

Appropriation Account 2023

Vote 36

Defence

Introduction

As Accounting Officer for Vote 36, 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 2023 for the salaries and expenses of the Office of the Minister for Defence, including certain services administered by that Office; for the pay and expenses of the Defence Forces; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €18.088 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, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account, except for the following.

Inventory valuation

Military inventories are valued at average cost and include certain items that have been refurbished. Civil Defence inventories are valued at purchase price.

Capital assets

The threshold for inclusion of capital asset additions for government departments and offices in the statement of capital assets increased to €10,000 for an individual asset with effect from 1 January 2021. Since this date, the Department of Defence continues to record additions to capital assets at individual values of less than €10,000.

Land and buildings are not valued and are not included in property, plant and equipment (note 2.1). A schedule of land and buildings administered by the Department of Defence is shown in appendix A. These are used for Defence Forces purposes and include unique and dedicated properties.

Payments under certain programmes for the development of Defence Forces equipment, including the purchase of aircraft and the refurbishment of armoured personnel carriers, are recorded as prepayments until they are brought into use, at which stage they are recorded as capital assets.

Capital assets under development

Payments in respect of the development of land and buildings administered by the Department of Defence are included as part of note 2.3 – capital assets under development. When such projects are completed, they are removed from capital assets under development. There is no transfer to the asset register as, in line with the policy noted above, land and buildings are not included in capital assets.

Depreciation

Military assets and Civil Defence motor vehicles are depreciated to residual values at rates varying between 3% and 20% per annum using the straight line method.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of amortisation</i>
Software licences	Licence term 5 years	20%
Acquired/developed software	5-10 years	20%-10%

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 shared services for human resources and payroll.

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 this Department.

Financial control environment

A control environment comprising 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, with an independent Chair, 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

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.

Internal audit and Audit Committee

The Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The internal audit unit operates independently and 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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of 103 non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of four contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €147,385 (exclusive of VAT) as set out below:

- €126,039 related to payments to two suppliers where the contract went beyond its original term
- €21,346 related to payments to two suppliers where the contract increased beyond the original estimated value.

Each of these four procurements have been reviewed by the Department, and steps are being taken to bring them into compliance with the relevant procurement rules as quickly as possible.

The above contracts have been included in the 40/2002 annual return referenced above.

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 monthly 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 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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Department of Defence

28 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 36 Defence

Opinion on the appropriation account

I have audited the appropriation account for Vote 36 Defence for the year ended 31 December 2023 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 36 Defence for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 appendix to this report. I am independent of the Department of Defence 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

20 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure National Development Plan Delivery and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities 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 account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 36 Defence**Appropriation Account 2023**

	2023	2022
	Estimate provision	Outturn
	€000	€000
Programme expenditure		
A Defence policy and support, military capabilities and operational outputs	915,362	906,394
Gross expenditure	915,362	906,394
<i>Deduct</i>		
B Appropriations-in-aid	24,907	34,027
Net expenditure	890,455	872,367

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	18,088,265	9,948,066

Jacqui McCrum
Accounting Officer
Department of Defence

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	871,998	804,808
Administration pay	24,128	22,069
Administration non pay	10,268	9,045
Gross expenditure	906,394	835,922
<i>Deduct</i>		
Appropriations-in-aid	34,027	33,659
Net expenditure	872,367	802,263
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Purchases	(115,738)	
Depreciation	68,318	
Disposals cash	105	
Loss on disposals	1,222	
<i>Intangible assets (note 2.2)</i>		
Purchases	(3,247)	
Amortisation	725	
Loss on disposals	252	
<i>Assets under development (note 2.3)</i>		
Cash payments	(35,709)	
	(84,072)	(71,428)
Changes in net current assets		
Increase in inventories	(699)	
Decrease in prepayments	6,516	
Decrease in accrued income	342	
Increase in accrued expenses	4,943	
Decrease in deferred income	(1)	
	11,101	(23,707)
Direct expenditure	799,396	707,128
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	16,874	
Notional rents	1,339	
	18,213	14,068
Net programme cost	817,609	721,196

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 36 borne elsewhere, net of expenditure incurred in respect of other votes.

	2023	2022
	€000	€000
Vote 1 President's Establishment	(496)	(486)
Vote 2 Department of the Taoiseach	(89)	(86)
Vote 9 Office of the Revenue Commissioners	33	44
Vote 12 Superannuation and Retired Allowances	17,140	12,915
Vote 13 Office of Public Works	604	600
Vote 18 National Shared Services Office	880	929
Vote 35 Army Pensions	(1,927)	(1,787)
Vote 41 Garda Síochána	81	—
Vote 43 Office of the Government Chief Information Officer	508	460
Central Fund – ministerial pensions	140	140
	16,874	12,729

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment ^a	2.1	739,914	562,586
Intangible assets ^a	2.2	4,654	2,384
Capital assets under development	2.3	27,919	5,952
Total fixed assets		772,487	570,922
Current assets			
Bank and cash	2.4	15,583	19,562
Inventories	2.5	255,668	254,969
Prepayments	2.6	136,342	274,819
Accrued income	2.7	3,699	4,041
Other debit balances	2.8	846	1,351
Total current assets		412,138	554,742
Less current liabilities			
Accrued expenses	2.9	9,609	5,392
Deferred income	2.10	47	48
Other credit balances	2.11	13,019	15,726
Net Exchequer funding	2.12	3,410	5,187
Total current liabilities		26,085	26,353
Net current assets		386,053	528,389
Net assets		1,158,540	1,099,311
Represented by:			
State funding account	2.13	1,158,540	1,099,311

Note ^a As part of the transition to wider accrual reporting, capital assets have been separated into two classes: intangible assets, and property, plant and equipment. Comparatives have been restated for consistency.

2.1 Property, plant and equipment ^a

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	1,355,170	4,722	27,514	1,387,406
Additions	246,706	243	24	246,973
Disposals	(14,583)	(150)	(2,276)	(17,009)
At 31 December 2023	1,587,293	4,815	25,262	1,617,370
Accumulated depreciation				
At 1 January 2023	800,941	3,012	20,867	824,820
Depreciation for the year	65,060	332	2,926	68,318
Depreciation on disposals	(13,713)	(102)	(1,867)	(15,682)
At 31 December 2023	852,288	3,242	21,926	877,456
Net assets				
At 31 December 2023 ^b	735,005	1,573	3,336	739,914
At 31 December 2022	554,229	1,710	6,647	562,586

Note ^a The Department of Defence administers land holdings (approx. 8,300 hectares) and buildings at numerous locations throughout the country, being a mix of operational military facilities, training lands, married quarters and other properties, as set out in Appendix A – Schedule of land and buildings.

^b With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets ^a

	Acquired and developed software €000
Cost or valuation	
At 1 January 2023	28,313
Additions	3,247
Disposals	(4,479)
At 31 December 2023	<u>27,081</u>
Accumulated amortisation	
At 1 January 2023	25,929
Amortisation for the year	725
Amortisation on disposals	(4,227)
At 31 December 2023	<u>22,427</u>
Net assets	
At 31 December 2023	<u>4,654</u>
At 31 December 2022	<u>2,384</u>

Note ^a The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were included in property, plant and equipment in prior years.

2.3 Capital assets under development

	Construction contracts €000
Amounts brought forward at 1 January 2023	5,952
Cash payments in the year	35,709
Projects completed ^a	(13,742)
Amounts brought forward at 31 December 2023	<u>27,919</u>

Note ^a As projects to develop land and buildings are completed, they are removed from capital assets under development. There is no transfer to the asset register as land and buildings are not included in property, plant and equipment assets.

2.4 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balance	13,215	18,083
Other bank and cash account balances	2,368	1,479
	15,583	19,562

Non-Vote bank accounts

There are 13 other bank accounts managed by Defence Forces personnel to administer the casual meals system in barracks. No funding from the Vote is issued to these bank accounts. The amount held at the end of 2023 was €42,523 (2022: €28,306). This balance is not included in the 'bank and cash' amount shown above.

2.5 Inventories

at 31 December	2023	2022
	€000	€000
Military inventories ^a	254,822	254,083
Civil Defence	846	886
	255,668	254,969

Note ^a Write-offs and obsolete military inventory in the year amounted to €4.499 million.

2.6 Prepayments

at 31 December	2023	2022
	€000	€000
Military transport aircraft	42,356	27,206
Inshore patrol vessels	34,238	18,593
Software defined radios	30,425	—
Medium reconnaissance vehicle (MRV)	6,474	—
Armoured personnel carrier fleet maintenance and upgrade programme	3,863	4,344
Aircraft maintenance and training	2,709	7,277
Maritime patrol aircraft	—	185,109
Modernisation of primary armament	—	6,101
Mid-life refit of LÉ Niamh	—	5,878
Troop carrying vehicles	—	3,700
Other	16,277	16,611
	136,342	274,819

2.7 Accrued income

at 31 December	2023	2022
	€000	€000
Troop/equipment funding due from overseas missions	3,400	3,500
Due for services	299	541
	3,699	4,041

2.8 Other debit balances

at 31 December	2023	2022
	€000	€000
Payroll	9	6
Imprests	637	354
Cycle to work scheme	82	240
Travel pass scheme	25	38
Other suspense	93	713
	846	1,351

2.9 Accrued expenses

at 31 December	2023	2022
	€000	€000
Programme accruals – current	2,407	2,060
Programme accruals – capital	7,052	3,146
Administration expenses	150	186
	9,609	5,392

2.10 Deferred income

at 31 December	2023	2022
	€000	€000
Rental income	47	48
	47	48

2.11 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	12	4
Pay related social insurance	4	(1)
Professional services withholding tax	532	406
Value added tax	11,483	14,092
Pension contributions	8	15
Universal social charge	2	1
Relevant contracts tax	191	64
	<u>12,232</u>	<u>14,581</u>
Payroll deductions held in suspense	5	5
Other credit suspense items	782	1,140
	<u>13,019</u>	<u>15,726</u>

2.12 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	18,088	9,948
Exchequer grant undrawn	<u>(14,678)</u>	<u>(4,761)</u>
Net Exchequer funding	<u>3,410</u>	<u>5,187</u>
Represented by:		
Debtors		
Bank and cash	15,583	19,562
Debit balances: suspense	846	1,351
	<u>16,429</u>	<u>20,913</u>
Creditors		
Due to the State	(12,232)	(14,581)
Credit balances: suspense	<u>(787)</u>	<u>(1,145)</u>
	<u>(13,019)</u>	<u>(15,726)</u>
	<u>3,410</u>	<u>5,187</u>

2.13 State funding account

	Note	2023	2022
		€000	€000
Balance at 1 January		1,099,311	1,028,224
Disbursements from the Vote			
Estimate provision	Account	890,455	
Surplus to be surrendered	Account	<u>(18,088)</u>	
Net Vote		872,367	802,263
Expenditure (cash) borne elsewhere	1.1	16,874	12,729
Capital assets under development completed in the year	2.3	(13,742)	(24,048)
Non cash expenditure – notional rents	1	1,339	1,339
Net programme cost	1	<u>(817,609)</u>	<u>(721,196)</u>
Balance at 31 December		<u>1,158,540</u>	<u>1,099,311</u>

2.14 Commitments

a) Legally enforceable commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	5,236	6,271
Capital projects ^a	161,944	187,456
Total of legally enforceable commitments	167,180	193,727

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Maintenance and upgrade programme for armoured personnel carriers	91,325	1,322	5,482	98,129	98,129
Mid-life refit of LÉ Niamh	10,126	3,188	186	13,500	12,300
Maritime patrol aircraft	185,109	43,537	—	228,646	228,299
Troop carrying vehicles	15,045	8,341	1,214	24,600	24,600
Next Generation Working Environment (NGWE)	609	8,701	10,190	19,500	19,500
Military transport aircraft	27,206	15,150	30,298	72,654	68,015
Inshore patrol vessels	18,593	15,645	2,605	36,843	36,843 ^a
Upgrade former USAC block	417	4,629	5,248	10,294	10,029
Software defined radios	—	30,425	46,558	76,983	—
Medium reconnaissance vehicles (MRV)	—	6,474	13,433	19,907	—
McKee barracks – Block F upgrade	—	7,467	7,702	15,169	—
Demountable rack offload and pick up systems (DROPS)	—	8,328	3,972	12,300	—
Total	348,430	153,207	126,888	628,525	497,715

Note ^a Inshore patrol vessels — The cost of this project has not changed since 2022. A total lifetime spend of €41.019 million was reported in the 2022 account. This was an overstatement due to an incorrect currency being used when reporting a contract amendment. The 2022 capital projects total has also been amended accordingly to reflect the correct figure of €36.843 million now reported above.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2022 to 2023.

Mid-life refit of LÉ Niamh

Increase in expected total spend: €1.2 million

The increase is due to an increase in contract value arising from a contract amendment.

Military transport aircraft

Increase in expected total spend: €4.639 million

The increase is due to an increase in contract value from a contract amendment in May 2023.

2.15 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	731	122

2.16 Contingent liabilities

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of the potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

	2023		2022
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	25,750	24,128	22,069
ii Travel and subsistence	700	996	726
iii Training and development and incidental expenses	625	541	558
iv Postal and telecommunications services	565	356	438
v Office equipment and external IT services	5,335	5,960	6,181
vi Office premises expenses	2,005	1,872	910
vii Consultancy services and value for money and policy reviews	1,500	543	232
	36,480	34,396	31,114

Significant variations

The following outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €700,000; outturn €996,000

The overspend of €296,000 was due to higher than anticipated spend on foreign travel.

iv Postal and telecommunications services

Estimate provision €565,000; outturn €356,000

The underspend of €209,000 was due to less than anticipated spend on communications equipment.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.5 million; outturn €543,000

The underspend of €957,000 was due to the fact that certain projects did not progress as quickly as had been anticipated.

Programme A Defence policy and support, military capabilities and operational outputs

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	25,750	24,128	22,069
A.2	Administration – non pay	10,730	10,268	9,045
A.3	Permanent Defence Force: pay	467,631	424,178	429,017
A.4	Permanent Defence Force: allowances	50,156	46,257	48,686
A.5	Reserve Defence Force: pay, etc.	2,050	2,239	1,924
A.6	Chaplains and officiating clergy: pay and allowances	1,300	1,122	1,086
A.7	Defence Forces civilian support: pay and allowances, etc.	24,700	21,234	21,085
A.8	Defence Forces: capability development	112,000	138,782	117,482
A.9	Air Corps: equipment and support	24,470	35,085	25,689
A.10	Military transport	24,645	26,256	21,323
A.11	Naval Service: equipment and support	14,500	16,834	18,237
A.12	Barrack expenses and engineering equipment	17,770	20,807	19,840
A.13	Defence Forces built infrastructure: construction and maintenance	55,000	49,218	29,078
A.14	Defence Forces uniforms, clothing, equipment and catering	16,500	19,196	14,471
A.15	Defence Forces communications and IT	19,000	24,343	17,228
A.16	Military education and training	4,550	3,967	2,679
A.17	Defence Forces logistics and travel	4,230	5,958	5,378
A.18	Defence Forces medical and healthcare support	12,230	8,190	7,427
A.19	Lands	786	981	797
A.20	Equitation	1,000	1,231	1,122
A.21	Litigation and compensation costs	7,500	5,362	6,153
A.22	Miscellaneous expenditure (including dormant accounts fund)	5,489	6,951	5,770
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	7,000	7,527	4,094
A.24	Civil Defence (including dormant accounts fund)	5,400	5,305	5,267
A.25	Irish Red Cross Society	975	975	975
		915,362	906,394	835,922

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

A.3 Permanent Defence Force: pay

Estimate provision €467.631 million; outturn €424.178 million

The underspend of €43.453 million was due to lower than projected recruitment in 2023, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force.

A.4 Permanent Defence Force: allowances

Estimate provision €50.156 million; outturn €46.257 million

The underspend of €3.899 million was due to a reduction in security and patrol duty activity, along with reduced overseas expenditure due to the withdrawal from certain overseas missions.

A.5 Reserve Defence Force: pay, etc.

Estimate provision €2.05 million; outturn €2.239 million

The overspend of €189,000 was due to the uptake of paid training days being more than anticipated.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.3 million; outturn €1.122 million

The underspend of €178,000 was due to lower than anticipated recruitment of chaplains in 2023.

A.7 Defence Forces Civilians Support: pay and allowances, etc.

Estimate provision €24.7 million; outturn €21.234 million

The underspend of €3.466 million was due to the number of civilian employees being less than provided for in the estimate and lower than anticipated recruitment.

A.8 Defence Forces: capability development

Estimate provision €112 million; outturn €138.782 million

The overspend of €26.782 million was mainly due to a significant downpayment for the provision of software defined radio systems. Further payments were also made for the military transport aircraft and the inshore patrol vessels (IPVs).

A.9 Air Corps: equipment and support

Estimate provision €24.47 million; outturn €35.085 million

The overspend of €10.615 million was the result of upgrades and the implementation of FISS (Full in-Service Support) and maintenance contracts.

A.10 Military Transport

Estimate provision €24.645 million; outturn €26.256 million

The overspend of €1.611 million was due to the purchase of replacement military vehicles, which was offset by compensating savings on fuel and maintenance costs.

A.11 Naval Service: equipment and support

Estimate provision €14.5 million; outturn €16.834 million

The overspend of €2.334 million was mainly due to increased maintenance and support costs.

A.12 Barrack expenses and engineering equipment

Estimate provision €17.770 million; outturn €20.807 million

The overspend of €3.037 million was due to increased cost of barrack services, cleaning contracts and engineering equipment.

A.13 Defence Forces Built Infrastructure - construction and maintenance

Estimate provision €55 million; outturn €49.218 million

The underspend of €5.782 million was due to delays in the procurement process for the Defence Forces built infrastructure capital programme coupled with supply chain issues.

A.14 Defence Forces uniforms, clothing, equipment and catering

Estimate provision €16.5 million; outturn €19.196 million

The overspend of €2.696 million was the result of increased costs of maintenance of in-service equipment and weapons systems.

A.15 Defence Forces communications and IT

Estimate provision €19 million; outturn €24.343 million

The overspend of €5.343 million was mainly due to the requirement for additional procurement of essential telecommunications equipment and supplies.

A.16 Military education and training

Estimate provision €4.55 million; outturn €3.967 million

The underspend of €583,000 was mainly due to delays in the supply of training and educational services and equipment.

A.17 Defence Forces logistics and travel

Estimate provision €4.23 million; outturn €5.958 million

The overspend of €1.728 million was due to an increase in travel costs and the withdrawal of personnel and equipment from overseas missions.

A.18 Defence Forces medical and healthcare support

Estimate provision €12.23 million; outturn €8.19 million

The underspend of €4.04 million was due to the fact that the extension of full private medical care to all ranks was only launched in September 2023.

A.19 Lands

Estimate provision €786,000; outturn €981,000

The overspend of €195,000 was due to increased security and maintenance costs.

A.20 Equitation

Estimate provision €1 million; outturn €1.231 million

The overspend of €231,000 was mainly due to the procurement of additional horses for the Army Equitation School.

A.21 Litigation and compensation costs

Estimate provision €7.5 million; outturn €5.362 million

The underspend of €2.138 million arose due to a number of unpredictable variables, including the timing of court hearings, the progress of cases, and the number, value and timing of awards and settlements.

A.22 Miscellaneous expenditure (including dormant accounts fund)

Estimate provision €5.489 million; outturn €6.951 million

The overspend of €1.462 million was mainly due to costs associated with the Independent Review Group and additional advertising and communication costs associated with military recruitment campaigns.

A.23 Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy

Estimate provision €7 million; outturn €7.527 million

The overspend of €527,000 arose mainly as a result of higher than anticipated calls for European Defence Agency and EU SatCen funding in 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

	2023		2022
	Estimated €000	Realised €000	Realised €000
1 UN overseas allowances	8,200	14,242	14,026
2 Receipts from EU in respect of fishery protection costs	—	—	—
3 Receipts from banks and other organisations	1,300	1,457	1,360
4 Receipts from occupation of official quarters	120	169	174
5 Receipts from rations on repayment	525	661	877
6 Receipts from other issues on repayment	20	18	21
7 Receipts for aviation fuel	40	39	1
8 Receipts on discharge by purchase	50	153	154
9 Lands and Premises			
(a) rents, etc.	462	517	473
(b) sales	150	13	300
10 Sale of surplus stores	145	153	203
11 Refunds in respect of services of seconded personnel	120	155	182
12 Receipts from additional superannuation contributions on public service remuneration	12,825	14,453	14,036
13 Dormant accounts receipts	650	406	983
14 Miscellaneous	300	1,591	869
Total	24,907	34,027	33,659

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

1 Receipts from United Nations in respect of overseas allowances, etc.

Estimate €8.2 million; realised €14.242 million

The surplus of €6.042 million was due to higher than anticipated UN receipts in respect of troop and equipment costs. The timing of UN receipts is difficult to predict. See note 6.1.

3 Cash escort

Estimate €1.3 million; realised €1.457 million

The surplus of €157,000 was due to an increase in costs and in the number of escorts carried out, giving rise to an increase in recoupments.

5 Receipts from rations on repayment

Estimate €525,000; realised €661,000

The surplus of €136,000 was due to more than anticipated repayments of rations.

8 Receipts on discharge by purchase

Estimate €50,000, realised €153,000

The surplus of €103,000 was due to higher than anticipated numbers of Defence Force members discharging within their service contract duration.

12 Receipts from additional superannuation contributions on public service remuneration

Estimate €12.825 million; realised €14.453 million

The surplus of €1.628 million arose because receipts from additional superannuation contributions are difficult to accurately estimate, particularly in the Defence Forces given the range of issues that can impact on the calculations, including enlistments, retirements, range of allowances, etc.

13 Dormant accounts receipts

Estimate €650,000 realised €406,000

The shortfall of €244,000 was due to delays in projects for which Dormant Accounts funding had been approved.

14 Miscellaneous

Estimate €300,000 realised €1.591 million

The surplus of €1.291 million was mainly due to receipts in respect of refunds for education and training fees.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	<u>8,392</u>	<u>8,796</u>

5.2 Pay

Remuneration of all staff	2023	2022
	€000	€000
Pay	425,431	427,857
Higher, special or additional duties allowances	293	235
Overtime	728	450
Shift and roster allowance	304	295
Military and other allowances	36,529	41,215
Employer's PRSI	43,020	43,374
Total pay^{a, b}	<u>506,305</u>	<u>513,426</u>

Notes ^a The overall totals do not include the Office of the Ombudsman for the Defence Forces which accounts for four personnel and total pay of €347,158. That office produces a separate account.

^b Total pay represents the pay elements of subheads A.1, A.3, A.4, A.6 and A.7.

5.3 Civil servants

	2023	2022
Full time equivalents		
Number of staff at year end ^a	394	379
Note ^a Thirteen of these personnel are embedded in Defence Forces' units and are employed full time in providing support to those units.		
	2023	2022
	€000	€000
Pay	22,185	20,325
Higher, special or additional duties allowances	191	159
Other allowances	—	65
Overtime	178	139
Employer's PRSI	1,574	1,381
Total pay	24,128	22,069

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	22	6	28,932	22,755
Other allowances	12	1	10,033	12,660
Overtime	69	2	11,177	12,388
Extra remuneration in more than one category	7	3	16,757	27,612

5.4 Civilian employees

	2023	2022
Full time equivalents		
Number of staff at year end	430	414
	2023	2022
	€000	€000
Pay	17,517	17,566
Higher, special or additional duties allowances	102	76
Overtime	550	311
Shift and roster allowances	304	295
Travel time allowance	411	415
Tool and other allowances	222	228
Employer's PRSI	1,885	1,868
Total pay	20,991	20,759

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	64	—	8,919	8,967
Overtime	140	14	24,359	17,616
Shift and roster allowances	38	4	16,523	14,680
Travel time allowance	52	17	14,405	13,964
Tool and other allowances	246	—	3,235	3,235
Extra remuneration in more than one category	166	50	30,266	27,869

5.5 Permanent Defence Force (including Army Nursing Service and Chaplaincy)

	2023	2022
Full time equivalents		
Number of staff at year end	7,568	8,003
	2023	2022
	€000	€000
Pay and military service allowance	385,729	389,966
Overseas allowances	18,675	21,270
Security duty allowances	10,681	12,550
Border duty allowance	1,759	1,849
Patrol duty allowance	1,366	2,253
Miscellaneous allowances	3,415	2,585
Employer's PRSI	39,561	40,125
Total pay	461,186	470,598

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Overseas allowances	1,920	863	44,689	41,263
Security duty allowances	6,352	42	27,044	22,592
Border duty allowance	366	—	9,348	9,984
Patrol duty allowance	404	—	9,590	11,311
Miscellaneous allowances ^a	820	120	39,205	13,815
Extra remuneration in more than one category	2,526	996	43,894	38,865

Note ^a Payment includes arrears in respect of 2020 to 2022.

5.6 Staffing by pay band

The number of employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	6,794	7,645
60,000	69,999	752	501
70,000	79,999	341	285
80,000	89,999	249	228
90,000	99,999	183	117
100,000	109,999	66	68
110,000	119,999	46	38
120,000	129,999	24	21
130,000	139,999	12	13
140,000	149,999	14	10
150,000	159,999	4	3
160,000	169,999	2	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	1	1
210,000	219,999	1	2
220,000	229,999	1	—

5.7 Other remuneration arrangements

A total of €1,935,936 was paid to 47 retired Defence Force personnel in receipt of Defence Forces pensions, ranging from €551 to €91,862, who were re-employed on various duties during 2023. In addition, a total of €112,959 ranging from €296 to €9,000 was paid to 27 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2023. Appropriate procedures are in place with regard to payments to retired personnel in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.8 Seconded staff

This account includes expenditure of €366,634 in respect of six officers who were serving outside the Department for all or part of 2023 and whose salaries were not recouped by the Department.

This account does not include expenditure in respect of 2 officers who were serving outside the Department for all or part of 2023 in another Government office whose salaries were paid by the office in which they were serving.

5.9 Payroll overpayments

At 31 December	2023	2022
Number of recipients	193	129
Recovery plans in place	45	28
	€	€
Overpayments	231,313	168,477
Value of recovery plans	66,237	43,072

Two overpayments were transferred into the Department of Defence from another department/office in 2023. The value of these overpayments at 31 December 2023 was €4,464.

5.10 Medical treatment

Inpatient and outpatient services were provided to enlisted personnel and their dependants in public hospitals without application of the statutory charge.

5.11 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2023	2022
	€000	€000
Basic pay	227	212

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the single public service pension scheme and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

5.12 Ex-gratia payments

Payments amounting to €15,391 were made to nine individuals in relation to mediation/settlement agreements during 2023.

Note 6 Miscellaneous

6.1 Overseas missions

This account includes the sums indicated below in respect of the remuneration of military personnel serving with UN and EU peace support operations and various organisations, together with travel and subsistence and transportation costs.

	2023	2022
	€000	€000
UN and EU missions		
UNIFIL (Lebanon)	31,484	33,672
UNDOF (Golan Heights)	12,680	12,758
KFOR (Kosovo)	1,537	1,519
EUFOR (Bosnia Herzegovina)	568	682
Other UN and EU missions	3,668	5,457
	<u>49,937</u>	<u>54,088</u>
Other		
Military representatives and advisors	3,720	2,661
EU Battlegroup	9	76
Organisation for Security and Co-operation in Europe	172	261
Mediterranean operations (search and rescue)	1,120	334
ECAT Kabul	—	3
Total	<u>54,958</u>	<u>57,423</u>

Of the sum of €49.9 million for UN and EU missions, €5.7 million relates to missions the full costs of which are borne by the State. The remaining €44.2 million relates to UNIFIL, UNDOF and MINUSMA (Mali) in respect of which arrangements for the re-imbursment of certain costs have been agreed with the UN and the German Armed Forces. The timing of re-imbursments from the UN is dependent on various factors including the funding available to that organisation.

The moneys received by way of appropriations-in-aid in 2023 amounted to €14.2 million, made up of €7.3 million for personnel costs and €6.9 million for equipment costs. The amount outstanding at year end was €3.4 million (€1.7 million personnel costs and €1.7 million equipment costs).

6.2 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2023 €000	2023 €000	2022 €000
Commission on the Defence Forces ^a	2020	468	—	110
Independent Review Group on Dignity and Equality Issues in the Defence Forces ^b	2022	1,246	549	697
			549	807

- Note ^a The Commission on the Defence Forces was established in December 2020 and reported in February 2022. Its terms of reference included the consideration of appropriate capabilities, structures and staffing for the Army, the Air Corps, the Naval Service and the Reserve Defence Force.
- ^b The Independent Review Group on Dignity and Equality Issues in the Defence Forces was established in January 2022 and the report was presented to An Tánaiste on 2 February 2023.

6.3 Support for Defence Forces' representative associations

This account includes a total of €594,643 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.4 Write-offs

The following sums were written off within the year.

	2023 €000	2022 €000
Damage to military vehicles	63	1
Debt write-off	9	28
	72	29

6.5 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by					Total 2023	Total 2022
	Employees			Members of the public			
	Personal injuries	Breach HR/ employment policies	Other	Personal injuries	Other		
Number of cases	191	574	2	9	11	787	411
	€000	€000		€000	€000	€000	€000
Department's own legal costs	857	45	—	107	—	1,009	1,160
Payments by/on behalf of Department							
Compensation	1,341	397	17	126	34	1,915	3,319
Legal costs	2,167	84	—	68	13	2,332	1,442
Other costs	—	32	—	—	—	32	297
2023 total	4,365	558	17	301	47	5,288	6,218
2022 total	5,144	929	—	112	33	6,218	

Note At 31 December 2023, 486 claims were outstanding (2022: 495 claims).

Cumulative costs of cases completed in 2023

	Claims by				Total
	Employees		Members of the public		
	Personal injuries	Breach HR/ employment policies	Personal injuries	Other	
Number of cases	80	—	12	20	112
	€000	€000	€000	€000	€000
Department's own legal costs	1,555	—	67	—	1,622
Payments by/on behalf of Department					
Compensation	3,960	—	154	43	4,157
Legal costs	2,567	—	114	—	2,681
Other costs	352	—	21	1	374
Total	8,434	—	356	44	8,834

6.6 Arbitration and conciliation

In 2023, costs of €6,795 were incurred (2022: €8,500) in relation to four arbitration and conciliation cases (2022: five cases).

Appendix A Schedule of land and buildings

1. Vested in the Minister for Defence

Property	Area (hectares) ^a
Clare	
Knockalisheen Camp	51.24
Cork	
Murphy Barracks, Ballincollig	0.89
Collins Barracks, Cork	24.22
Portion of Camp Field, Collins Barracks	—
Old Barracks and Graveyard, Fermoy	3.98
Fitzgerald Camp, Fermoy	0.40
RDF premises, Kilcrohane	0.40
Michael Collins Memorial Plot, Béal na Bláth	0.004
RDF premises, Skibbereen	0.20
RDF premises, Mallow	0.03
Dublin	
Casement Aerodrome, Baldonnel including sewage plant on adjacent land	276.93
Esplanade, Collins Barracks	0.20
Site at Islandbridge, Dublin 8	0.26
Galway	
Oranmore Rifle Range	216.10
Springfield water supply to Oranmore Range	—
Dún Uí Mhaoilfosa, Galway	29.95
Kerry	
Ballymullen Barracks, Tralee	6.07
Fort Shannon, Tarbert	0.81
RDF premises, Kilorglin	0.10
Kildare	
Curragh Camp and lands	1,968.12
Curragh Lands – Kildare by-pass	—
Nos. 2, 78 and 96 Orchard Park, Curragh	0.06
Magee Barracks, Kildare	1.99
Lands at Blackrath, Curragh	14.37
Kilkenny	
Stephens Barracks, Kilkenny	5.67

Property	Area (hectares) ^a
Louth	
Red Barns Rifle Range, Dundalk	5.46
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	0.20
Roscommon	
Rifle Range, Carna	114.53
Tipperary	
Rifle Range, Kilcoran	5.46
Waterford	
Military Barracks, Waterford	0.28
Westmeath	
Columb Barracks, Mullingar	9.61
Custume Barracks, Athlone	5.26
Garrynafela Lands, Athlone	5.97
Wicklow	
Glen of Imaal Artillery Range	2,698.85
Coolmoney Camp and Lands	97.53
Range Warden's Post, Seskin	0.40

Note ^a Hectares stated are approximate. Most of the properties contain buildings thereon.

2. Vested in the Minister for Public Expenditure, National Development Plan Delivery and Reform

Property	Area (hectares) ^a
Clare	
RDF premises, Ennis	0.10
Cork	
Kilworth Camp and Range	1,377.55
Portion at Kilworth Camp for provision of road services to TII	10.69
Bere Island	91.05
Naval Base, Haulbowline	33.99
Fort Davis, Whitegate	22.04
Fort Templebreedy, Crosshaven	14.97
Furious Pier, Castletownbere	—
Landing Pier, Cobh	—
Donegal	
Finner Camp, Bundoran	337.01
Dublin	
Cathal Brugha Barracks, Rathmines, Dublin 6	18.62
Nos. 17-28, Cathal Brugha Apartments, Rathmines, Dublin 6	0.27
McKee Barracks, Blackhorse Avenue, Dublin 7	18.21
64 McKee Park, Dublin 7	0.02
St Bricin's Hospital, Dublin 7	3.24
Old School House, Arbour Hill, Dublin 7	—
2 Tomar Court, Arbour Hill, Dublin 7	0.01
Laois	
RDF premises, Portlaoise	0.03
Limerick	
Sarsfield Barracks, Limerick	5.99
Louth	
Aiken Barracks, Dundalk	7.28
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20

Property	Area (hectares) ^a
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

Notes ^a Hectares are approximate. Most of the properties contain buildings thereon.