

Appropriation Account 2020

Vote 37

Social Protection

Introduction

As Accounting Officer for Vote 37, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2020 for the salaries and expenses of the Office of the Minister for Social Protection, for certain services administered by that Office for payments to the Social Insurance Fund (SIF) and for certain grants.

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 (the Further Revised Estimates was voted on by Dáil Éireann on the 18 November 2020), 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 €861.943 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.

Provision of agency services

The Department continues to act as a paying agent of the Department of Finance for the purpose of the discharge of the approved liabilities of the Waterford Crystal pensioners' lump sum payments and Waterford Crystal ongoing pension payments, under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No.2) Act 2014. Funding is drawn down by the Department from the Central Fund and transferred by the Department to the National Shared Services Office, who commenced processing the individual payments from October 2017. The amounts paid are reported by the Department of Finance in the Finance Accounts.

Emergency measures

A total of €5 billion was paid out in 2020 in relation to the Pandemic Unemployment Payment, introduced in March 2020. €1.3 billion was paid from Vote 37 and the balance (€3.7 billion) was paid from the Social Insurance Fund.

The Revenue Commissioners administered the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS) on behalf of the Department. Payments totaling €4.07 billion have been charged to Vote 37 for 2020 — €2.7 billion in relation to TWSS which operated from March to August 2020 and €1.37 billion in relation to EWSS which operated from 1 September 2020.

Further details of emergency measures are included in the SIFC below.

Transfer of functions

Responsibility for employment affairs was transferred on 14 October 2020 from this Department to the Department of Enterprise, Trade and Employment (DETE). This Department's name changed from the Department of Employment Affairs and Social Protection to the Department of Social Protection.

The functions transferred included responsibility for the Low Pay Commission and related EU and international functions. In line with the accounting arrangements set out by Government Accounting, the *Revised Estimates for Public Services 2020* reflects the transfer of the Department functions on a full year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full year basis. The full year estimate of gross pay and non-pay allocations associated with the transfer of functions was €1.553 million.

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.

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows.

- Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayments receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.
- Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a bank holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments. In addition, under new banking arrangements implemented during 2020, the Department issues funds to the bank one day in advance of customer payments. These funding payments are also included in scheme prepayments.

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 human resources and payroll shared service.

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

Control of capital assets

A multi-year plan to address asset identification including write off and transfers, asset tagging and periodic inventories, which began implementation in 2019, was continued in 2020.

The Department continued its review of the asset register during 2020. This resulted in the identification of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings assets with individual values of under €1,000. Prior to 2019, the Department had capitalised assets less than the €1,000 threshold. Approximately €35.2 million of these categories of assets were written off in 2020. The net book value of these assets is nil. Ongoing data cleansing of the asset register is in progress to ensure assets can be traced from the asset register back to a physical inventory or equivalent.

A new tag/barcode format was developed in 2019 in conjunction with our IT support contractors. The asset barcode format is compatible with future Financial Management Shared Services plans. The Department produced tags for 2018 and 2019 additions, and these were attached to relevant assets during 2020. Due to the ongoing Covid-19 related restrictions, no further tags were produced. Tagging of assets will recommence later in 2021.

Scheduled weekly inventory scans of IT hardware and software were completed by the Lansweeper system. The Department can run reports on a weekly, monthly or ad hoc basis to ascertain what IT assets are linked to the Department's network.

Following the major review of the asset register detailed above, the Department plans, in 2021, to send inventory details to business areas to verify existence of furniture and fittings. This process has been delayed by the ongoing pandemic and the subsequent working arrangements for many Departmental staff. Once resumed, this process will be completed on a rotational basis to ensure coverage of all areas over several years.

DPER circular 27/2019 states that assets which cost less than €10,000 should not be included in the statement of capital assets in the appropriation accounts. It was recognised that, due to the impact of the pandemic in 2020 and delays in the finalisation of some matters arising from the new capital asset policy, not all Departments would report on the basis of these new arrangements for the 2020 account. Accordingly, Departments may, on a once-off basis, continue to report on the old threshold of €1,000 for the 2020 account. As provided for in circular 1 of 2020, the Department applied a threshold of €1,000 for the capitalisation of its capital assets for the period January to March 2020. The cost of these assets amounted to €49,000. Since March 2020, the Department is no longer adding assets to the register which are below the €10,000 threshold. Further reviews will take place to ensure that any future additions are over the prevailing threshold for inclusion on the fixed asset register.

Debt reconciliations

The Department's debt and receipts accounting system (DRAS) allows for the automatic recording and posting of debt recovered in its local offices, from its receiving bank accounts and by way of deduction from the Department's payments to customers.

Since the introduction of DRAS in late 2014, the annual statements on internal financial control have made reference to unresolved variances in regard to DRAS related debtors, amounts recovered and bank and cash balances. The Department has applied additional resources to this area and has made substantial progress in addressing these issues.

Unmatched amounts

Overpaid customers sometimes make repayments with insufficient details to associate it with their outstanding debt. As a result, in some cases, the Department is constrained from identifying and matching these amounts to the customer. Since DRAS went live in 2014, it has processed over €475 million in receipts and scheme deduction overpayment recoveries. As at 31 December 2020, the total amount recorded on the Department's accounting system for unmatched overpayment recoveries is €4.7 million (1%) (2019: €3.2 million). Unmatched amounts may also include amounts processed in advance of debts being raised and customer payments which require refunds.

Work continues on the resolution of these unmatched amounts but progress has been slower than anticipated due to staffing changes in 2020 and the impact of Covid-19. The work being undertaken consists of: (a) a reconciliation of unmatched customer receipts in suspense on DRAS with unmatched receipts on the Department's accounting system; and (b) an age analysis of those receipts with a view to bringing to account, on a permanent basis, those amounts that have been fully investigated but remain unresolved.

Impact of Covid-19

During 2020, the Department processed 1.4 million Pandemic Unemployment Payment (PUP) claims. The Department also funded the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS) which were both administered and paid by Revenue.

Pandemic Unemployment Payment

The Covid-19 PUP was introduced by the Government from 13 March 2020 as an emergency scheme to provide monetary assistance to employees and the self-employed who lost their jobs as a result of the pandemic. The PUP was established under Section 202 of the Social Welfare (Consolidation) Act, 2005 which deals with granting supplementary welfare allowance in cases of urgent need.

The Social Welfare (Covid-19) (Amendment) Act 2020, enacted on 5 August 2020, placed the PUP on a discrete statutory basis under Part 2 of the Social Welfare (Consolidation) Act 2005.

Initially, scheme payments were met from the Vote. Section 6 of the Act provided that the benefit to be paid from the Social Insurance Fund (SIF) should include such sums as the Minister should estimate and agree with the Minister for Public Expenditure and Reform for pre-enactment PUP expenditure. The amount determined was over €1.8 billion, for which sanction was obtained from the Department of Public Expenditure and Reform (DPER) and subsequently charged to the SIF.

Total PUP expenditure during 2020 amounted to €5 billion, split between the Vote (€1.3 billion) and SIF (€3.7 billion).

Given the extremely high volume of claims, the projections regarding the likely infection rate of Covid-19 among the population, including Department staff, which would affect the capacity to process claims, and the overriding public health and public interest consideration, it was neither possible nor appropriate to exercise all the normal control checks when registering claims. Initially, all claims were processed at a single flat rate of €203 for the first week with this amount increasing to €350 a week thereafter.

The approach created an increased level of risk – both in the level of control applied to the scheme but also in relation to information technology where, in effect, a new payment system was built and implemented in less than a week.

While, as Accounting Officer, I am not normally disposed to accepting such an increased level of risk, I was satisfied on this occasion that the approach followed was both necessary and proportionate and was in the public interest.

I was also satisfied that the risk was mitigated somewhat by a number of underlying control and eligibility checks. These checks looked at a range of issues including age, address, attachment to employment, PPSN validity, duplicate claiming and ensuring that there was no overlap in cases where individuals were also receiving payment through the TWSS. Department risk registers and business plans were updated to both identify and deal with the risks associated with Covid-19 claim processing.

During 2020, the impact of public health restrictions necessitated widespread redeployment of staff within the Department and restrictions on personal movement and interactions, and had an extraordinary impact on the labour market leading to an unprecedented increase in unemployment. In this context, some of the normal control measures that would operate in a standard environment (for example calling jobseekers to interview in Intreo centres) had to be curtailed or suspended. The measures taken were appropriate and proportionate both to comply with the public health restrictions and to ensure the Department could deploy staff resources to the priority task of processing, paying and maintaining Covid-19 related claims. Where possible, and where staff availability and public health restrictions permitted, such control measures were reinstated or alternative methods were used to the limited extent possible (e.g. phone interviews with customers).

During 2020, the Department's Internal Audit function undertook an audit of the PUP, which included a review of a random sample of payments. Management committed to deal with any issues raised.

Temporary Wage Subsidy Scheme (TWSS)/Employment Wage Subsidy Scheme (EWSS)

During 2020, Revenue administered payment of the TWSS and EWSS on behalf of the Department of Social Protection as part of the Government's response to the Covid-19 crisis.

The TWSS, which was legislated for under section 28 of the Emergency Measures in Public Interest (Covid-19) Act 2020, operated from 26 March 2020 to 31 August 2020.

The EWSS, which was announced by Government on 23 July 2020, replaced the TWSS from 1 September 2020. This scheme has been extended until 31 December 2021.

EWSS was legislated for in the Financial Provisions (Covid-19) (No. 2) Act 2020 which inserted section 28B into the Emergency Measures in the Public Interest (Covid-19) Act 2020.

I rely on letters of assurances requested and received from the Chairman of the Revenue Commissioners that the appropriate controls are exercised in relation to the administration and payments made under both schemes.

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
- 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.

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. Its work 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.

Non-compliance with procurement rules

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 92 contracts (in excess of €25,000), totalling €32,886,984 (ex. VAT) as set out below:

- Twenty-five service provider contracts with a total spend of €18,156,258 in 2020 to deliver local employment services across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. A request for tender (RFT) for a procurement consultancy has been published with the objective of putting in place competitive contracts for these services.
- Twenty-four service provider contracts with a total spend of €8,844,483 in 2020 to deliver the EmployAbility Service across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. An RFT for procurement consultancy has been published with the objective of putting in place competitive contracts for these services.
- Forty service provider contracts with a total spend of €4,452,585 in 2020 to deliver the JobsClubs service across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. An RFT for procurement consultancy has been published with the objective of putting in place competitive contracts for these services.

- One contract with expenditure of €1,157,389 was due to a delay in the availability of an Office of Government Procurement (OGP) framework. A new contract for this service from an OGP framework is in place since 01/10/2020.
- One services contract for translations with expenditure of €175,572 was rolled over as there was a legal challenge on an RFT. A new RFT is currently being drafted for this service.
- One supply contract for stationery had a spend of €100,697 in 2020. It was necessary to roll over the contract while the Department was awaiting the conclusion of a legal challenge on an OGP framework. A new contract has since been put in place.

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 year 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 the business area responsible for the risk actions.

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.

Internal financial control issues

The impact of essential Covid-19 measures on the control environment has been set out above. No other weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

John McKeon
Accounting Officer
Department of Social Protection

21 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Social Protection 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 37 Social Protection 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 Social Protection 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*.

Regularity of social welfare payments

Chapter 9 of my report on the accounts of the public services for 2020 refers to welfare payments in excess of entitlement included in the 2020 appropriation account for Vote 37. I consider the estimated level of irregular payment to be material.

Management of social welfare appeals

Chapter 10 of my report on the accounts of the public services for 2020 examines the management of social welfare appeals. The costs of operation of the appeals system are borne by Vote 37.

Controls over the Covid-19 pandemic unemployment payment

Chapter 11 of my report on the accounts of the public services for 2020 examines the Department's controls over the pandemic unemployment payment (PUP) scheme. Part of the expenditure under the scheme was charged to the appropriation account for Vote 37. The other part of the scheme expenditure was charged to the Social Insurance Fund.

Controls over the temporary wage subsidy scheme

Chapter 12 of my report on the accounts of the public services for 2020 examines the controls operated over the temporary wage subsidy scheme, the expenditure of which is charged to the appropriation account for Vote 37.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

22 September 2021

Vote 37 Social Protection

Appropriation Account 2020

	2020		2019
	Estimate provision		Outturn
	€000	€000	€000
Programme expenditure			
Social assistance schemes, services, administration and payment to Social Insurance Fund			
Administration			
	<i>Estimate provision</i>	565,694	
	<i>Deferred surrender</i>	1,187	
		566,881	536,309
			541,140
Pensions		1,064,010	1,048,546
Working age – income supports		3,782,500	3,794,149
Working age – employment supports		5,245,718	4,717,276
Illness, disability and carers		3,231,410	3,203,725
Children		2,761,730	2,608,327
Supplementary payments, etc.		606,418	564,028
Subvention to the Social Insurance Fund		93,195	—
Gross expenditure			
	<i>Estimate provision</i>	17,350,675	
	<i>Deferred surrender</i>	1,187	
		17,351,862	16,472,360
			10,871,161
<i>Deduct</i>			
Appropriations-in-aid		218,190	201,541
			223,035
Net expenditure			
	<i>Estimate provision</i>	17,132,485	
	<i>Deferred surrender</i>	1,187	
		17,133,672	16,270,819
			10,648,126

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 spending in the following year. €910,000 of unspent allocations in respect of the capital elements of Subhead A.2 (v) and A.2 (vi) was carried forward to 2021.

	2020	2019
	€	€
Surplus	862,853,290	52,647,107
Deferred surrender	(910,000)	(1,187,000)
Surplus to be surrendered	<u>861,943,290</u>	<u>51,460,107</u>

John McKeon
Accounting Officer
Department of Social Protection

21 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	15,936,051	10,330,021
Pay	298,995	294,952
Non pay	237,314	246,188
Gross expenditure	16,472,360	10,871,161
<i>Deduct</i>		
Appropriations-in-aid	201,541	223,035
Net expenditure	16,270,819	10,648,126
Changes in capital assets		
Purchases cash	(24,131)	
Depreciation	17,475	
Gain on disposal/write off	(1)	8,132
Changes in net current assets		
Increase in closing accruals	13,144	
Increase in stock	(8)	(3,808)
Direct expenditure	16,277,298	10,652,450
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	92,663	84,457
Notional rents	14,386	14,386
Net programme cost	16,384,347	10,751,293

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners ^a	370	364
Vote 12 Superannuation and Retired Allowances	77,101	69,985
Vote 13 Office of Public Works	14,441	13,421
Vote 18 National Shared Services Office	686	659
Central Fund – ministerial pensions	65	28
	92,663	84,457

Note ^a The costs incurred by Revenue on the administration of the Covid-19 Temporary Wage Subsidy Scheme and the Employment Wage Subsidy Scheme have not been included.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	145,336	136,714
Current assets			
Stocks	2.3	277	269
Other debit balances	2.4	88,530	70,430
Prepayments	2.11	65,884	64,376
Total current assets		154,691	135,075
Less current liabilities			
Bank and cash	2.2	15,475	38,434
Other credit balances	2.5	25,697	35,330
Net Exchequer funding	2.6	47,358	(3,334)
Accrued expenses	2.12	62,899	48,247
Total current liabilities		151,429	118,677
Net current assets		3,262	16,398
Net assets		148,598	153,112
Represented by:			
State funding account	2.7	148,598	153,112

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	25,741	320,261	18,339	364,341
Adjustment ^a	—	—	1,965	1,965
Additions ^b	49	3,085	20,997	24,131
Disposals	—	—	—	—
Write-off ^c	(5,438)	(29,738)	—	(35,176)
Transfers	—	8,882	(8,882)	—
Cost or valuation at 31 December 2020	20,352	302,490	32,419	355,261
Accumulated depreciation				
Opening balance at 1 January 2020	22,855	204,772	—	227,627
Adjustment	—	—	—	—
Depreciation for the year	702	16,773	—	17,475
Depreciation on disposals/write off	(5,439)	(29,738)	—	(35,177)
Cumulative depreciation at 31 December 2020	18,118	191,807	—	209,925
Net assets at 31 December 2020	2,234	110,683	32,419	145,336
Net assets at 31 December 2019	2,886	115,489	18,339	136,714

- Note ^a Adjustments totalling €1.965 million were made to capital assets under development (CAUD) because expenditure incurred in previous years in respect of CAUD projects had been incorrectly classified as non-capital expenditure.
- ^b As provided for in Circular 1 of 2020, the Department applied a threshold of €1,000 for the capitalisation of its capital assets for the period January to March 2020. The cost of these assets was €49,000. Since March 2020, the Department is no longer adding assets to the register which are below the €10,000 threshold.
- ^c Write-offs consist of software, IT hardware, furniture and equipment including franking machines, photocopiers, tables, chairs, etc. Significant data cleansing of the asset register occurred during 2020. The Department identified a number of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings with asset values of under €1,000. All of these assets had been fully depreciated and were redundant.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
An Post advance balances ^a	197,920	110,841
PMG balances (overdraft)	(222,697)	(179,044)
Commercial bank account balance	9,302	29,769
	(15,475)	(38,434)

Note ^a As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2020, the combined balance held by An Post in respect of Vote 37 and the SIF was €335.6 million. The combined corresponding balance at the end of 2019 was €185.8 million.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	226	246
IT consumables	51	23
	277	269

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	1,251	901
Advances to Pobal	4,922	5,836
Advance to Revenue Commissioners ^a	20,436	—
Scheme prepayments ^b	24,650	28,405
Other debit suspense	4,212	2,227
<i>Due from SIF in respect of</i>		
• Vote related receipts recovered through SIF	18,927	16,719
• payments by Vote on behalf of SIF	12,456	14,436
• imprest payments receivable from SIF	669	899
	88,530	70,430

Note ^a Advance to the Revenue Commissioners is in respect of both the Emergency Wage Subsidy Scheme and the Temporary Wage Subsidy Scheme.

^b Scheme prepayments include scheme payments made in the year and not charged in the current year.

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	3,407	6,345
Pay related social insurance	2,676	4,599
Universal social charge	654	1,306
Professional services withholding tax	3,626	3,701
Value added tax	54	85
Pension contributions	1,295	2,103
Local property tax ^a	42	83
Extra Exchequer Receipts	1	6
	<u>11,755</u>	<u>18,228</u>
Payroll deductions	2,176	2,197
<i>Due to SIF in respect of</i>		
• payments by SIF on behalf of Vote	5,784	9,335
• imprest payments received from SIF	(6)	984
Unmatched overpayment recoveries	4,639	3,169
Debt recovery on behalf of other EU countries	869	839
Other credit suspense items	480	578
	<u>25,697</u>	<u>35,330</u>

Note ^a Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct the Department to make deductions from certain scheme payments in respect of liable persons for local property tax. The Department also make voluntary deductions of local property tax from some staff salaries. Amounts paid over to the Revenue Commissioners in 2020 were €651,401 and €317,348 respectively.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	861,943	51,460
Deferred surrender	910	1,187
Exchequer grant undrawn	(815,495)	(55,981)
Net Exchequer funding	<u>47,358</u>	<u>(3,334)</u>
Represented by:		
Debtors		
Debit balances: suspense	<u>88,530</u>	<u>70,430</u>
Creditors		
Bank and cash	(15,475)	(38,434)
Due to the State	(11,755)	(18,228)
Credit balances: suspense	(13,942)	(17,102)
	<u>(41,172)</u>	<u>(73,764)</u>
	<u>47,358</u>	<u>(3,334)</u>

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		153,112	164,652
Disbursements from the Vote			
Estimate provision	Account	17,133,672	
Deferred surrender	Account	(910)	
Surplus to be surrendered	Account	(861,943)	
Net vote		16,270,819	10,648,126
Expenditure (cash) borne elsewhere	1.1	92,663	84,457
Non cash expenditure – notional rent	1	14,386	14,386
Capital assets under development adjustment	2.1	1,965	
Net assets adjustment	2.1		(4,033)
Depreciation adjusted	2.1		(3,183)
Net programme cost	1	(16,384,347)	(10,751,293)
Balance at 31 December		148,598	153,112

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	51,386	38,909
Capital projects	4,701	18,417
Total of legally enforceable commitments	56,087	57,326

2.9 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	122	90

2.10 Contingent liabilities

The Department is involved in 94 legal cases which may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

2.11 Prepayments

at 31 December	2020	2019
	€000	€000
Administration expenses	108	104
Office expenses	1,841	903
Programme advances/floats ^a	63,660	63,098
Consultancy	275	271
	65,884	64,376

Note ^a The Department provides advance funding to some organisations delivering schemes. These include advances or floats for cash flow paid to schemes and other organisations providing Community Employment, Jobs Initiative, Local Employment Services and Job Clubs. Advances are provided to Community Employment and Job Initiative schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats are provided to Local Employment Services and Job Clubs to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

2.12 Accrued expenses

at 31 December	2020	2019
	€000	€000
Administration expenses	6,526	4,442
Office expenses	6,393	8,945
Consultancy expenses	17	78
Programmes cost ^a	49,963	34,782
	62,899	48,247

Note ^a Moneys owed to organisations providing Community Employment, Jobs Initiative and Local Employment Services on behalf of the Department. This money relates to organisations as opposed to individual claimants.

Note 3 Vote Expenditure

Analysis of administration expenditure

	2020		2019	
	Estimate provision		Outturn	
	€000	€000	€000	
i	Salaries, wages and allowances	299,995	298,995	294,952
ii	Travel and subsistence	4,998	1,478	4,695
iii	Training and development and incidental expenses	14,076	12,867	11,322
iv	Postal and telecommunications services	16,412	11,967	12,707
v	Office equipment and external IT services	69,683	59,257	54,657
vi	Office premises expenses			
	<i>Estimate provision</i>	18,915		
	<i>Deferred surrender</i>	1,187		
		20,102	16,841	15,267
vii	Consultancy services	2,085	346	476
viii	Payments for agency services	127,230	121,650	134,156
ix	eGovernment related projects	12,300	12,908	12,908
		566,881	536,309	541,140

Significant variations

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

ii Travel and subsistence

Estimate provision €4.998 million; outturn €1.478 million

The underspend of €3.52 million relative to the estimate provision was because travel requirements reduced in 2020 due to the Covid-19 pandemic. In line with Government advice all non-essential travel for officials of the Department, including face-to-face EU and international meetings, were suspended and many activities were moved online. The savings were used to fund excess expenditure on other subheads.

iv Postal and telecommunications expenses

Estimate provision €16.412 million; outturn €11.967 million

The underspend of €4.445 million relative to the estimate provision was because:

- Savings of €2.431 million were incurred under postal charges. The increase in online services primarily due to Covid-19 has reduced the volume of post received and issued by the Department. In addition, the postal price increase scheduled for March 2020 was postponed.
- Savings of €2.014 million were incurred under telecommunications. There is an element of unpredictability in estimating the telecommunications expenditure as costs arise from both volumes of telephone calls and the extent of data utilisation by staff using mobile telephony and data services. Telephone call volumes and data usage is highly variable.

The savings were used to fund excess expenditure on other subheads.

vii Consultancy services

Estimate provision €2.085 million; outturn €346,000

The underspend of €1.739 million relative to the estimate provision was as a result of:

- Four funding allocations with a value of €135,000 are for auditing contracts and are only drawn down as needed. Approximately half of this allocation was spent.
- Following due diligence, consultancy funding of €400,000 for two separate projects was not required as the work was carried out internally.
- One project with a value of €255,000 was merged with another project within the IT Department and the funding was no longer required under consultancy.
- Two projects with a combined value of €250,000 were delayed due to the pandemic and the contracts were not awarded until late 2020.
- Due to the Covid-19 pandemic, resources from policy areas within the Department were temporarily assigned to assist with the PUP scheme. This delayed the start of a number of projects, with a combined value of approximately €800,000, which will now continue into 2021.

The savings were used to fund excess expenditure on other subheads.

Programme A Social assistance schemes, services, administration and payment to Social Insurance Fund

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		298,995	294,952
A.2	Administration – non pay			
	<i>Estimate provision</i>	265,699		
	<i>Deferred surrender</i>	1,187		
		266,886	237,314	246,188
Pensions				
A.3	State Pension (Non-Contributory)	1,064,010	1,048,546	1,042,838
Working Age - Income Supports				
A.4	Jobseeker's Allowance	1,636,700	1,656,771	1,628,172
A.5	One-Parent Family Payment	558,220	564,887	533,122
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension	12,990	13,425	13,938
A.7	Deserted Wife's Allowance	840	859	959
A.8	Basic Supplementary Welfare Allowance Payments	128,890	115,212	120,175
A.9	Farm Assist	62,180	66,414	68,569
A.10	Exceptional and Urgent Needs Payments	44,230	41,029	43,206
A.11	Other Working Age – Income Supports	19,080	18,076	18,086
A.xx	Covid-19 – Pandemic Unemployment Payment	1,319,370	1,317,476	—
Working Age – Employment Supports				
A.12	Community Employment Programme	369,680	340,612	353,366
A.13	Rural Social Scheme	54,870	52,745	52,817
A.14	Tús	99,248	83,568	99,048
A.15	Jobs Initiative	15,090	14,973	16,417
A.16	Back to Work Enterprise Allowance	40,020	39,274	59,695
A.17	Youth Employment Support Scheme	3,350	2,015	2,014
A.18	Back to Education Allowance	77,200	65,921	65,327
A.19	JobsPlus	10,100	5,376	14,390
A.20	Local Employment Service	19,300	18,156	18,318
A.21	Jobs Clubs	5,400	4,452	4,841
A.22	Work Placement and Experience Programme	3,670	—	—
A.23	Other Working Age – Employment Supports	23,490	12,333	7,785
A.yy	Covid-19 Wage Subsidy	2,784,300	2,706,962	—
A.zz	Employment Wage Subsidy Scheme	1,740,000	1,370,889	—

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Illness, Disability and Carers				
A.24	Disability Allowance	1,804,510	1,811,854	1,705,778
A.25	Blind Pension	13,140	12,641	12,971
A.26	Carer's Allowance	936,440	926,352	862,447
A.27	Domiciliary Care Allowance	199,770	193,104	182,485
A.28	Carer's Support Grant	237,320	227,543	219,535
A.29	Disability Activation Supports	15,680	13,875	14,142
A.30	Wage Subsidy Scheme	24,550	18,356	23,810
Children				
A.31	Child Benefit	2,119,980	2,102,329	2,102,435
A.32	Working Family Payment	402,490	377,312	397,204
A.33	Back to Work Family Dividend	17,220	12,978	18,357
A.34	Back-to-School Clothing And Footwear Allowance	152,880	54,054	53,451
A.35	School Meals Scheme	61,600	53,468	54,312
A.36	Other Child Related Payments	7,560	8,186	7,634
Supplementary Payments, Agencies and Miscellaneous Services				
A.37	Rent Supplement	164,600	133,090	125,248
A.38	Telephone Support Allowance	8,239	8,326	8,143
A.39	Household Benefits Package	75,479	77,347	69,290
A.40	Free Travel	95,000	94,529	93,919
A.41	Fuel Allowance	183,485	181,446	147,363
A.42	Grant to the Citizens Information Board	61,774	55,993	56,462
A.43	Miscellaneous Services	17,841	13,294	11,589
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005	93,195	—	—
	<i>Low Pay Commission</i>	—	3	363
Total		17,351,862	16,472,360	10,871,161

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €879.5 million less than Further Revised Estimates provided. This was made up as follows:

- An underspend of €30.6 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained
- An underspend of €848.9 million relates to scheme and service subheads. The main variances are described below.

A.8 Basic Supplementary Welfare Allowance Payment

Estimate provision €128.9 million; outturn €115.2 million

The underspend of €13.7 million relative to the estimate provision was due to:

- Average recipient numbers (13,820) were 2,760 lower than provided for in the original estimate (16,580).
This is due to less pending claims for Disability Allowance, Invalidity Pension and Carers Allowance, meaning less recourse to Supplementary Welfare Allowance (Basic) payments. This results in an underspend of €30 million.
- Higher average payment values (€208.20) than the original estimate (€206.52). This resulted in an overspend of €1.2 million.
- Less recoupment of expenditure from primary schemes (e.g. Disability Allowance, Jobseekers Allowance) which outturned at €37.4 million. This was €13.9 million less than provided in the estimate (€51.3 million) reflecting less recourse to SWA Basic Payments.

A.9 Farm Assist

Estimate provision €62.2 million; outturn €66.4 million

The overspend of €4.2 million relative to the estimate provision was due to:

- Average recipient numbers (5,891) were 426 higher than provided for in the original estimate (5,465). The rate of decline in recipients arising from the age profile of claims was slower than provided for in the original estimate. This resulted in an overspend of €4.8 million.
- Lower average payment values (€214.05) than the original estimate (€216.10). This resulted in an underspend of €600,000.

A.10 Exceptional and Urgent Needs Payments

Estimate provision €44.2 million; outturn €41 million

The underspend of €3.2 million relative to the estimate provision was due to:

- Recipient numbers were 19,911 less than provided for in the Further Revised Estimate (87,500) compared to the Outturn (67,589). This resulted in an underspend of €10.1 million. Owing to Covid-19 restrictions, there was a significant reduction in some of the categories of ENPs which tend to be high volume low value, particularly travel and clothing.
- Recovery of overpayments not included in estimate resulted in an underspend of €100,000.
- Average payment value of €609.48 was €103.99 more than provided for the Further Revised Estimate (€505.49). This resulted in €7 million overspend. The main reason for the overspend was in the housing category, which accounts for almost 70% of the scheme expenditure and tends to be high value payment amounts.

A.11 Other Working Age – Income Supports

Estimate provision €19.1 million; outturn €18.1 million

The underspend of €1 million relative to the estimates provision was due to:

- Daily Expenses Allowance was €300,000 less than the estimate of €13.3 million.
- Humanitarian Aid expenditure was €100,000 less than the estimate of €200,000.
- Other supplements expenditure was €600,000 less than the estimate of €5.5 million.

A.12 Community Employment Programme

Estimate provision €369.7 million; outturn €340.6 million.

The underspend of €29.1 million relative to the estimate provision was due to:

- Lower participant numbers (20,330) than provided for in the 2020 Further Revised Estimate (21,540) due to Covid-19 restrictions which made it difficult to fill vacancies on Community Employment projects. This resulted in an underspend of €16.7 million.
- Lower participant average payment values (€253.59) than provided for in the original estimate (€260.47). This resulted in an underspend of €7.4 million.
- Lower training expenditure of €3.3 million, resulting in an underspend of €3.7 million compared to the estimate (€7 million).
- Lower course consumable expenditure amounting to €12.1 million resulting in an underspend of €1.1 million compared to the estimate (€13.2 million).
- Lower supervisor numbers (1,300) than provided for in the 2020 estimate (1,310). This resulted in an underspend of €400,000.
- Overpayment recoveries of €100,000 which were not provided for in the 2020 REV estimate.
- Rounding of €100,000 underspending not captured above.

Offset by:

- Higher supervisor weekly average payment value €745.36 per week in 2020 compared to €744.43 as provided for in the 2020 Further Revised Estimate. This resulted in an overspend of €100,000.
- The Community Employment project expenditure of €700,000 exceeded the original estimate of €400,000 by €300,000 due to the higher recoupment of advances issued to projects than provided in the estimate.

A.14 Tús - Community Work Placement

Estimate provision €99.2 million; outturn €83.6 million.

The underspend of €15.6 million relative to the estimate provision was due to:

- Lower participant numbers (4,753) than provided for the 2020 Further Revised Estimate (5,811) due to Covid-19 restrictions which made it difficult to fill vacancies on Tús projects. This resulted in an underspend of €14.2 million.
- Lower non payroll running costs (€8.2 million) than provided for in the original estimate (€9.5 million). This resulted in a saving of €1.3 million.
- Lower recipient average payment values (€253.36) than provided for in the original estimate (€253.94). This resulted in an underspend of €200,000.
- Offset by higher supervisor average payment values (€726.05) than provided for in the original estimate (€722.89). This resulted in an overspend of €100,000.

A.17 Youth Employment Support Scheme

Estimate provision €3.3 million; outturn €2 million

Covid-19 restrictions for significant periods during 2020 meant that it was not possible to engage with employers or for jobseekers to be offered and take-up places on YESS which resulted in an underspend of €1.3 million.

A.18 Back to Education Allowance

Estimate provision €77.2 million; outturn €65.9 million.

The underspend of €11.3 million relative to the estimate provision was due to:

- An underspend of €15.9 million during the academic year months (Jan to May and Oct to Dec) due to average participant numbers (6,104) being less than provided for in the estimate (8,714).
- Offset by higher spending of €4.6 million during the summer months (June to September) when participants averaged 3,981 compared to 2,218 provided for in the estimate.

A.19 JobsPlus

Estimate provision €10.1 million; outturn €5.4 million.

The underspend of €4.7 million relative to the estimate provision was due to:

- Actual recipient numbers (1,012) were 818 lower than provided for in the original estimate (1,830). There was a large fall in participants in April as a result of Covid-19. Measures were implemented to pause scheme payments while JobsPlus participants were either temporarily laid off (in receipt of PUP) or their employer applied for TWSS to fund the employment. This resulted in an underspend of €4.5 million.
- Lower average payment values (€442.88) than provided for in the original estimate (€460.00). This resulted in an underspend of €200,000.

A.20 Local Employment Service

Estimate provision €19.3 million; outturn €18.2 million

Organisations providing Local Employment Services (LES) are only reimbursed for costs incurred during the year. The underspend of €1.1 million relative to the estimate provision was due to:

- Outturn on Mediation services was €600,000, which was €400,000 less than provided in the estimate (€1 million). Although LES service providers continued to work with clients already engaged during Covid-19 restrictions, this has largely been performed remotely and has resulted in less grants being provided.
- Outturn for LES staff costs was €14.2 million, which was €800,000 less than provided for in the estimate.

A.21 Jobs Clubs

Estimate provision €5.4 million; outturn €4.5 million.

Organisations contracted to provide Job Club services are only paid in respect of costs incurred. Referrals were severely curtailed during 2020 because of Covid-19 restrictions. The underspend of €900,000 relative to the estimate provision was due to:

- Outturn for Travel and Subsistence was €60,000, which was €400,000 less than the estimate (€460,000), all due to Covid-19 travel restrictions.
- Outturn for Job Club operational costs was €900,000 which was €200,000 less than estimate (€1.1 million).
- Outturn for staff costs was €3.5 million which was €300,000 less than the estimate (€3.8 million).

A.22 Work Placement and Experience Programme

Estimate provision €3.7 million; outturn €nil

The Work Placement Experience Programme (WPEP) is a work experience programme targeted at jobseekers that are in receipt of a qualifying social welfare payment and who have been unemployed for six months and over. It is one of the measures identified in the July Jobs Stimulus agreed by the Government in 2020. This was deferred because of significantly reduced levels of economic activity due to the extended Covid-19 restrictions. Consequently, there was no expenditure incurred in 2020.

A.23 Other Working Age – Employment Supports

Estimate provision €23.5 million; outturn €12.3 million

The underspend of €11.2 million relative to the estimates provision was due to:

- Enterprise Support Grant – outturn was €8.5 million, of which €7.7 million related to the extension of the grant to former self-employed PUP recipients who reopened their business and €800,000 to Back to Work Enterprise Allowance participants. This was €6.5 million less than provided for in the 2020 Further Revised Estimate.
- Training Support Grant – outturn was €1.3 million which was €2 million less than provided for in the estimate (€3.3 million).
- Targeted Activation Supports - the estimate of €2.5 million for 2020 was not spent because following its introduction in October 2020, Level 5 public health restrictions were introduced which prevented implementation of the proposed targeted activation supports.
- The balance of the underspend amounting to €200,000 is made up of six other elements of the subhead.

A.zz Employment Wage Subsidy Scheme (EWSS)

Estimate provision €1,740 million outturn €1,370.9 million

There was an underspend of €369.1 million.

The Employment Wage Subsidy Scheme (EWSS) was introduced as an emergency scheme from September 2020 as a replacement for the Temporary Wage Subsidy Scheme (TWSS).

The estimate was based on 350,000 employees supported by EWSS every week. Actual numbers varied from week to week and were less than forecast.

A.29 Disability Activation Supports

Estimate provision €15.7 million; outturn €13.9 million

The underspend of €1.8 million relative to the estimate provision was due to:

- Ability: Estimate provision: €5.4 million, outturn: €4.5 million. An underspend of €900,000. Ability participants include many people who are particularly vulnerable to Covid-19 and the associated restrictions of movement. Projects didn't progress to the extent anticipated.
- EmployAbility Service: Estimate provision: €9.9 million, outturn: €8.9 million. An underspend of €1 million. Organisations providing EmployAbility Services are only reimbursed for costs incurred.
- Offset by overspend of €100,000 on Disability Activation Supports. Estimate provision: €400,000, outturn: €500,000. An additional €100,000 was provided to AHEAD (the Association for Higher Education Access & Disability) in respect of the WAM (Willing Able mentoring Programme and the GetAHEAD Programme).

A.30 Wage Subsidy Scheme

Estimate provision €24.6 million; outturn €18.4 million

- The Wage Subsidy Scheme provides financial support to employers that employ people with disabilities. Recipient numbers on the Wage Subsidy Scheme (1,367) were 1,518 lower than provided for in the original estimate (2,885). There was a substantial reduction in participants in April as a result of Covid-19. Measures were implemented to pause scheme payments while Wage Subsidy Scheme participants were either temporarily laid off (in receipt of PUP) or their employer applied for TWSS to fund the employment. This resulted in an underspend of €6.2 million.

A.32 Working Family Payment

Estimate provision €402.5 million; outturn €377.3 million.

The underspend of €25.2 million relative to the estimate provision was due to:

- Average payment value (€142.47) was €8.73 lower than provided for in the original estimate (€151.20). This resulted in an underspend of €23.1 million.
- Lower average recipient numbers (49,950) than the original estimate (50,010). This resulted in an underspend of €500,000.
- Inter-scheme adjustments underspend by €1.6 million.

A.33 Back to Work Family Dividend

Estimate provision €17.2 million; outturn €13 million.

The underspend of €4.2 million relative to the estimate provision was due to:

- Actual recipient numbers (4,258) were 1,087 lower than provided for in the original estimate (5,345). This was due to Covid-19 impact on the labour market which resulted in an underspend of €3.5 million.
- Lower average payment values (€58.58) than the original estimate (€61.48). This resulted in an underspend of €700,000.

A.34 Back-to-School Clothing and Footwear Allowance

Estimate provision €152.9 million; outturn €54.1 million.

The underspend of €98.8 million relative to the estimate provision was due to:

- Recipient numbers (144,429) were 267,182 lower than provided for in the original estimate (411,611). The number of recipients estimated was based on the Government decision at the time that PUP would close in mid-June 2020. This would have resulted in significant numbers of additional jobseekers from June 2020, who would have also qualified for the BTSCFA. As the PUP scheme continued beyond June 2020, the additional jobseekers and BTSCFA claimants did not materialise. This resulted in an underspend of €99.2 million.
- Slightly higher average payment values (€374.25) than the original estimate (€371.42). This offset the overall overspend by €400,000.

A.35 School Meals Scheme

Estimate provision €61.6 million; outturn €53.5 million

The underspend of €8.1 million on the School Meals Scheme in 2020 was due to school closures during the pandemic from March 2020. While School Meals funding remained available throughout, not all schools availed of this option. Of the schools that did, many only provided support to children of the most financially vulnerable families. This was achieved largely through the home delivery of food parcels by suppliers.

The recommencement of the hot school meals programme was also delayed from September 2020 to January 2021 as a result of prolonged school closures.

A.36 Other Child Related Payments

Estimate provision €7.6 million; outturn €8.2 million.

An overspend of €600,000 in other child related payments, in relation to Guardians Payment (Non-Contributory) and Widowed Parent Grant (Non-Contributory) is made up as follows:

- An overspend of €500,000 on Guardian's (Non-Contributory), with an outturn of €7.8 million compared to an estimate of €7.3 million. This was due to recipients being 24 higher than the estimate (526) and average weekly payment values being €7.80 higher than the estimate (€263.85).
- An overspend of €100,000 on Widowed Parent Grant (Non-Contributory), with an outturn of €400,000 compared to an estimate of €300,000 due to a number of grants being 21 more than estimated (48).

A.37 Rent Supplement

Estimate provision €164.6 million; outturn €133.1 million

The underspend of €31.5 million relative to the estimate provision was due to:

- Actual recipient numbers (20,430) were 7,980 lower than provided for in the Further Revised Estimate (28,410) due to lower number of Covid-related Rent Supplement claims than expected. This resulted in an underspend of €46.2 million.
- Recovery of overpayments not included in estimate resulted in an underspend of €100,000.
- Higher weekly average weekly payment values (€125.36) than the original estimate (€111.42) which resulted in an overspend of €14.8 million.

A.42 Grant to the Citizens Information Board

Estimate provision €61.8 million; outturn €56 million

The underspend of €5.8 million was due to the impact of Covid-19 on services provided by the Citizens Information Board (CIB) including overheads and staffing proposals. Funding for a Public Personal Insolvency Practitioner (PIP) under the Abhaile Scheme had been included but a new proposal has now been progressed which did not require this funding. There was a large underspend in Advocacy due to the implementation of the ISL Act 2017 taking longer to progress and so overall budget allocation was not required.

A.43 Miscellaneous Services

Estimated provision €17.8 million; outturn €13.3 million.

The underspend of €4.5 million relative to the estimate provisions is due to:

- Promoting Social Inclusion for Family Carers & Young Jobseekers with Disabilities.

The underspend of €1.8 million on this scheme is mainly due to the nature and timing of the process.

There is a significant lead in time between the application for a Dormant Accounts measure, ensuring voted expenditure is available as part of the Estimates process, its approval by the Minister for Rural and Community Development, the agreement of a contract between Pobal, the call for applications from groups and the subsequent assessment and award procedure.

There is no way of predicting with any degree of accuracy the number of applications that will be received in relation to a call for proposals.

- EU Aid to the Most Deprived (FEAD).

The underspend of €3 million was due to a number of charities having to close or suspend their work due to Covid-19.

- Offset by an overspend of €300,000 which is spread over the remaining schemes.

A.44 Payment to the Social Insurance Fund Under Section 9(9) Of the Social Welfare Consolidation Act 2005

Estimate provision €93.2 million; outturn €nil

An Exchequer subvention to the SIF is required when current year expenditure is in excess of income and the Fund's retained surplus, built up over previous years, is not sufficient to meet the shortfall.

The 2020 Further Revised Estimate provided for the surplus of €3.9 billion (built up from previous years) to be eliminated before the end of year and that a deficit of €93.2 million would materialise which would result in Exchequer subvention being required.

The main reasons for the variance are:

- The SIF income in 2020 was €10,644.7 million, €192.8 million higher than provided for in the estimate (€10,451.9 million). This was due to the impact of Covid-19 Government restrictions on PRSI receipts being lower than anticipated.
- Expenditure on SIF schemes was €14,106.5 million, which was €327.2 million lower than provided for in the estimate (€14,433.7 million). The main drivers for this were:
 - (a) State Pension (Contributory) – expenditure was €5,834.6 million, €85.6 million less than estimated (€5,920.2 million);
 - (b) Pandemic Unemployment Payment (Post Aug 2020) – expenditure was €1,844 million, which was €113.6 million less than estimated (€1,957.6 million);
 - (c) Redundancy and Insolvency Payments – expenditure was €48.4 million which was €31.5 million less than in the estimate (€79.9 million);
 - (d) Other schemes such as Illness Benefit (€18.9 million less expenditure than estimated) and Enhanced Covid-19 Illness Benefit (€17.1 million less expenditure than estimated) contributed to the overall underspend on SIF schemes.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
Social Insurance Fund transfer to Vote 37			
1 Recovery of administration expenses from the Social Insurance Fund	121,980	121,980	131,930
Appropriations-in-aid: Other			
2 Recoveries of social assistance overpaid	58,300	49,071	59,423
3 Repayment from the Social Insurance Fund of amounts paid initially as social assistance	4,000	5,698	5,545
4 Receipts under 'liability to maintain family' provision in Part XII of the Social Welfare (Consolidation) Act 2005	320	332	334
5 Receipts from the General Register Office	340	253	344
6 Receipts from additional superannuation contributions on public service remuneration	6,000	6,820	7,477
7 Receipts from European Social Fund	7,250	17	721
8 Receipts from National Training Fund (Community Employment)	6,100	4,538	6,369
9 Receipts from Pensions Authority – staff superannuation	600	582	649
10 Homeless Unit operational costs – contributions from external agencies	—	156	2,717
11 Receipts from dormant accounts	5,000	3,216	610
12 Recovery of social assistance from insurance claims	2,800	1,923	2,633
13 Receipts from Fund for European Aid to the Most Deprived	4,500	5,235	3,507
14 Miscellaneous	1,000	1,720	776
Total	218,190	201,541	223,035

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €16.649 million less than the estimate. Explanations for variances are set out below:

2 Recoveries of social assistance overpaid*Estimate €58.3 million; realised €49.1 million*

This subhead covers that element of overpayment recoveries from over 40 social assistance schemes treated as income. The 2020 outturn was made up of €32.6 million in cash recoveries, €17.4 million in deduction recoveries from claims less appropriations-in-aid overpayments of €900,000. The Covid-19 pandemic led to an economic downturn with increased levels of unemployment, due to this the pursuit of debt recovery was paused and as such would have impacted recoveries in 2020. The easing of Covid-19 restrictions is facilitating a return to work for many and it is anticipated that debt recovery will increase accordingly.

3 Repayment from the Social Insurance Fund of amounts paid initially as social assistance*Estimate €4 million; realised €5.7 million*

This subhead is used to record the recovery of social assistance from the SIF where the inter-scheme adjustment is effected after the close of the financial year. For example, it includes customers paid Supplementary Welfare Allowance (SWA) basic payment (funded from Vote 37) while awaiting a decision on their claim for Illness Benefit, Invalidity Pension or State Pension Contributory. The amount of SWA basic paid is subsequently recovered from the SIF when their IB, IP or SPC claim is decided. When the decision is made in a later year to when the SWA basic payment occurred, the recovery from the SIF is recorded as income under this subhead.

Receipts can vary significantly from month to month. In 2020, monthly receipts ranged from €100,000 to over €1.8 million, which makes it difficult to accurately forecast. The 2020 estimate was based on the medium term trend from 2016 to 2018 when receipts averaged €4 million per year. However, receipts in 2020 were €1.7 million higher than this trend.

6 Receipts from additional superannuation contributions on public service remuneration*Estimate €6 million; realised €6.8 million*

This subhead is used to record additional superannuation contributions (formerly Pension Levy) in respect of staff working in the Department.

The Public Service Stability Agreement (PSSA) 2018 to 2020 provided for the gradual reduction in thresholds and rates between 2019 and 2020. The 2020 estimate overstated the impact of these reductions in 2020 and as a result the yield was €800,000 more than provided for in the estimate.

7 Receipts from European Social Fund*Estimate €7.2 million; realised €17,000*

The Department's claim covering the years 2015-2018 for Back to Work Enterprise Allowance and Jobs Plus was not submitted by the Managing Authority in 2020 as anticipated. The Department's claim forms part of an aggregate claim which also includes schemes and services provided by other Departments. While it was expected that the claim would be submitted during 2020, this will instead take place in 2021.

8 Receipts from National Training Fund (Community Employment)

Estimate €6.1 million; realised €4.5 million

This subhead is used to recoup the cost of training for Community Employment (CE) and Training Support Grant (TSG) participants. Receipts in respect of Community Employment realised €3.3 million, which was €900,000 less than provided for in the estimate. Receipts in respect of Training Support Grant participants were €1.2 million or €700,000 less than provided for in the estimate.

As employment and training opportunities were seriously impacted by Covid-19 throughout 2020, the referral of CE participants and jobseekers to programmes to bridge the skills gap to the workplace was greatly reduced.

10 Homeless Unit operational costs – contributions from external agencies

Estimate €nil; realised €156,000

The services operated by the Department for homeless persons on behalf of Cork City Council ceased on 18 January 2019. A similar arrangement was in place with Cork County Council and this service ceased on 30th June 2020. All ENP expenditure for temporary emergency accommodation was submitted to the local authorities on a regular basis for reimbursement recognising the local authorities' responsibility in this area. As service continued in the county areas until Cork County Council assumed responsibility on 1st July 2020, receipts from the Council continued throughout much of 2020.

11 Receipts from dormant accounts

Estimate €5 million; realised €3.2 million

This subhead funds promoting social inclusion for family carers and young jobseekers with disabilities from Dormant Account receipts. There is a significant lead time between the application for a dormant accounts measure, ensuring voted expenditure is available as part of the Estimates process, its approval by the Minister for Rural and Community Development, the agreement of a contract between Pobal, the call for applications from groups and the subsequent assessment and award procedure.

There is no way of predicting with any degree of accuracy the number of applications that will be received in relation to a call for proposals.

12 Recovery of social assistance from insurance claims

Estimate €2.8 million; realised €1.9 million

This subhead is used to record receipts from insurance compensation awards in respect of Disability Allowance recipients. Receipts can vary significantly from month to month. Average receipts per month in 2020 were €160,000, a reduction of €73,000 on the average for 2019. This was mainly due to courts not sitting for significant periods in 2020 due to the Covid-19 pandemic.

13 Receipt from Fund for European Aid to the Most Deprived*Estimate €4.5 million; realised €5.2 million*

The Department received the balance of the 2018 claim valued at €250,000 in 2020. The Department also submitted two claims in 2020 receiving a reimbursement of €930,000 in February 2020 and €4.05 million in December 2020, bringing the total receipts to €5.2 million. A projected reimbursement claim for Q1 2021 was included in the December 2020 claim which resulted in higher receipts from the Fund for European Aid to the Most Deprived (FEAD) than estimated.

14 Miscellaneous*Estimate €1 million; realised €1.7 million*

This subhead provides for small receipts not covered elsewhere under appropriation-in-aid receipts and not anticipated when the estimates were prepared. The outturn in 2020 was €1.7 million. This was €0.7 million more than was provided for in the estimate (€1 million). This was due to the recovery of an overpayment of €0.8 million in 2020 which occurred in 2019 from Bus Éireann Expressway offset by €0.1 million due to a range of offsetting factors.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	6	8
Conscience money	10	8
Witness expenses	1	2
Pensions Authority fines	—	12
Transferred to the Exchequer	(16)	(24)
Balance at 31 December	1	6

4.3 Recovery of welfare assistance overpayments

The Central Debt Unit (CDU) is responsible for the management of individual customer overpayments and debt recovery. The management of overpayments and debt recoveries that arise from contractual relationship or service level agreements with corporate entities delivering group schemes such as Treatments Benefits and Community Employment are administered by the respective scheme area.

The summary position on welfare assistance overpayments managed by Central Debt Unit (CDU) at 31 December 2020 was as follows:

	2020		2019	
	€000	Outturn €000	€000	Outturn €000
Overpayments outstanding at 1 January 2020		381,195		399,397
Adjustment ^a		(4)		—
Adjusted Opening Balance at 1 January 2020		381,191		399,397
Net overpayments recorded				
Suspected fraud	17,829		28,642	
Claimant error	31,452		35,957	
Official error	918		1,699	
Estate cases	25,826		21,500	
		76,025		87,798
		457,216		487,195
Less:				
Amounts recovered ^b	(56,604)		(63,909)	
Recoveries adjustment ^c	432		619	
		(56,172)		(63,290)
Prior year debts cancelled ^d		(5,254)		(7,610)
Amounts written off as irrecoverable ^e		(4,896)		(35,100)
Overpayments outstanding at 31 December		390,894		381,195

Note ^a The opening balance adjustment is to bring the reported balanced into line with the opening debtor listing at 1 January 2020.

^b The amount of debt recovered in 2020 is analysed as follows.

(a) €48.7 million posted to income in respect of previous years debt

(b) €7.9 million posted against expenditure in respect of the current years debt.

^c The adjustment of €432,000 is in respect of recorded recoveries in prior years which were cancelled in 2020.

^d The prior year debts cancelled of €5,254,000 represents overpayments raised in prior years which were cancelled in 2020.

^e Debts totalling €4.9 million were written off as part of the normal course of business. The 2019 debt write off includes amounts written off on foot of a specific project. The 2019 project resulted in the Department writing off 7,802 cases with a value of €30.3 million which were deemed irrecoverable (Vote €26.5 million, SIF: €3.8 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	6,402	6,041
Agencies ^a	157	137
	6,559	6,178

Note ^a Agencies in this note comprise the Citizen Information Board and the Pensions Authority.

5.2 Pay

	2020	2019
	€000	€000
Pay	297,019	294,607
Higher, special or additional duties allowances	1,025	1,248
Other allowances	348	356
Overtime	4,097	2,914
Employer's PRSI	20,743	19,704
Total pay	323,232	318,829

Remuneration of Department staff

The following remuneration arrangements refer to pay elements of subheads A.1 (i), A.2 (viii) and A.2 (ix).

	2020	2020
	€000	€000
Pay	288,422	286,740
Higher, special or additional duties allowance	914	1,078
Other allowances	348	356
Overtime	4,097	2,914
Employer's PRSI	19,858	18,920
Total pay	313,639	310,008

Agency remuneration

	2020	2020
	€000	€000
Pay	8,597	7,867
Higher, special or additional duties allowance	110	170
Other allowances	—	—
Overtime	1	—
Employer's PRSI	885	784
Total Pay	9,593	8,821

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020 €	2019 €
Department staff				
Higher, special or additional duties allowances	424	18	21,445	38,638
Other allowances	43	13	12,719	12,365
Overtime	2,719	28	22,513	16,025
Extra remuneration in more than one category	7	1	11,224	10,205
Agency staff				
Higher, special or additional duties allowances	20	2	17,839	16,238
Overtime	1	—	733	—

5.4 Other remuneration arrangements

The cost of staff serving outside the Department in 2020 was €600,000 in respect of 16 staff. These costs are recouped by the Department from the relevant organisations.

5.5 Payroll overpayments

at 31 December	Number of recipients	2020 €000	2019 €000
Overpayments*	565	1,970	2,000
Recovery plans in place*	279	1,023	1,061

27 individuals with recovery plans to the value of €19,858 transferred to other Departments in the year.

Note* The 2019 figures have been restated for overpayments and recovery plans in place from those disclosed in note 5.5 payroll overpayments in the 2019 appropriation account (2019 overpayments €2.4 million, recovery plans in place €1.5 million). This is as a result of more accurate information provided by National Shared Services Office.

5.6 Severance/redundancy

During 2020, two staff members whose employment was terminated, were paid redundancy payments totalling €9,204 and severance payments totalling €18,926.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Department €000	Compensation awarded €000	Legal costs awarded €000	2020	2019
					Total €000	Total €000
Claims by employees of the Department						
Personal injuries ^a	17	64	213	14	291	293
Breach of HR/employment policies ^b	2	—	15	—	15	44
Claims by members of the public						
Personal Injuries ^c	8	56	60	67	183	74
Department schemes ^d	468	—	3,568	558	4,126	4,494
Other ^e	3	68	—	10	78	1,182
		188	3,856	649	4,693	6,087

- Notes
- ^a Total costs in respect of individuals ranged from €10 to €106,500.
- ^b Total costs ranged from €5,000 to €10,000. The cases related to closure of Branch Offices and employment rights cases.
- ^c Total costs in respect of individuals ranged from €369 to €99,000.
- ^d An amount of €3.566 million was paid to survivors of Magdalen Laundries during 2020. The amounts paid ranged from €14 to €72,842. The balance of €560,000 was made up of ex gratia payments to claimants in respect of loss of purchasing power payments and legal costs. The largest individual payment was €229,655.
- ^e Total costs ranged from €10,000 to €46,637. Details of a case not released due to a non-disclosure clause. The other costs relate to Legal Advisors under contract by the Department to cover staff on leave.

6.2 EU funding

The outturn shown in Subheads A.1 and A.42 includes payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns recording in Note 4.1, subheads 7 and 13 were as follows.

Subhead description:	2020	2020	2019
	Estimate	Realised	Realised
	€000	€000	€000
Fund for European Aid to the Most Deprived	4,500	5,235	3,507
European Social Fund, programme for Employability, Inclusion and Learning/European Employment Services	7,250	17	531
Connecting Europe Facility Fund	—	—	190

Funds for European Aid to the Most Deprived

Funding of €5.2 million was received from the EU in respect of the Fund for European Aid to the Most Deprived (FEAD) programme which supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. Expenditure of €19.9 million has been incurred in the operation of this programme to December 2020. The EU provides funding to member states that match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023.

European Social Fund, programme for Employability, Inclusion and Learning and European Employment Services

The European Social Fund (ESF) is the European Union's financial instruction for investing in people. The mission of the ESF is to help prevent and fight unemployment, to make Europe's workforce and companies better equipped to face new challenges and to prevent people losing touch with the labour market. This receipt of €17,178 was received from the EU in respect of EURES to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member state by the Public Employment Service.

Receipts under both of these headings are in respect of aggregated European Employment Services (EURES) claims for 2015, 2016 and 2017. The EU co-funds this programme on a 50% basis through the ESF.

Connecting Europe Facility Fund

The CEF was to assist member states with their national implementation of the Electronic Exchange of Social Security Information. DSP and the HSE were in partnership on this implementation. This was a one off grant which was completed in June 2019.

6.3 Late interest payments

	2020	2019
	€000	€000
Interest payments	12	4

Appendix A Department of Social Protection Summary of Programme Expenditure

	2020	2019
	€million	€million
Vote 37		
Gross expenditure	16,472	10,871
Less non-scheme expenditure		
Administration	(536)	(541)
Grant to Citizens Information Board	(56)	(57)
Miscellaneous services and Grants to the Low Pay Commission	(4)	(3)
Vote 37 scheme expenditure (A)	15,876	10,270
Social Insurance Fund		
Gross expenditure	14,823	10,727
Less non-scheme expenditure		
Administration	(221)	(230)
National Training Levy	(717)	(712)
Social Insurance Fund scheme expenditure (B)	13,885	9,785
Total Department scheme expenditure (A+B)	29,761	20,055

Scheme expenditure breakdown

Payments by scheme and category	2020	2019
	€million	€million
Pensions		
State Pensions (Contributory)	5,835	5,603
State Pensions (Non-Contributory)	1,049	1,043
Widows'/Widowers'/Surviving Civil Partners' Pension	1,586	1,559
Bereavement Grant	—	1
Total	8,470	8,206
Working Age Income Supports		
Jobseeker's Allowance	1,657	1,628
One Parent Family Payment	565	533
Jobseeker's Benefit	416	346
Redundancy and Insolvency Benefit	48	32
Maternity Benefit	258	267
Paternity Benefit, Parents Benefit and Adoptive Benefit	19	14
Basic Supplementary Welfare Allowance	115	120
Farm Assist	66	69
Deserted Wife's Benefit	68	72
Other Working Age- Income Supports	18	18
Exceptional and Urgent Needs payments	41	43
Treatment Benefits and Health and Safety Benefit	92	101
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	14	14
Deserted Wife's Allowance	1	1
Covid-19 Pandemic Unemployment Payment	4,979	—
Total	8,357	3,258
Supplementary Payments		
Rent Allowance	—	1
Fund for European Aid to the Most Deprived (FEAD)	5	5
Magdalen Laundries and other Institutions Payments	4	4
Rent Supplement	133	125
Household Benefits Package	263	247
Telephone Support Allowance	18	17
Fuel Allowance	290	235
Free Travel	95	94
Total	808	728
Working Age Employment Supports		
Community Employment Programme	341	353
Back to Education Allowance	66	65
Back to Work Enterprise Allowance	39	60
TÚS Community Work Placement Scheme	84	99
JobsPlus	5	14
Other Working Age – Employment Supports	12	8
Youth Employment Support Scheme	2	2
Rural Social Scheme	53	53
Jobs Initiative	15	17
Local Employment Scheme	18	18

Jobsclub	4	5
Partial Capacity Benefit	25	21
Covid-19 Wage Subsidy	2,707	—
Employment Wage Subsidy Scheme	1,371	—
Total	4,742	715
Illness, Disability and Carers		
Disability Allowance	1,812	1,706
Illness Benefit	650	605
Invalidity Pension	760	728
Carer's Payment	975	905
Carer's Support Grant	228	220
Domiciliary Care Allowance	193	182
Wage Subsidy Scheme	18	24
Disablement Benefit	70	73
Blind Pension	13	13
Death Benefit	10	10
Injury Benefit and Medical Care	12	14
Disability Activation Supports	14	14
Total	4,755	4,494
Children		
Child Benefit	2,102	2,103
Working Family Payment	377	397
Back to Work Family Dividend	13	18
Back to School Clothing and Footwear	54	53
School Meals	53	54
Child Related Payments	30	29
Total	2,629	2,654
Net expenditure on all schemes	29,761	20,055

Appendix B Accounts of bodies and funds under the aegis of the Department of Social Protection

The following table lists the bodies and funds under the aegis of the Department 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 the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Social Insurance Fund	2019	31 Aug 2020	31 Aug 2020	6 Nov 2020
Pensions Authority	2020	28 Jun 2021	30 Jun 2021	24 Aug 2021
Citizens Information Board	2019	17 Dec 2020	23 Dec 2020	12 Feb 2021