanced sufficiently for any major spending to be incurred during 2009.
E.	185,674	The underspend was due to a lower than expected average number of recipients of the scheme.
F.	(5,625)	This subhead incurred an overspend due to a higher than expected number of recipients, which resulted in higher average payment values.
G.	(13,494)	There was an overspend under this subhead due to the Back to Education Allowance having higher than expected average payment values. This was offset by a lower than expected average number of recipients under the Back To Work Allowance scheme.
H.	9,151	The saving was due to lower than expected average number of recipients.
J.	(2,809)	The overspend under this subhead was due to a higher than expected average number of recipients.
L.	44,497	This subhead incurred an underspend due to a lower than expected number of recipients, which resulted in lower average payment values.
N.	82,612	Under this subhead, the Basic Supplementary Welfare Allowance and the Exceptional and Urgent Needs Payments had lower than expected average number of recipients. The number of recipients of SWA Rent Allowance and Mortgage Interest was higher than expected.
P.	13,000	There was a lower than expected average number of recipients under this subhead.
T.1.	2,524	The Combat Poverty Agency was dissolved and integrated into the Department in July 2009. The expenditure for 2009 relates only to the first half of the year.
V.	358	This subhead incurred an underspend as there was a slower than expected uptake of the scheme by applicants.
W.	9,983	For this scheme there was a lower than expected average number of recipients.

## 4 Receipts

4.1 Appropriations-in-aid	2009	2009	2008
	Estimated	Realised	Realised
	€000	€000	€000
1 Recovery of administration expenses from the Social Insurance Fund	181,000	181,000	165,300
2 Recoveries of Social Assistance overpaid	9,300	14,175	12,761
3 Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	5,600	9,545	8,244
4 Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare Consolidation Act, 2005	1,500	851	1,150
5 Receipts from the General Registry Office	550	718	562
6 Dormant Accounts Receipts	1,000	—	—
7 Receipts from European Social Fund for activation and participation of people with disabilities	1,500	232	250
8 Miscellaneous	1,000	3,164	1,784
9 Receipts from Pension-related Deduction on Public Service Remuneration	11,633	9,355	—
<b>Total</b>	<b>213,083</b>	<b>219,040</b>	<b>190,051</b>

**Note:** Included in the Miscellaneous Receipts is the amount of €77,854 received from the Combat Poverty Agency following its dissolution and the integration of its functions and staff into the Department's Social Inclusion Division.

### Explanation of significant variations

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

Heading	Less/(more) than estimated	Explanation
	€000	
2.	(4,875)	Receipts under this heading cannot be accurately forecasted.
3.	(3,945)	Receipts under this heading cannot be accurately forecasted.
4.	649	Receipts under this heading cannot be accurately forecasted.
5.	(168)	Receipts under this heading cannot be accurately forecasted.
6.	1,000	No receipts were received as the associated scheme did not progress as quickly as expected.
7.	1,268	The refund from ESF was less than originally forecasted due to lower than expected expenditure as the inter-agency aspect of the project did not progress as anticipated.
8.	(2,164)	Receipts under this heading cannot be accurately forecasted.
9.	2,278	Receipts under this heading were lower than expected mainly due to the amended pension related deduction rates in May 2009.

**4.2 Extra receipts payable to the Exchequer**

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Conscience Money <sup>1</sup>	67	13
Witness Expenses <sup>2</sup>	16	4
Family Support Agency surplus from 2007	—	1,900
Citizen's Information Board - disposal of property	—	1,045
	<b>83</b>	<b>2,962</b>

<sup>1</sup>Conscience Money includes amounts of €8,616 and €16,777 in respect of 2007 and 2008, respectively

<sup>2</sup>Witness Expenses includes an amount of €7,858 in respect of 2008

**5 Employee Numbers and Pay**

	<b>2009</b>	<b>2008</b>
<b>Number of staff at year end</b> (full time equivalents)	4,690	4,459
	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Pay	217,294	198,449
Higher, special or additional duties allowances	698	648
Other allowances	691	432
Overtime	7,677	5,842
Employer's PRSI	10,729	9,513
<b>Total pay</b>	<b>237,089</b>	<b>214,884</b>

**5.1 Allowances and Overtime Payments**

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2009</b>	<b>Maximum individual payment 2008</b>
			<b>€</b>	<b>€</b>
Higher, special or additional duties	411	19	32,899	28,543
Other allowances	115	17	14,656	13,921
Overtime	2,713	125	25,940	24,864

**Note:** Certain individuals received extra remuneration in more than one category.

## **5.2 Performance and Merit Payments**

A total of €33,141 was spent on the Input scheme with awards made to 15 officers.

A total of €212,455 was awarded to Departmental staff for merit awards as allowed for under the Administrative Budget Scheme, comprising awards to 24 individuals ranging from €300 to €750 and 22 teams ranging from €200 to €750 per team member.

## **5.3 Other Remuneration Arrangements**

Payments totalling €9,000 were paid to 3 staff in respect of a decentralisation training allowance as per Department of Finance Circular 19/2007.

A member of staff received €2,250 in respect of membership of the Legal Aid Board.

## 6 Miscellaneous Items

### 6.1 Recovery of overpayments

Recoveries of Assistance overpayments amounting to €14,175,379 in cash refunds and by withholding from the Social Insurance Fund (Benefit) entitlements have been accounted for under Subhead Y. In addition, recoveries amounting to €9,416,885 were made by deductions from Assistance entitlements.

The summary position on Assistance overpayments at 31 December 2009 was as follows:

Subhead	2009 Outturn €000	2008 Outturn €000
Overpayments outstanding	191,167	174,884
Adjustment for prior years*	(741)	1,360
Net Overpayments recorded	45,604	36,360
	236,030	212,604
Less:		
Amounts recovered	23,592	18,318
Amounts written off as irrecoverable	6,966	3,119
	30,558	21,437
Overpayments outstanding	205,472	191,167

\*Adjustments are made to reflect retrospective amendments previously permitted in the ODM system along with a prior year accounting error. These issues have since been rectified and the 2010 opening balance will not require an adjustment.

### 6.2 Compensation

Compensation and associated legal and miscellaneous costs totalling €67,454 were paid in 10 cases of personal injury claims and other settlements in respect of employees.

Payments totalling €25,551 in respect of legal expenses, damages and costs in 8 instances were made in relation to personal injuries sustained on Departmental property and other cases.

A payment of €60,000 was paid as part of personal legal and compensation payments, in respect of settlement of a case being taken against the Department at the Employment Appeals Tribunal.

Ex-gratia payments and legal costs totalling €127,773 were made in respect of Disability Allowance, Child Benefit, Carer's Allowance and Maintenance Recovery.

### 6.3 Administrative Budget Carry Forward

As agreed with the Department of Finance under the Administrative Budget scheme, a carry forward from 2009 of savings to the value of €2,814,000 is included in the Estimates for 2010.

### 6.4 EU Funds

An amount of €231,857 was received from the EU in respect of the Disability Activation Project. The project is a cross agency programme co-funded by the Department and the European Social Fund, Human Capital Investment Operational Programme 2007-2013.

### 6.5 PARP Suspense Account

In order to facilitate the introduction of a new Payment and Agency Reconciliation Platform (PARP) in 2009, it was necessary to open two new suspense accounts for Vote 38 and the Social Insurance Fund. At 31 December 2009 the balance in the Vote Suspense account showed a credit balance of €6,999,575 and was due to the Social Insurance Fund. The balance on the Social Insurance Fund Suspense Account shows a debit balance of €8,383,567. This includes the amount owed from the Vote Suspense account.

In consultation with the Department of Finance amounts of €576,614 and €431,800 were charged to Vote 38 and the Social Insurance Fund (SIF) respectively, in 2009 in order to clear historical amounts and balances held in suspense pending resolution. Due to the age, complexity and volume (3,799 items with a value of €1,008,414) of the amounts involved it was impractical to research and post individual amounts. Accordingly the suspense amounts have been brought to account on an annual analytical expenditure basis and the appropriate expenditure headings on both Vote 38 and SIF has been adjusted.

At 31 August 2010 the retained balance of unresolved PARP suspense variances was €1,521,753. Significant progress had been made in identifying these amounts and a request for Department of Finance sanction to make the appropriate and final accounting adjustments was at an advanced stage.

### 6.6 Other

Misappropriation of public monies totalling €195,471 for fraudulent claiming of overtime was assessed against a member of staff over a period from 2001 - 2009. It is estimated that the full amount will be recouped by 2014.