

Appropriation Account 2020

Vote 9

Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2020 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.841 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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exceptions listed here.

Valuation and depreciation of capital assets

As provided for in Circular 21 of 2020, Revenue has applied a capitalisation threshold of €500 for IT assets and €1,000 for all other assets.

Depreciation is charged on assets on a full-year basis.

Seized vehicles that have been appropriated by Revenue are included in the capital assets at open market value at the time of appropriation and are depreciated at a rate of 20% per annum on a straight line basis.

A customs cutter is depreciated at a rate of 5% per annum on a straight line basis.

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 other obligations as Head of 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resource and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office in relation to the provision of human resources and payroll shared services.

Control environment

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, 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
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines.

A risk management system operates within the Office of the Revenue Commissioners. Mitigations used to manage risk include

- Revenue's governance structures
- environmental scanning to ensure Revenue is aware of influences that affect risk
- integrated strategic/business planning and risk management system that regularly reviews risks at organisational, divisional and branch level
- project management methodologies for all significant projects.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written internal audit charter. 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 by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. The Office complied with the guidelines with the exception of nine contracts (in excess of €25,000), totalling €3,105,844 as set out below:

- Three contracts for merchant acquiring services, waste management service and office supplies, with a combined value of €1,294,167 had previously been awarded under a competitive process but were extended while revised arrangements were being put in place. New contracts are now in place for these items.
- Three contracts for the supply of uniforms, cleaning services and call handling services, with a combined value of €1,577,616 had previously been awarded under a competitive process but were extended while revised arrangements are being put in place. A procurement competition for call handling services has been completed with the contract due to be concluded during August 2021. Specification setting and drafting of tender documentation for the uniforms and cleaning services contracts are currently being developed with a view to going to market during Q3 of 2021.
- One contract for stenography services with a value of €118,983 was deemed non-compliant and will be replaced using an OGP framework agreement in Q3 of 2021.
- Two further contracts for mobile voice and data services and rental of storage space, with a combined value of €115,078 were deemed non-compliant and are currently undergoing a review which is expected to be completed in Q3 2021.

It is the policy of my Office to avail of all centrally available frameworks as soon as is practicable and engage with the Office of Government Procurement (OGP) where we have more specific requirements. Controls will remain in place to ensure compliance with this strategy.

The Office has provided details of 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 and Reform.

As required by DPER circular 40/2002, I have submitted a report on procurements in 2020 without competitive tendering process to the value of €5,993,496. In addition Revenue also maintain a list of long running contracts which in 2020 had a total value of €12.8 million. The list is made up of 39 contracts for annual support and maintenance of Revenue's ICT systems to a value of €10,390,573; five contracts underpinning Revenue's telecommunications infrastructure to a value of €2,285,995; and three additional contracts to a value of €143,986.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the 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 this Office and these have been identified, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated in to Revenue's strategic and business planning process. The register is reviewed and updated on a quarterly basis by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from divisional management when determining whether there should be changes to the priority or ranking of a risk. The Committee reports annually to the Board of the Revenue Commissioners on its oversight of risks.

A Data Protection Unit is in place which has responsibility for the overall management and administration of data protection in Revenue. A Data Protection Officer, whose primary role is to ensure compliance with the General Data Protection Regulation (GDPR) and with Revenue data protection policies, is also in place.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and how control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, 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 this Office are responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The Covid-19 pandemic has presented very significant challenges for citizens, businesses and Revenue. Revenue utilised its advanced technology infrastructure, in particular its recently modernised PAYE system, and its strong operational and project management capabilities to develop and implement the series of subsidy schemes introduced by the Government to support tax compliant businesses and their employees during this difficult time. The COVID Employer Refund Scheme (ERS), the Temporary Wage Subsidy Scheme (TWSS), the Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS) were quickly rolled out by Revenue in an agile manner to ensure that employers, employees and businesses promptly received critical support payments.

The administration of the Department of Social Protection funded schemes entailed the management of significant sums for the ERS (now closed), TWSS and EWSS amounting to a total of €4.1 billion in 2020. The balance owing to the Department of Social Protection at the year end is disclosed in Note 2.5 of the account. CRSS is funded through income tax or corporation tax and is paid as an advanced tax credit.

Revenue has also continued to provide a range of measures to support businesses that are suffering cashflow or trading difficulties, including warehousing of debt, suspension of interest on late payments, and suspension of collection enforcement activity.

In June 2021, the Government announced the extension of the EWSS until the end of 2021 and continuation of the CRSS for those businesses that are still directly affected by public health restrictions that may remain in place, with enhanced 'restart' payments offered as businesses re-open. As the economy seeks to re-open, a new Business Resumption Support Scheme (BRSS) administered by Revenue will be introduced aimed at businesses which have had reduced turnover as a result of public health restrictions. The extension of the tax debt warehousing scheme was also announced.

A significant impact of the Covid-19 pandemic was the move to remote and virtual working for approximately of 4,500 of Revenue's 7,000 staff. Revenue's ICT division responded very effectively to the challenge of enabling these staff to work productively in remote locations. With the commitment and engagement of Revenue's staff, this has resulted in Revenue successfully maintaining delivery of our core business programmes as well as taking on the additional role of administering the support schemes.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

2 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 9 Office of the Revenue Commissioners

Opinion on the appropriation account

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2020 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Office of the Revenue Commissioners 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*.

Non-compliance with procurement rules

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

Seamus McCarthy
Comptroller and Auditor General

6 September 2021

Vote 9 Office of the Revenue Commissioners

Appropriation Account 2020

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and collection of taxes and duties, and frontier management			
	<i>Original</i>	470,462		
	<i>Supplementary</i>	<u>719</u>		
			471,181	467,231
				<u>449,066</u>
	Gross expenditure		471,181	467,231
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	66,487		
	<i>Supplementary</i>	<u>(7,100)</u>		
			59,387	60,278
				<u>70,541</u>
	Net expenditure			
	<i>Original</i>	403,975		
	<i>Supplementary</i>	<u>7,819</u>		
			411,794	406,953
				<u>378,525</u>

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	<u>4,840,658</u>	<u>4,159,413</u>

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	<u>2020</u>	<u>2019</u>
	€000	€000
Pay	329,118	319,115
Non pay	<u>138,113</u>	<u>129,951</u>
Gross expenditure	467,231	449,066
<i>Deduct</i>		
Appropriations-in-aid	<u>60,278</u>	<u>70,541</u>
Net expenditure	406,953	378,525
Changes in capital assets		
Purchases cash	(27,736)	
Depreciation	21,989	
Disposals cash	11	
Gain on disposals	<u>(1)</u>	(6,188)
Changes in net current assets		
Decrease in closing accruals	(3,603)	
Increase in stock	<u>(1,067)</u>	3,613
Direct expenditure	<u>396,546</u>	<u>375,950</u>
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	137,719	127,516
Notional rents (non-cash)	<u>12,043</u>	<u>11,819</u>
Net programme cost	<u>546,308</u>	<u>515,285</u>

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 9 borne elsewhere, net of costs of shared services provided to other Votes.

	2020	2019
	€000	€000
Vote 12 Superannuation and Retired Allowances	119,549	112,003
Vote 13 Office of Public Works	21,050	19,038
Vote 18 National Shared Services Office	688	657
	<u>141,287</u>	<u>131,698</u>
Costs of shared services provided to other Votes		
Services rendered by Revenue without charge ^a	<u>(3,568)</u>	<u>(4,182)</u>
	<u>137,719</u>	<u>127,516</u>

Note ^a In addition to services rendered without charge to other Votes shown here (€3.568 million), services to the value of approximately €1.285 million were also provided without charge to other non-voted bodies. While the majority of the allied service costs are actual costs, approximated costs have been applied where actual costs are not available.

The costs incurred by Revenue on the administration of the Department of Social Protection funded schemes (Employer Covid-19 Refund Scheme, Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme) have not been included as the operation of these schemes was fully integrated within Revenue's systems.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	97,535	90,238
Current assets			
Bank and cash	2.2	32,324	9,656
Stocks	2.3	2,181	1,114
Prepayments		12,734	9,677
Accrued income		1,404	1,821
Other debit balances	2.4	3,555	4,346
Total current assets		52,198	26,614
Less current liabilities			
Accrued expenses		5,686	5,802
Deferred income		801	88
Other credit balances	2.5	34,061	11,897
Net Exchequer funding	2.6	1,818	2,105
Total current liabilities		42,366	19,892
Net current assets		<u>9,832</u>	<u>6,722</u>
Net assets		<u>107,367</u>	<u>96,960</u>
Represented by:			
State funding account	2.7	<u>107,367</u>	<u>96,960</u>

2.1 Capital assets

	Vehicles and equipment €000	Office/IT equipment €000	Furniture and fittings €000	Capital assets under development €000	Total €000
Gross assets					
Cost or valuation at 1 January 2020	18,408	446,657	69,950	7,007	542,022
Additions	2,629	5,628	10,801	10,238	29,296
Assets under development brought into use	—	14,452	—	(14,452)	—
Disposals	(187)	(13,951)	(1,103)	—	(15,241)
Cost or valuation at 31 December 2020	20,850	452,786	79,648	2,793	556,077
Accumulated depreciation					
Opening balance at 1 January 2020	14,565	380,520	56,699	—	451,784
Depreciation for the year	1,924	16,961	3,104	—	21,989
Depreciation on disposals	(178)	(13,950)	(1,103)	—	(15,231)
Cumulative depreciation at 31 December 2020	16,311	383,531	58,700	—	458,542
Net assets at 31 December 2020	4,539	69,255	20,948	2,793	97,535
Net assets at 31 December 2019	3,843	66,137	13,251	7,007	90,238

2.2 Bank and cash

at 31 December	2020 €000	2019 €000
PMG balances and cash	11,768	9,600
Commercial bank account balance	65	56
TWSS bank account balance	20,372	—
EWSS bank account balance	119	—
	32,324	9,656

2.3 Stocks

at 31 December	2020 €000	2019 €000
Stationery and small stores	648	644
Equipment/clothing/miscellaneous	1,530	466
IT consumables	3	4
	2,181	1,114

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Shared building advances	261	253
Travel imprests	—	6
Recoupable travel expenditure	4	26
Advances to OPW for building works, etc.	1,275	2,616
Vote 10 Tax Appeals Commission	510	195
Recoupable salaries	2	202
Recoupable travel pass scheme expenditure	126	963
Other debit suspense items	1,377	85
	3,555	4,346

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	3,756	3,490
Universal social charge	764	729
Pay related social insurance	2,508	2,304
Professional services withholding tax	1,431	843
Value added tax	835	974
Pension contributions	847	781
Local property tax	42	43
Extra Exchequer receipts	415	—
	10,598	9,164
Payroll deductions held in suspense	2,524	2,469
Recoupable expenditure in advance	224	125
Due to DSP in respect of		
• TWSS	19,522	—
• EWSS	914	—
Due to the Account of the Receipt of Revenue of the State in respect of		
• TWSS	55	—
Other credit suspense items	224	139
	34,061	11,897

Note: Revenue opened a number of suspense accounts during the year to facilitate payments under the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS), funded by the Vote of the Department of Social Protection. In 2020, payments (net of refunds and unpaid claims) administered under each of the schemes are as follows

- TWSS €2.707 billion
- EWSS €1.371 billion

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	4,841	4,159
Exchequer grant undrawn	<u>(3,023)</u>	<u>(2,054)</u>
Net Exchequer funding	<u>1,818</u>	<u>2,105</u>
Represented by:		
Debtors		
Bank and cash	32,324	9,656
Other debit balances	<u>3,555</u>	<u>4,346</u>
	35,879	14,002
Creditors		
Due to the State	(10,598)	(9,164)
Other credit balances	<u>(23,463)</u>	<u>(2,733)</u>
	(34,061)	(11,897)
	<u>1,818</u>	<u>2,105</u>

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		96,960	94,376
Disbursements from the Vote			
Estimate provision	Account	411,794	
Surplus to be surrendered	Account	<u>(4,841)</u>	
Net vote		406,953	378,525
Expenditure (cash) borne elsewhere	1.1	137,719	127,516
Non cash expenditure – notional rent	1	12,043	11,819
Other non-cash items – seized vehicles		—	9
Net programme cost	1	<u>(546,308)</u>	<u>(515,285)</u>
Balance at 31 December		<u>107,367</u>	<u>96,960</u>

2.8 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	<u>20,772</u>	<u>22,045</u>

2.9 Contingent liabilities

Revenue has contingent liabilities estimated at €5.183 million (2019: €3.457 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	339,862		
	<i>Supplementary</i>	<u>(8,000)</u>		
			331,862	329,118
				319,115
ii	Travel and subsistence			
	<i>Original</i>	6,100		
	<i>Supplementary</i>	<u>(4,100)</u>		
			2,000	1,788
iii	Training and development and other day-to-day expenses		25,900	26,286
iv	Postal and telecommunication services			
	<i>Original</i>	10,600		
	<i>Supplementary</i>	<u>(1,200)</u>		
			9,400	8,178
v	Office equipment and external IT services		63,000	66,157
vi	Office premises expenses			
	<i>Original</i>	7,890		
	<i>Supplementary</i>	<u>12,469</u>		
			20,359	16,049
vii	Consultancy services and value for money and policy reviews		60	55
viii	Motor vehicles and equipment maintenance			
	<i>Original</i>	3,950		
	<i>Supplementary</i>	<u>1,350</u>		
			5,300	6,332
ix	Law charges		12,300	12,110
x	Compensation and losses			
	<i>Original</i>	800		
	<i>Supplementary</i>	<u>200</u>		
			1,000	1,158
			471,181	467,231
				449,066

Significant variations

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

ii Travel and subsistence

Estimate provision €6.1 million; outturn €1.788 million

The decrease of €4.312 million in expenditure on travel and subsistence is due to the impact of Covid-19 restrictions on business travel.

vi Office premises expenses

Estimate provision €7.89 million; outturn €16.049 million

An excess of €8.159 million in expenditure on office premises expenses arises due to Brexit infrastructure costs at Dublin Port and Rosslare Europort. The majority of the supplementary estimate for the office premises excess was funded by salary savings generated by the Covid-19 pandemic.

viii Motor vehicles and equipment maintenance

Estimate provision €3.95 million; outturn €6.332 million

Expenditure was €2.382 million higher relative to the estimate provision due to delayed invoicing in respect of maintenance undertaken on Revenue's mobile container scanners, and due to additional Covid-19 personal protective equipment (PPE) costs. Virement was required to cover the excess.

x Compensation and losses

Estimate provision €800,000; outturn €1.158 million

The increase of €358,000 in expenditure on compensation and losses is due to large costs awarded against Revenue. Legal cost awards can be difficult to estimate accurately considering the long lead in times and the negotiation of costs. Virement was required to cover the excess.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Receipts for services relating to Pay Related Social Insurance Scheme	37,437	37,437	37,437
2 Fines, forfeitures, law costs recovered			
	<i>Original</i> 2,700		
	<i>Supplementary</i> (1,218)		
		1,482	1,406
3 Cherished numbers			2,811
	<i>Original</i> 150		
	<i>Supplementary</i> (10)		
		140	186
4 Receipts in respect of Environmental Levy collection	400	—	193
5 Share of SASP (Single Authorisation for Simplified Procedures) collection cost			405
	<i>Original</i> 15,900		
	<i>Supplementary</i> (4,942)		
		10,958	11,434
6 Miscellaneous			18,033
	<i>Original</i> 1,787		
	<i>Supplementary</i> (587)		
		1,200	1,872
7 Receipts from additional superannuation contributions on public service receipts in respect of civil service staff			2,836
	<i>Original</i> 8,113		
	<i>Supplementary</i> (343)		
		7,770	7,943
		59,387	60,278
			8,826
			70,541

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.209 million lower than the original estimate. Explanations for variances are set out below.

2 Fines, forfeitures, law costs recovered

Estimate €2.7 million; realised €1.406 million

The deficit of €1.294 million arises due to the impact of Covid-19 restrictions on the application and collection of fines and forfeitures since March 2020.

4 Receipts in respect of Environmental Levy collection

Estimate €400,000; realised €nil

The variance arises due to the timing of the payment. €407,147 was received in February 2021 in respect of the 2020 Environmental Levy collection charge, which has been recorded in the 2021 accounts.

5 Share of SASP (Single Authorisation for Simplified Procedures) collection cost

Estimate €15.9 million; realised €11.434 million

Centralised clearance (currently known as Single Authorisation for Simplified Procedures (SASP) allows economic operators to declare goods in one EU member state while the goods are physically imported or exported in a different member state. The deficit of €4.466 million arises due to the impact of Covid-19 restrictions, in other EU Members States, on the trading activities of private retail companies, thus reducing the volume of imports and the apportionment of customs collection costs (SASP) in respect of such imports.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	441
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	1,258	801
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with global cigarette manufacturers	811	787
Transferred to the Exchequer	(1,654)	(2,029)
Balance at 31 December	415	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>6,680</u>	<u>6,708</u>

5.2 Pay

	2020 €000	2019 €000
Pay	299,610	290,881
Higher, special or additional duties allowances	6,563	5,971
Overtime	1,174	2,446
Employer's PRSI	21,771	19,817
Total pay	<u>329,118</u>	<u>319,115</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020 €	2019 €
Higher, special or additional duties allowances	128	18	19,808	19,568
Overtime and extra attendance	1,398	78	16,015	18,440
Shift and roster allowances	577	111	26,115	26,601
Miscellaneous	164	4	18,856	43,330
Extra remuneration in more than one category	263	94	26,084	29,307

5.4 Performance awards

A total of €102,000 was spent on staff recognition schemes. There were 1,927 individual awards, ranging from €25 to €250.

5.5 Other remuneration arrangements

A total of €5,000 was paid to one Revenue employee in 2020 in compensation for loss of earnings in accordance with Department of Public Expenditure and Reform guidelines (2019: €126,621 in respect of six employees).

A total of €53,000 was paid to 29 retired civil servants by Revenue in 2020 in respect of interview board payments, training interventions and witness expenses (2019: €82,157 was paid to 33 retired civil servants and one external member). These payments were made in accordance with the appropriate Department of Public Expenditure and Reform rates.

This account includes expenditure of €411,000 in respect of 13 officers who were serving outside Revenue for all or part of 2020 and whose salaries were paid by Revenue (2019: €522,000 in respect of 19 officers). 139 Revenue staff were loaned under the Temporary Assignment Scheme to other Government departments and offices for varying periods. This exercise has not been costed by Revenue.

This account does not include expenditure in respect of 26 officers who were serving outside Revenue for all or part of 2020 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.6 Payroll overpayments

	Number of recipients	2020 €000	2019 €000
Overpayments	928	1,884	1,914
Recovery plans in place	526	839	760

27 overpayment recovery plans, in respect of 23 individuals to the value of €19,500 were transferred to 12 various departments during the year.

5.7 Severance/redundancy

Revenue had no expenditure in 2020 relating to severance/redundancy payments.

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year:

	2020	2019
	€000	€000
Obsolete stock	1	70
Payroll overpayments	5	—
	<u>6</u>	<u>70</u>

6.2 Law charges (subhead A (ix))

	2020	2019
	€000	€000
Legal costs paid during the year are categorised as follows:		
External solicitors	3,400	5,149
Counsel fees	4,892	3,543
Other fees and costs:		
Bankruptcy/liquidation costs	3,098	3,007
Court fees	13	151
Miscellaneous costs and rewards	707	1,112
	<u>12,110</u>	<u>12,962</u>

6.3 Compensation and legal costs (subhead A(x))

					2020	2019
	Number of cases	Legal costs paid by Office €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Claims by employees of the office						
Legal action including claims pursued via the State Claims Agency	12	4	9	56	69	122
Miscellaneous expenses arising from work-related incidents	4	—	—	4	4	9
Claims by members of the public	27	40	1,039	6	1,085	1,104
		44	1,048	66	1,158	1,235

6.4 EU funding

Under a grant agreement with the EU Commission European Anti-Fraud Office (OLAF), the Office of the Revenue Commissioners were entitled to a grant to a maximum of €1.44 million, or 80% of the eligible cost for the purchase of a mobile back scatter x-ray scanning van which is used by Customs to scan trucks and containers. The first instalment of €720,000 was received in 2020 and is included in category 6 'miscellaneous' in appropriations-in-aid.

Under a grant agreement with OLAF, Revenue are entitled to a grant to a maximum of €1.735 million or 80% of the eligible cost for the purchase of a second mobile back scatter x-ray scanning van which is used by Customs to scan trucks and containers. The scanner was ordered in 2019 and the first instalment of €867,000 was received in 2019 and reported in the 2019 appropriation account. The scanner was delivered in September 2020. The scanner was in use at year end and included in note 2.1 of this account. The second grant instalment of €405,000 will be claimed by Revenue in Q3 2021.

Appendix A Accounts under the aegis of the Office of the Revenue Commissioners

The following table lists other accounts under the aegis of the Office where the Office has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Name of Account	Last accounting period	Date of audit report	Date presented to the Oireachtas
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners	2019	17 Apr 2020	27 Apr 2020