

Vote 5: Office of the Comptroller and Auditor General

Introduction

As Accounting Officer for Vote 5, 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 2010 for the salaries and expenses of the Office of the Comptroller and Auditor General.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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

Statement of Accounting Policies and Principles

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

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Office of the Comptroller and Auditor General.

The internal audit function is provided by a private firm which uses appropriately trained personnel.

GERARD SMYTH
Accounting Officer
Office of the Comptroller and Auditor General
31 March 2011

Certificate of the Comptroller and Auditor General

The Appropriation Account of the Vote for the Office of the Comptroller and Auditor General for 2010 has been audited on my behalf by Tommy Doherty of Mazars, Chartered Accountants and Registered Auditors. On the basis of his audit and report, it is my opinion that the account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY

Comptroller and Auditor General

12 July 2011

Opinion To The Comptroller And Auditor General In Accordance With Section 13 Of The Comptroller And Auditor General (Amendment) Act, 1993

As the auditor appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, I have audited the Appropriation Account of the Office of the Comptroller and Auditor General for the year ended 31 December 2010.

This report is made solely to the Comptroller and Auditor General, in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993. My audit work has been undertaken so that I can state to the Comptroller and Auditor General those matters I am required to state to him in my opinion and for no other purposes. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for the audit work, for this report, or for the opinions I have formed.

Respective responsibilities of the Accounting Officer and the Auditor

Under Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is responsible for the preparation of the Appropriation Account. He is also responsible, inter alia, for the safeguarding of public funds and for the regularity and propriety of all transactions in the Appropriation Account.

It is my responsibility to audit the Appropriation Account in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Appropriation Account gives a true and fair view. I also report to you whether in my opinion proper books of account have been kept by the Office. In addition, I state whether I have obtained all the information and explanations necessary for the purpose of my audit and whether the Office's Appropriation Account is in agreement with the books of account.

Basis of Opinion

I conducted my audit of the Appropriation Account in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Appropriation Account, of whether the transactions recorded in the account conform with the authority under which they purport to have been carried out, and of whether the accounting policies are appropriate to the Office's circumstances, consistently applied and adequately disclosed. I conducted my audit of the Appropriation Account of the Vote of the Comptroller and Auditor General in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. An audit includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the Appropriation Account and of whether the accounting policies are appropriate to the Office's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the Appropriation Account of the Vote for the Office of the Comptroller and Auditor General properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010 and there are no matters on which I need to report, pursuant to Section 3(10) of the Comptroller and Auditor General (Amendment) Act 1993.

I have obtained all the information and explanations which I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Office of the Comptroller and Auditor General. The Appropriation Account is in agreement with the books of account.

T DOHERTY

For and on behalf of Mazars
Chartered Accountants and Registered Auditors
Harcourt Centre
Block 3
Harcourt Centre
Dublin 2

8 June 2011

Vote 5 Office of the Comptroller and Auditor General Appropriation Account 2010

Service	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	10,181	9,390	10,473
A.2. Travel and subsistence	612	454	550
A.3. Incidental expenses	328	212	240
A.4. Postal and telecommunications services	210	166	189
A.5. Office machinery and other office supplies and related services	393	361	388
A.6. Office premises expenses	180	179	165
A.7. Consultancy services	1,050	67	128
A.8. Legal fees	50	14	17
	<hr/>	<hr/>	<hr/>
Gross Expenditure	13,004	10,843	12,150
Deduct :			
A.9. Appropriations-in-aid	<hr/> 6,188	<hr/> 5,780	<hr/> 5,508
Net Expenditure	<hr/> 6,816	<hr/> 5,063	<hr/> 6,642
Surplus to be surrendered		<hr/> €1,752,511	<hr/> €1,628,650

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Notes	€000	2010 €000	2009 €000
Expenditure on administration			10,843	12,150
Expenditure on services and programmes			—	—
Gross expenditure			<u>10,843</u>	<u>12,150</u>
Deduct				
Appropriations in aid			<u>5,780</u>	<u>5,508</u>
Net expenditure			<u>5,063</u>	<u>6,642</u>
Changes in capital assets				
Purchases cash		(145)		
Depreciation		<u>203</u>	58	164
Changes in assets under development				
Cash payments			—	—
Changes in net current assets				
Decrease in closing accruals		314		
Decrease in stock		<u>—</u>		
			<u>314</u>	<u>(939)</u>
Direct expenditure			<u>5,435</u>	<u>5,867</u>
Movement in Work-in-Progress				
			(364)	336
Net allied services expenditure	1.1		2,817	2,592
Notional rents			304	379
Total operating cost			<u><u>8,192</u></u>	<u><u>9,174</u></u>

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 5 borne elsewhere

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	1,737	1,257
10	Office of Public Works	612	826
	Central Fund - Comptroller and Auditor General's salary and pensions in respect of former holders of the Office	468	509
		<u><u>2,817</u></u>	<u><u>2,592</u></u>

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	485	543
Work-in-Progress	2.2	1,088	724
		1,573	1,267
Current Assets			
Bank and cash	2.3	(587)	(27)
Stocks	2.4	39	39
Prepaid Expenses		100	110
Audit Fee Debtors		512	222
Accrued audit fee income	2.5	569	1,146
Other debit balances	2.6	136	144
Total Current Assets		769	1,634
Less Current Liabilities			
Accrued expenses		47	30
Other credit balances	2.7	324	219
Net Liability to the Exchequer	2.8	(775)	(102)
Total Current Liabilities		(404)	147
Net Current Assets		1,173	1,487
Net Assets		2,746	2,754

2.1 Statement of Capital Assets

	Office Equipment €000	Furniture and Fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2010 ¹	1,908	832	2,740
Additions	119	26	145
Disposals	(237)	(10)	(247)
Cost or valuation at 31 December 2010	1,790	848	2,638
Accumulated Depreciation			
Opening balance at 1 January 2010 ¹	1,647	550	2,197
Depreciation for the year	146	57	203
Depreciation on disposals	(237)	(10)	(247)
Cumulative depreciation at 31 December 2010	1,556	597	2,153
Net Assets at 31 December 2010	234	251	485
Net Assets at 31 December 2009	261	282	543

¹The opening balances for cost or valuation and accumulated depreciation for Office Equipment have been reduced by €199,000 to correct a previous error, which resulted in assets that were scrapped being written out of the books at their Irish pound value instead of at their Euro values

2.2 Work in Progress

The value of work in progress is determined by the status of the audit and the agreed audit fee as follows:

Status of Audit	Percentage of Audit Fee included in	2010	2009
	Work-in-Progress	€000	€000
Cleared for Certification	90%	324	49
Audit Review Stage	75%	181	150
Fieldwork Complete	60%	342	309
Final Audit in Progress	30%	15	29
Interim Audit Completed	15%	79	176
Interim Audit in Progress	10%	147	11
		1,088	724

2.3 Bank and Cash

at 31 December	2010	2009
	€000	€000
PMG balances and cash	(587)	(7)
Orders outstanding	—	(20)
	(587)	(27)

2.4 Stocks	2010	2009
at 31 December	€000	€000
Stationery	20	32
IT Consumables etc.	19	7
	<u>39</u>	<u>39</u>

2.5 Accrued Audit Fee Income

Accrued audit fee Income represents audit work completed but not yet invoiced at the year end.

2.6 Other Debit Balances	2010	2009
at 31 December	€000	€000
Recoupment of travel expenditure	5	5
Recoupment of travel pass scheme	51	36
Recoupable expenditure from co-tenants	80	93
	<u>136</u>	<u>134</u>

2.7 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Income Tax	100	100
Pay Related Social Insurance	83	78
Income Levy	13	13
Professional Services Withholding Tax	46	12
Value Added Tax	11	15
Pension Contributions	27	—
	<u>280</u>	<u>218</u>
Advances to OPW	4	(10)
Payroll deductions held in suspense	39	—
Other credit suspense items	1	1
	<u>324</u>	<u>209</u>

2.8 Net Liability to the Exchequer	2010	2009
at 31 December	€000	€000
Surplus to be surrendered	1,752	1,629
Exchequer grant undrawn	(2,527)	(1,731)
Net liability to the Exchequer	<u>(775)</u>	<u>(102)</u>
Represented by:		
Debtors		
Bank and cash	(587)	(27)
Debit balances: suspense	136	144
	<u>(451)</u>	<u>117</u>
Creditors		
Due to the State	(280)	(218)
Credit balances: suspense	(44)	(1)
	<u>(324)</u>	<u>(219)</u>
	<u>(775)</u>	<u>(102)</u>
2.9 Commitments		
at 31 December	€000	€000
Total of legally enforceable commitments*	<u>241</u>	<u>19</u>

*Contracted commitments at 31 December 2010 amount to €240,768, of which €217,651 was in respect of contracts the Office had entered into with firms of accountants to provide audit services. Similar contracts were not in place at the end of 2009.

3 Variations in Expenditure

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

Sub-head	Less/(more) than provided €000	Explanation
A.1	791	The saving was due mainly to the delay in filling staff vacancies under the moratorium on staff recruitment in the public sector
A.2	158	The amount of official travel undertaken was less than anticipated
A.7	983	The saving was due to the non-use of the provision of €850,000 for N.A.M.A. related consultancy. Consultancy on the scale originally envisaged was not required although some expenditure under this heading is envisaged in 2011. The saving is also reflected in a consequential reduction in fee income in Appropriations in Aid

4 Receipts

4.1 Appropriations-in-aid	2010	2010	2009
	Estimated €000	Realised €000	Realised €000
1. Receipt of fees	5,610	5,196	4,993
2. Receipts from Pension-related Deduction on Public Service Remuneration	578	584	515
Total	6,188	5,780	5,508

Explanation of significant variations

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

Heading	Less/(more) than estimated €000	Explanation
1	(414)	It was originally anticipated that certain consultancy costs would be recovered by way of audit fee charged to N.A.M.A. As explained in Note 3, no such costs were incurred with a consequent reduction in fees. Other receipts were slightly higher than anticipated, which partially compensated.

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	150	145
	2010	2009
	€000	€000
Pay	8,288	9,264
Higher, special or additional duties allowances	26	22
Other allowances	1	2
Overtime	—	3
Contract Work etc.	530	573
Employer's PRSI	545	609
Total pay	9,390	10,473

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2010	Maximum individual payment 2009
			€	€
Higher, special or additional duties	6	1	10,395	10,486
Overtime and extra attendance	—	—	—	3,233

5.2 Other Remuneration Arrangements

As part of their pay structure, Trainee Auditors received additional remuneration totalling €27,084 (€8,901 in 2009), following their qualification as accountants and their assumption of the responsibilities attaching to the Auditor grade, this is included in the pay figure above.

6 Miscellaneous Items

6.1 Audit Committee costs amounted to €6,510 (€4,690 in 2009).

