

Appropriation Account 2018

Vote 17

Public Appointments Service

Introduction

As Chief Executive of the Public Appointments Service, I am the Accounting Officer for Vote 17. 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 2018 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2018 out of unspent 2017 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.175 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Board

The Public Appointments Service was established under the Public Service Management (Recruitment and Appointments) Act 2004. It provides for a Chief Executive of the Service, and the appointment of a Board, consisting of eight external members and the Chief Executive in an ex officio basis.

The statutory functions of the Board are more advisory in nature than the traditional functions of State Boards and essentially relate to giving advice or guidance to the Chief Executive. In general, they include

- representing the interests of the public service and ensuring that all appropriate service standards are being achieved
- considering and approving plans and strategic objectives put forward by the Chief Executive
- monitoring and advising the Public Appointments Service in the performance of its functions
- ensuring that appropriate review procedures are developed and implemented in relation to recruitment and promotion competitions, having regard to any relevant codes of practice issued by the Commission for Public Service Appointments
- publishing the annual report of the Public Appointments Service.

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 24 of 2018, have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Public Appointments Service.

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

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Public Appointments Service and the National Shared Service Office for the provision of (e.g. human resource and payroll) shared services.

I rely on a letter of assurance from the accounting officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Public Appointments Service.

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

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. This includes the following elements

- 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 Public Appointments Service
- 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 Public Appointments Service 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. Three active contracts during 2018, with expenditure of €244,692 (excluding VAT) required disclosure on the annual 40/02 return to the Department of Public Expenditure and Reform and the Office of the Comptroller and Auditor General.

One of the contracts with expenditure in 2018 of €150,337 relates to software support and licencing services for which there is only a single suitable supplier available. The other two contracts do not comply with procurement rules.

Of the non-compliant contracts, one relates to the cleaning of the Chapter House facility (€72,105) on which a decision to re-tender had been put on hold in 2017 pending a decision on the long term status of the facility by OPW. A request for tender in respect of this service issued in August 2019. The second (€22,250) relates to a contract extension beyond the original expected end date, for standardisation of business process services. The contract ended in 2019.

Internal audit and audit committee

I confirm that the Public Appointments Service 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 Public Appointments Service 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.

Risk and control framework

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

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

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for corrective action and to 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The office'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 Public Appointments Service responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2018 that require disclosure in the appropriation account.

Shirley Comerford
Accounting Officer
Public Appointments Service

13 September 2019

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2018 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 17 Public Appointments Service for the year ended 31 December 2018
- 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 Public Appointments Service and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 September 2019

Vote 17 Public Appointments Service

Appropriation Account 2018

		2018	2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Civil and public service - redeployment/ recruitment/selection			
	<i>Original</i> 13,598		
	<i>Deferred surrender</i> 60		
	<hr/>	<hr/>	<hr/>
	13,658	12,558	11,757
Gross expenditure			
	<i>Original</i> 13,598		
	<i>Deferred surrender</i> 60		
	<hr/>	<hr/>	<hr/>
	13,658	12,558	11,757
<i>Deduct</i>			
B Appropriations-in-aid	<hr/>	<hr/>	<hr/>
	239	314	303
Net expenditure			
	<i>Original</i> 13,359		
	<i>Deferred surrender</i> 60		
	<hr/>	<hr/>	<hr/>
	13,419	12,244	11,454

Surplus

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

	2018	2017
	€	€
Surplus	1,174,763	366,071
Deferred surrender	—	(60,000)
Surplus to be surrendered	<hr/> <hr/>	<hr/> <hr/>
	1,174,763	306,071

Shirley Comerford
Accounting Officer
Public Appointments Service

13 September 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost		
Pay	7,161	6,557
Non pay	5,397	5,200
Gross expenditure	12,558	11,757
<i>Deduct</i>		
Appropriations-in-aid	314	303
Net expenditure	12,244	11,454
Changes in capital assets		
Purchases cash	(246)	
Depreciation	478	
	232	224
Changes in net current assets		
Decrease in closing accruals	(78)	
Decrease in stock	1	
	(77)	274
Direct expenditure	12,399	11,952
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,263	3,146
Net programme cost	15,662	15,098

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	45	45
Vote 12 Superannuation and Retired Allowances	1,020	869
Vote 13 Office of Public Works	2,188	2,213
Vote 18 National Shared Services Office	10	19
	3,263	3,146

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	465	697
Current assets			
Bank and cash	2.3	337	452
Stocks		21	22
Prepayments		254	251
Accrued income		84	91
Other debit balances	2.4	573	67
Total current assets		1,269	883
Less current liabilities			
Accrued expenses		204	286
Other credit balances	2.5	283	404
Net Exchequer funding due	2.6	627	115
Total current liabilities		1,114	805
Net current assets		155	78
Net assets		620	775
Represented by:			
State funding account	2.1	620	775

2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		775	1,273
Disbursements from the Vote			
Estimate provision	Account	13,419	
Surplus to be surrendered	Account	(1,175)	
Net vote		12,244	11,454
Expenditure (cash) borne elsewhere	1.1	3,263	3,146
Net programme cost	1	(15,662)	(15,098)
Balance at 31 December		620	775

2.2 Capital assets

	Office and IT equipment €000	Furniture and fittings €000	Building improvement €000	Total €000
Gross assets				
Cost or valuation at 1 January 2018	6,763	695	691	8,149
Additions	196	50	—	246
Disposals	(11)	(1)	—	(12)
Cost or valuation at 31 December 2018	6,948	744	691	8,383
Accumulated depreciation				
Opening balance at 1 January 2018	6,142	619	691	7,452
Depreciation for the year	461	17	—	478
Depreciation on disposals	(11)	(1)	—	(12)
Cumulative depreciation at 31 December 2018	6,592	635	691	7,918
Net assets at 31 December 2018	356	109	—	465
Net assets at 31 December 2017	621	76	—	697

2.3 Bank and cash

at 31 December	2018 €000	2017 €000
PMG account balance	328	431
Other commercial bank account balance	9	21
	337	452

2.4 Other debit balances

at 31 December	2018 €000	2017 €000
Salary suspense	35	33
Advances to OPW	460	—
Recoupable travel pass scheme	77	33
Other debit balance suspense items	1	1
	573	67

2.5 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	136	176
Pay Related Social Insurance	75	93
Local Property Tax	1	1
Professional Services Withholding Tax	25	26
Value Added Tax	44	28
	<u>281</u>	<u>324</u>
Credit balances suspense	2	80
	<u>283</u>	<u>404</u>

2.6 Net Exchequer funding due

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	1,175	306
Deferred surrender	—	60
Exchequer grant undrawn	(548)	(251)
Net Exchequer funding due	<u>627</u>	<u>115</u>
Represented by:		
Debtors		
Bank and cash	337	452
Debit balances suspense	573	67
	<u>910</u>	<u>519</u>
Creditors		
Due to State	(281)	(324)
Credit balances suspense	(2)	(80)
	<u>(283)</u>	<u>(404)</u>
	<u>627</u>	<u>115</u>

2.7 Commitments

at 31 December	2018	2017
	€000	€000
Procurement of goods and services	162	40
Total of legally enforceable commitments	<u>162</u>	<u>40</u>

Note 3 Vote Expenditure

Analysis of administration expenditure

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	7,398	7,161	6,557
ii Travel and subsistence	35	24	31
iii Training and development and incidental expenses	240	279	213
iv Postal and telecommunications services	115	102	93
v Office equipment and external IT services	2,750	1,518	1,462
vi Office premises expenses	250	391	231
vii Recruitment costs – research and corporate governance	50	58	40
viii Recruitment costs – advertising and testing	910	1,231	1,167
ix Recruitment costs – interview boards	1,850	1,794	1,963
	13,598	12,558	11,757

Significant variations

This Vote has one programme concerning civil and public service redeployment, recruitment and selection. All expenditure under this programme is administrative in nature. The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

v Office equipment and external IT services

Estimate provision: €2.75 million, outturn: €1.518 million

The original estimate provided for an upgrade of the Office's Chapter House facility in the amount of €750,000. This should have been included in the estimate for office premises expenses, to which the actual expenditure on the upgrade of Chapter House has been charged. Of the remaining underspend of €482,000, €360,000 was due to delays in the commencement of "Project Nova" – an IT project to replace the current online recruitment system. The delay was caused by the need to hold two procurement competitions in order to secure a suitable bid.

vi Office premises expenses

Estimate provision: €250,000, outturn: €391,000

The increase in expenditure is largely due to expenditure on the upgrade of the Office's Chapter House facility which had not been included in the estimate for office premises expenses (included in the estimate for subhead v - Office equipment and external IT services as noted above). These works are being carried out on a phased basis. A total of €234,000 was spent on upgrade works during 2018 and the ground floor refurbishment was completed in 2019. Upgrade works will continue into 2020.

viii Recruitment costs – advertising and testing

Estimate provision: €910,000, outturn: €1.231 million

The increase in expenditure on recruitment advertising and testing costs of €321,000, relative to the estimate provision, was due to higher than anticipated recruitment activity and related resourcing throughout 2018. (Compared to 2017, the number of advertised competitions increased by 26 to 435 and the number of candidate applications increased by 12,501 to 88,111).

Note 4 Receipts

4.1 Appropriations-in-aid

	2018		2017
	Estimated	Realised	Realised
	€000	€000	€000
1 Miscellaneous	25	118	91
2 Receipts from pension-related deductions on public service remuneration	214	196	212
Total	239	314	303

Note 5 Staffing and remuneration

5.1 Employee numbers (full time equivalents)

at 31 December	2018	2017
Number of staff	<u>181</u>	<u>158</u>

5.2 Pay

	2018	2017
	€000	€000
Pay	6,446	5,899
Higher, special or additional duties allowance	53	54
Overtime	97	104
Employer's PRSI	<u>565</u>	<u>500</u>
Total pay	<u>7,161</u>	<u>6,557</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	20	1	10,174	7,962
Overtime and extra attendance	110	—	9,074	12,595
Extra remuneration in more than one category	12	3	12,610	16,054

5.4 Fees paid to members of the Board of the Public Appointments Service

Member	Status	Sector	Annual spend	
			2018 €	2017 €
Ms Fiona Tierney ^d	Member (Chief Executive)	Civil servant	—	—
Ms Shirley Comerford ^a	Member (Chief Executive)	Civil Servant	—	—
Ms Judith Eve ^b	Chairperson	Private sector	—	11,970
Mr Tom Moran ^a	Chairman	Former Civil Servant	7,821	—
Mr Paul Lemass ^c	Member	Civil servant	—	—
Dr Eddie Molloy ^c	Member	Private sector	7,695	7,695
Ms Anne Marie Taylor ^c	Member	Private sector	7,695	7,695
Ms Eimear Kenny ^b	Member	Private sector	—	7,695
Ms Oonagh McPhillips ^b	Member	Civil servant	—	—
Ms Mary Connaughton ^a	Member	Private sector	5,028	—
Mr Damien Mc Callion ^b	Member	Public servant	—	—
Mr John O' Callaghan ^a	Member	Civil servant	—	—
Mr David Cagney ^e	Member	Civil servant	—	—
Ms Rosarii Mannion ^a	Member	Public servant	—	—
Total			28,239	35,055

Notes ^a Appointed in 2018
^b Retired in 2017
^c Reappointed in 2017
^d Retired in 2018
^e Reappointed in 2018