

Appropriation Account 2016

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, I am required each year to prepare the appropriation account for the Vote and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2016 for the salaries and expenses of the Office of the Attorney General including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.22 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.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

This responsibility is exercised in the context of the resources available to me and my obligations as Director General/Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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.

Assurance on Shared Services

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

The Accounting Office for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by firms of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for Shared Services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within Shared Services as reported to me by the Accounting Officer for Shared Services.

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.

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 monthly and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of Information and Communications Technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines are adhered to.

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. As required in DPER circular 40/2002, I have submitted a report on procurements in 2016 that were not based on competitive tendering processes, worth a total of €365,448. This included:

- €92,765 (3 contracts) spent on subscription services not available through intermediaries,
- €123,266 (3 contracts) spent on case and records management services provided by sole suppliers,
- €149,416 (2 contracts) spent on parliamentary services that were non-compliant with procurement rules.

Internal Audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. In 2015 the Office strengthened the internal audit function by engaging external auditor specialists. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Damien Moloney
Accounting Officer
Office of the Attorney General

21 September 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 3 Office of the Attorney General for the year ended 31 December 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Office of the Attorney General. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

25 September 2017

Vote 3 Office of the Attorney General Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of professional legal services to Government, Departments and Offices	15,483	14,221	13,995
Gross expenditure		15,483	14,221	13,995
<i>Deduct</i>				
B	Appropriations-in-aid	788	743	854
Net expenditure		14,695	13,478	13,141

Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	1,216,801	1,889,100

Analysis of administration expenditure

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	11,200	10,283	10,115
ii	Travel and subsistence	130	153	147
iii	Training and development and incidental expenses	600	637	577
iv	Postal and telecommunications services	70	64	65
v	Office equipment and external IT services	559	653	658
vi	Office premises expenses	156	142	158
vii	Consultancy services and value for money and policy reviews	20	41	20
viii	Contract legal expertise	401	215	125
		13,136	12,188	11,865

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	2,033	2,130
Pay	10,283	10,115
Non pay	1,905	1,750
Gross expenditure	14,221	13,995
<i>Deduct</i>		
Appropriations-in-aid	743	854
Net expenditure	13,478	13,141
Changes in capital assets		
Purchases cash	(141)	
Depreciation	185	
	44	26
Changes in assets under development		
Cash payments	(30)	(20)
Changes in net current assets		
Decrease in closing accruals	(38)	
Decrease in stock	7	
	(31)	57
Direct expenditure	13,461	13,204
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	1,367	1,536
Notional rents	727	727
Net programme cost	15,555	15,467

1.1 Net Allied Services Expenditure

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

	2016	2015
	€000	€000
Vote 12 Superannuation and Retired Allowances	909	940
Vote 13 Office of Public Works	106	207
Vote 18 Shared Services	17	14
Central Fund - Pensions in respect of former Attorneys General.	335	375
	1,367	1,536

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	421	465
Capital assets under development	2.3	30	—
		451	465
Current assets			
Bank and cash	2.4	393	(234)
Stocks	2.5	33	40
Prepayments		197	185
Accrued income		--	1
Other debit balances	2.6	112	128
Total current assets		735	120
Less current liabilities			
Accrued expenses		67	94
Other credit balances	2.7	433	11
Net liability to the Exchequer	2.8	72	(117)
Total current liabilities		572	(12)
Net current assets		163	132
Net assets		614	597
Represented by:			
State funding account	2.1	614	597

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		597	660
Disbursements from the Vote			
Estimate provision	Account	14,695	
Surplus to be surrendered	Account	(1,217)	
Net vote		13,478	13,141
Expenditure (cash) borne elsewhere	1	1,367	1,536
Non cash expenditure – notional rent	1	727	727
Net programme cost	1	(15,555)	(15,467)
Balance at 31 December		614	597

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2016	4,635	1,680	6,315
Additions	136	5	141
Disposals	(19)	(5)	(24)
Cost or valuation at 31 December 2016	<u>4,752</u>	<u>1,680</u>	<u>6,432</u>
Accumulated depreciation			
Opening balance at 1 January 2016	4,299	1,551	5,850
Depreciation for the year	154	31	185
Depreciation on disposals	(19)	(5)	(24)
Cumulative depreciation at 31 December 2016	<u>4,434</u>	<u>1,577</u>	<u>6,011</u>
Net assets at 31 December 2016	<u>318</u>	<u>103</u>	<u>421</u>
Net assets at 31 December 2015	<u>336</u>	<u>129</u>	<u>465</u>

2.3 Capital Assets under Development

	In-house computer applications	
at 31 December	2016	2015
	€000	€000
Opening balance at 1 January	—	21
Cash payments for the year	30	20
Transfers to asset register	—	(41)
Balance at 31 December	<u>30</u>	<u>—</u>

2.4 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balance	393	(235)
Commercial bank account balance	—	1
	<u>393</u>	<u>(234)</u>

2.5 Stocks

	2016	2015
at 31 December	€000	€000
Stationery	15	17
IT consumables	18	23
	<u>33</u>	<u>40</u>

2.6 Other Debit Balances	2016	2015
at 31 December	€000	€000
Office of Public Works	38	38
Recoupable shared costs	—	35
Salaries control account	14	13
Travel pass scheme	55	38
Miscellaneous	5	4
	<u>112</u>	<u>128</u>

2.7 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State		
Income Tax	267	—
Pay Related Social Insurance	119	—
Professional Services Withholding Tax	8	11
Value Added Tax	38	—
Local Property Tax	1	—
	<u>433</u>	<u>11</u>

2.8 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	1,217	1,889
Exchequer grant undrawn	(1,145)	(2,006)
Net Liability to the Exchequer	<u>72</u>	<u>(117)</u>

Represented by:**Debtors**

Debit balances: suspense	112	128
Bank and cash	393	(234)
	<u>505</u>	<u>(106)</u>

Creditors

Due to State	(433)	(11)
	<u>72</u>	<u>(117)</u>

2.9 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	207	363
-----------------------------------	-----	-----

3 Programme Expenditure by Subhead

		2016		2015
		Estimate	Outturn	Outturn
		provision		
	€000	€000	€000	
A	Delivery of professional legal services to Government, Departments and Offices			
A.1	Administration – pay	11,200	10,283	10,115
A.2	Administration - non pay	1,936	1,905	1,750
A.3	Contributions to international organisations	38	34	34
A.4	Law Reform Commission	2,119	1,878	2,002
A.5	General law expenses	190	121	94
		<u>15,483</u>	<u>14,221</u>	<u>13,995</u>

Significant variations

Overall, the expenditure in relation to Programme A was €1.262 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – pay	917	Savings arose due to vacancies taking longer than anticipated to fill.
Administration – non pay	31	Savings arose due to a reduced requirement for contract legal expertise. These savings were offset by excesses in travel and subsistence, training and development and incidental expenses and office equipment and external IT services.
Law Reform Commission	241	Savings arose under pay due to the length of time taken to fill the vacancies for the Commissioner and the Director of Research.
General law expenses	69	It is difficult to estimate the number of cases and the level of costings associated with same from year to year. During 2016 there was lower than anticipated monies owing to Counsel.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	8	134	140
2. Receipts from pension-related deductions on public service remuneration	780	609	714
Total	788	743	854

Significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 10%.

Description	Less/ (more) than provided	Explanation
	€000	
Miscellaneous	(126)	Miscellaneous appropriations in aid were higher than anticipated due to rent received from the Law Reform Commission for the subletting of one floor of their premises which was not factored in to the 2016 estimate.
Receipts from pension related deduction on public service remuneration	171	Receipts from the pension related deduction were less than anticipated in line with salary costs being less than anticipated. As advised above vacancies took longer than anticipated to fill.

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)	150	151
	2016	2015
	€000	€000
Pay	9,450	9,309
Higher, special or additional duties allowance	81	69
Overtime	16	12
Employer's PRSI	736	725
Total Pay	10,283	10,115

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	14	3	18,518	21,406
Overtime and extra attendance	5	—	1,510	1,495
Extra remuneration in more than one category	3	—	8,870	—

6 Miscellaneous

6.1 Compensation and legal costs

				2016	2015
	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Claims by employees /former employees	—	—	—	—	92