

Appropriation Account 2020

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 2020 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.172 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, except for the following.

Stock valuation

Military stocks are valued at average cost. Air Corps stocks are valued at purchase price. Departmental stocks are valued at their most recent purchase price. Military and Air Corps stocks include certain items that have been refurbished.

Capital assets

Capital assets include assets with a valuation of less than €1,000.

Land and buildings are not valued and are not included in capital assets (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 2.2 – 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.

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.

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, 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

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
- 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

I confirm that 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.

Non-compliance with procurement rules

I confirm that the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Department complied with the guidelines with the exception of 23 contracts (in excess of €25,000), totalling €818,471 (ex. VAT) in 2020 as follows:

- two contracts with a value of €56,650 were increased beyond the original estimated value
- four contracts with a value of €156,446 were awaiting completion of central purchasing arrangements
- eight contracts with a value of €240,736 were extended beyond the original contract term
- nine contracts with a value of €364,639 were delayed pending the outcome of an internal policy review.

Each of these 23 contracts has been reviewed by the Department, and steps are being taken to bring these contracts into compliance with competitive procurement rules as quickly as possible.

The Department 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. The 23 contracts outlined above, with the exception of three contracts with a value of €76,106, are included in this return.

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

I confirm that 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.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practical and appropriate, having regard to the nature of the work in the Department. As a result, the Department has introduced a number of procedural and control changes. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Internal financial control issues

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

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2021

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 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 36 Defence 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 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 *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 national procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

1 September 2021

Vote 36 Defence

Appropriation Account 2020

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Defence policy and support, military capabilities and operational outputs	781,031	780,999	756,094
Gross expenditure	781,031	780,999	756,094
<i>Deduct</i>			
B Appropriations-in-aid	24,070	30,210	32,154
Net expenditure	756,961	750,789	723,940

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	6,171,741	11,372,702

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	754,376	733,063
Administration pay	19,691	18,586
Administration non pay	6,932	4,445
Gross expenditure	780,999	756,094
<i>Deduct</i>		
Appropriations-in-aid	30,210	32,154
Net expenditure	750,789	723,940
Changes in capital assets		
Purchases cash	(121,708)	
Depreciation	57,007	
Loss on disposals	457	
Disposals cash	124	(58,052)
Changes in assets under development		
Cash payments	(11,714)	(15,495)
Changes in net current assets		
Decrease in closing accruals	(1,206)	
Increase in stock	(3,886)	(51)
Direct expenditure	669,863	650,342
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	11,510	
Notional rents	1,339	
Net programme cost	682,712	663,241

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.

	2020	2019
	€000	€000
Vote 1 President's Establishment	(432)	(422)
Vote 2 Department of the Taoiseach	(85)	(82)
Vote 9 Office of the Revenue Commissioners	4	9
Vote 12 Superannuation and Retired Allowances	11,813	11,575
Vote 13 Office of Public Works	643	531
Vote 18 National Shared Services Office	1,002	898
Vote 35 Army Pensions	(1,646)	(1,378)
Vote 43 Office of the Government Chief Information Officer	71	—
Central Fund – Ministerial pensions	140	126
	11,510	11,257

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	587,408	553,482
Capital assets under development	2.2	6,660	6,012
		594,068	559,494
Current assets			
Bank and cash	2.3	17,038	19,267
Stocks	2.4	220,237	216,351
Other debit balances	2.5	521	866
Prepayments	2.6	152,906	116,433
Accrued income		3,085	3,997
Total current assets		393,787	356,914
Less current liabilities			
Accrued expenses		10,656	6,482
Deferred income		32	45
Other credit balances	2.7	11,384	15,803
Net Exchequer funding	2.8	6,175	4,330
Total current liabilities		28,247	26,660
Net current assets		365,540	330,254
Net assets		959,608	889,748
Represented by:			
State funding account	2.9	959,608	889,748

2.1 Capital assets

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,205,447	4,704	54,644	1,264,795
Additions	88,630	183	2,701	91,514
Disposals	(2,479)	(203)	(2,357)	(5,039)
Cost or valuation at 31 December 2020	1,291,598	4,684	54,988	1,351,270
Accumulated depreciation				
Opening balance at 1 January 2020	666,242	2,273	42,798	711,313
Depreciation for the year	52,418	367	4,222	57,007
Depreciation on disposals	(2,133)	(108)	(2,217)	(4,458)
Cumulative depreciation at 31 December 2020	716,527	2,532	44,803	763,862
Net assets at 31 December 2020 ^a	575,071	2,152	10,185	587,408
Net assets at 31 December 2019	539,205	2,431	11,846	553,482

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.

2.2 Capital assets under development

	Construction contracts
	€000
Amounts brought forward at 1 January 2020	6,012
Cash payments in the year	11,714
Projects completed ^a	(11,066)
Amounts brought forward at 31 December 2020	6,660

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 capital assets.

2.3 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balance	15,697	18,570
Other bank and cash account balances	1,341	697
	17,038	19,267

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 2020 was €16,261 (2019: €13,375). This balance is not included in the 'bank and cash' amount shown above.

2.4 Stocks

at 31 December	2020	2019
	€000	€000
Military stocks ^a	219,115	215,142
Civil Defence	1,045	1,135
Stationery	19	18
IT consumables	58	56
	220,237	216,351

Note ^a Write-offs and obsolete military stock in the year amounted to €2.477 million.

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Payroll	38	—
Imprest	314	724
Cycle to work scheme	129	87
Overseas	3	30
Other suspense	37	25
	521	866

2.6 Prepayments

at 31 December	2020	2019
	€000	€000
Maritime patrol aircraft	116,803	55,394
Armoured personnel carrier fleet maintenance and upgrade programme	8,321	21,323
Fixed wing utility aircraft	—	29,000
Troop carrying vehicles	5,546	—
Modernisation of primary armament	3,669	98
Javelin missile programme	3,624	585
Defence Forces equipment acquisition	2,836	—
Other	12,107	10,033
	152,906	116,433

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	4	629
Pay related social insurance	14	793
Professional services withholding tax	250	182
Value added tax	10,677	13,345
Pension contributions	22	101
Local property tax	—	6
Universal social charge	—	156
Relevant contracts tax	176	15
	11,143	15,227
Payroll deductions held in suspense	10	407
Other credit suspense items	231	169
	11,384	15,803

2.8 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	6,172	11,373
Exchequer grant undrawn	3	(7,043)
Net Exchequer funding	6,175	4,330
Represented by:		
Debtors		
Bank and cash	17,038	19,267
Debit balances: suspense	521	866
	17,559	20,133
Creditors		
Due to the State	(11,143)	(15,227)
Credit balances: suspense	(241)	(576)
	(11,384)	(15,803)
	6,175	4,330

2.9 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		889,748	828,992
Disbursements from the Vote			
Estimate provision	Account	756,961	
Surplus to be surrendered	Account	(6,172)	
Net Vote		750,789	723,940
Expenditure (cash) borne elsewhere	1.1	11,510	11,257
Other (non-cash) items		—	(366)
Capital assets under development completed in the year	2.2	(11,066)	(12,476)
Non cash expenditure – notional rents	1	1,339	1,642
Net programme cost	1	(682,712)	(663,241)
Balance at 31 December		959,608	889,748

2.10 Commitments

a) Legally enforceable commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	11,682	9,299
Capital projects	192,324	243,620
Total of legally enforceable commitments	204,006	252,919

b) Major capital projects

	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Naval vessels replacement programme and armament project	287,591	—	3	287,594	287,594
Maintenance and upgrade programme for armoured personnel carriers	57,246	11,262	26,492	95,000 ^a	68,000
IT infrastructure virtual desktop architecture project	10,754	1,368	678	12,800	12,800
Fixed wing utility aircraft	29,000	18,223	587	47,810 ^b	43,446
Mid-life refit of LE Róisín	5,681	4,941	1,678	12,300	12,300
Mid-life refit of LE Niamh	332	1,596	10,372	12,300	—
Maritime patrol aircraft	55,394	61,409	105,299	222,102 ^c	221,578
¾ tonne, 4x4 fleet replacement (FFR)	4,544	4,591	9,043	18,178	18,178
Troop carrying vehicles	—	5,546	19,054	24,600	—
Total	450,542	108,936	173,206	732,684	663,896

Note ^a The increase of €27 million on the expected total spend of the project is due to additional requirements which were not possible to forecast at the outset. The increased cost is attributable to additional work carried out and capability provided.

^b The increase of €4.364 million on the expected total spend of the project is due to the addition of another aircraft to the project.

^c The increase of €524,000 on the expected total spend of the project is due to additional costs that were provided for in the original contract. The full detail of these costs was not known when the contract was awarded in 2019.

2.11 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	177	1,562

2.12 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.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,400	19,691	18,586
ii	Travel and subsistence	650	374	576
iii	Training and development and incidental expenses	315	299	325
iv	Postal and telecommunications services	660	616	385
v	Office equipment and external IT services	4,256	4,090	2,308
vi	Office premises expenses	950	1,429	805
vii	Consultancy services and value for money and policy reviews	190	124	46
		27,421	26,623	23,031

Significant variations

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

ii Travel and subsistence

Estimate provision €650,000; outturn €374,000

The underspend of €276,000 was due to the restrictions in place because of Covid-19.

vi Office premises expenses

Estimate provision €950,000; outturn €1.429 million

The overspend of €479,000 was mainly due to unanticipated building renovations in the Brussels office.

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

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	20,400	19,691	18,586
A.2	Administration – non pay	7,021	6,932	4,445
A.3	Permanent Defence Force: pay	438,061	405,459	418,650
A.4	Permanent Defence Force: allowances	47,252	46,488	44,028
A.5	Reserve Defence Force: pay, etc.	1,650	1,015	1,551
A.6	Chaplains and officiating clergy: pay and allowances	1,250	1,116	1,103
A.7	Defence Forces civilian support: pay and allowances, etc.	21,200	20,180	19,352
A.8	Defence Forces: capability development	89,500	128,436	102,476
A.9	Air Corps: equipment and support	17,660	20,403	17,450
A.10	Military transport	18,990	21,002	16,275
A.11	Naval Service: equipment and support	12,200	11,720	13,443
A.12	Barrack expenses and engineering equipment	14,680	13,009	13,791
A.13	Defence Forces built infrastructure: construction and maintenance	28,100	20,835	23,826
A.14	Defence Forces uniforms, clothing, equipment and catering	14,480	15,892	15,505
A.15	Defence Forces communications and IT	14,340	15,390	13,133
A.16	Military education and training	2,350	2,386	2,319
A.17	Defence Forces logistics and travel	3,578	3,236	3,908
A.18	Defence Forces medical and healthcare support	7,300	6,822	6,732
A.19	Lands	800	563	855
A.20	Equitation	900	845	970
A.21	Litigation and compensation costs	6,800	6,997	6,417
A.22	Miscellaneous expenditure	4,067	3,679	3,773
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	1,947	2,445	1,839
A.24	Civil Defence (including dormant accounts fund)	5,540	5,493	4,735
A.25	Irish Red Cross Society	965	965	932
		781,031	780,999	756,094

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 €438.061 million; outturn €405.459 million

The underspend of €32.602 million was due to lower than projected recruitment in 2020, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force during the year.

A.5 Reserve Defence Force: pay, etc.

Estimate provision €1.65 million; outturn €1.015 million

The underspend of €635,000 was due to strength levels being less than targeted and as a consequence the uptake of paid training by reservists was less than anticipated.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.25 million; outturn €1.116 million

The underspend of €134,000 was due to a lower than anticipated number of chaplains serving in 2020 as a result of delays in recruitment.

A.8 Defence Forces: capability development

Estimate provision €89.5 million; outturn €128.436 million

The overspend of €38.936 million was mainly due to additional expenditure on the aircraft replacement programme and defensive equipment procurement.

A.9 Air Corps: equipment and support

Estimate provision €17.66 million; outturn €20.403 million

The overspend of €2.743 million was due to the acquisition of two crash vehicles and increased costs in specialised training. This overspend was partly offset by a decrease in fuel costs.

A.10 Military transport

Estimate provision €18.99 million; outturn €21.002 million

The overspend of €2.012 million was mainly due to the purchase of replacement military vehicles. This overspend was partly offset by lower than anticipated fuel costs.

A.12 Barrack expenses and engineering equipment

Estimate provision €14.68 million; outturn €13.009 million

The underspend of €1.671 million was due to improved barracks energy efficiencies and the reduction in operation/training activities due to Covid-19 restrictions.

A.13 Defence Forces built infrastructure: construction and maintenance

Estimate provision €28.1 million; outturn €20.835 million

The underspend of €7.265 million was due to delays in progressing the capital programme, in addition to the closure of construction sites and other measures required under Covid-19.

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

Estimate provision €14.48 million; outturn €15.892 million

The overspend of €1.412 million was due to additional costs arising from the procurement of Covid-19 PPE and increased uniform costs. The overspend was partly offset by lower than anticipated catering and provisions costs.

A.15 Defence Forces communications and IT

Estimate provision €14.34 million; outturn €15.390 million

The overspend of €1.050 million was mainly due to the requirement for additional procurement of essential telecommunications equipment.

A.17 Defence Forces logistics and travel

Estimate provision €3.578 million; outturn €3.236 million

The underspend of €342,000 was due to lower than estimated travel costs for domestic and foreign travel due to Covid-19 restrictions.

A.18 Defence Forces medical and healthcare support

Estimate provision €7.3 million; outturn €6.822 million

The underspend of €478,000 was due to the cancellation of some medical appointments and procedures due to Covid-19.

A.19 Lands

Estimate provision €800,000; outturn €563,000

The underspend of €237,000 was due to delays in some environmental projects planned for 2020 that did not proceed due to Covid-19 and associated restrictions.

A.22 Miscellaneous expenditure

Estimate provision €4.067 million; outturn €3.679 million

The underspend of €388,000 was due to a substantial reduction in official ceremonial events due to Covid-19. There was also a delay in work on special projects proposed for veterans.

A.23 EU Common Security and Defence Policy costs

Estimate provision €1.947 million; outturn €2.445 million

The overspend of €498,000 was mainly due to an increase in the EU common costs and in funding of the European Defence Agency.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Receipts from United Nations in respect of overseas allowances, etc.	8,113	13,234	14,919
2 Receipts from EU in respect of fishery protection costs	—	—	—
3 Receipts from banks and other organisations	1,300	1,445	1,333
4 Receipts from occupation of official quarters	90	140	175
5 Receipts from rations on repayment	450	347	766
6 Receipts from other issues on repayment	20	25	24
7 Receipts for aviation fuel	40	48	16
8 Receipts on discharge by purchase	50	104	243
9 Lands and premises			
(a) rents, etc.	462	407	560
(b) sales	650	1	217
10 Sale of surplus stores	100	311	83
11 Refunds in respect of services of seconded personnel	50	67	75
12 Miscellaneous	300	601	690
13 Receipts from additional superannuation contributions on public service remuneration	11,345	12,475	12,551
14 Dormant Accounts Fund	1,100	1,005	502
Total	24,070	30,210	32,154

Significant variations

The following outlines the reasons for significant variations in receipts expenditure (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.14 million more than the original estimate. Explanations for variances are set out below:

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

Estimate €8.113 million; realised €13.234 million

The surplus of €5.121 million was due to higher than anticipated UN receipts in respect of equipment and troop costs. The timing of receipts from the UN is difficult to predict. See Note 6.1.

3 Receipts from banks and other organisations

Estimate €1.3 million; realised €1.445 million

The surplus of €145,000 was due to higher than anticipated receipts for providing armed security.

5 Receipts from rations on repayment*Estimate €450,000; realised €347,000*

The shortfall of €103,000 was due to lower than anticipated numbers in the Defence Force availing of rations.

9 Land and premises*Estimate €1.112 million; realised €408,000*

The shortfall of €704,000 was due to delays in planned sales of surplus military property.

10 Sale of surplus stores*Estimate €100,000; realised €311,000*

The surplus of €211,000 was due to more than anticipated receipts received for scrap material.

12 Miscellaneous*Estimate €300,000; realised €601,000*

The surplus of €301,000 was mainly due to higher than anticipated receipts in respect of refunds for training and education fees.

13 Receipts from additional superannuation contributions on public service remuneration*Estimate €11.345 million; realised €12.475 million*

The surplus of €1.13 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.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Voluntary surrender of pay	—	12
Transferred to the Exchequer	—	(12)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>9,396</u>	<u>9,477</u>

5.2 Pay

Remuneration of all staff	2020	2019
	€000	€000
Pay	403,752	416,033
Higher, special or additional duties allowances	220	244
Overtime	373	339
Shift and roster allowance	240	228
Military and other allowances	40,515	37,142
Employer's PRSI	40,972	39,888
Total pay^{a, b}	<u>486,072</u>	<u>493,874</u>

Note ^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 €273,097. 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

	2020	2019
Full time equivalents		
Number of staff at year end	357	351
	2020	2019
	€000	€000
Pay	18,337	17,358
Higher, special or additional duties allowances	87	95
Other allowances	51	50
Overtime	99	92
Employer's PRSI	1,117	991
Total pay	19,691	18,586

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	12	2	20,722	20,505
Other allowances	14	—	8,645	8,505
Overtime	66	1	23,551	13,821
Extra remuneration in more than one category	10	2	15,410	14,726

5.4 Civilian employees

	2020	2019
Full time equivalents		
Number of staff at year end	444	442
	2020	2019
	€000	€000
Pay	16,882	16,049
Higher, special or additional duties allowances	133	149
Overtime	274	247
Shift and roster allowances	240	228
Travel time allowance	445	444
Tool and other allowances	202	200
Employer's PRSI	1,831	1,787
Total pay	20,007	19,104

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	63	—	9,361	11,465
Overtime	128	—	9,375	9,298
Shift and roster allowances	36	4	15,935	15,265
Travel time allowance	62	16	13,257	12,890
Tool and other allowances	262	—	3,298	3,235
Extra remuneration in more than one category	168	36	26,158	26,413

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

	2020	2019
Full time equivalents		
Number of staff at year end	8,595	8,684
	2020	2019
	€000	€000
Pay and military service allowance	368,533	382,626
Overseas allowances	19,371	20,751
Security duty allowances	14,186	8,905
Border duty allowance	2,128	2,121
Patrol duty allowance	1,743	2,469
Miscellaneous allowances	2,389	2,202
Employer's PRSI	38,024	37,110
Total pay	446,374	456,184

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Overseas allowances	1,631	916	41,376	39,184
Security duty allowances	7,449	31	21,815	18,823
Border duty allowance	493	—	5,840	12,710
Patrol duty allowance	572	—	9,015	10,668
Miscellaneous allowances	826	97	15,147	16,132
Extra remuneration in more than one category	2,720	1,072	41,024	34,532

5.6 Revenue payment

A payment of €74,797 was made to the Revenue Commissioners in 2020 for benefit-in-kind in relation to statutory public hospital charges for the dependants of enlisted members of the Permanent Defence Force in 2019.

5.7 Other remuneration arrangements

A total of €1,000,879 was paid to 31 retired Defence Force personnel in receipt of Defence Force pensions, ranging from €899 to €72,974, who were re-employed on various duties during 2020. In addition, a total of €34,973 ranging from €260 to €6,441 was paid to 22 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2020. 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 €160,707 in respect of five officers who were serving outside the Department for all or part of 2020 and whose salaries were not recouped by the Department.

This account does not include expenditure in respect of four officers who were serving outside the Department for all or part of 2020 in other Government departments/offices. Their salaries were paid by the departments/offices in which they were serving.

5.9 Payroll overpayments

At 31 December	2020	2019
Number of recipients	137	185
Recovery plans in place	45	70
	€	€
Overpayments	175,210	196,132
Value of recovery plans	78,454	122,054

No overpayments were transferred from the Department of Defence to any other department/office in 2020.

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 Severance/redundancy

During 2020, two staff members whose employment was terminated, were paid redundancy payments totalling €17,184 and severance payments totalling €42,671.

Grade	Severance payment	Added years of notional service	Early payment of pension with no actuarial reduction (years)
	€		
Principal Officer equivalent	24,098	—	—
Clerical Officer equivalent	18,573	—	—
Total	42,671		

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:

	2020	2019
	€000	€000
UN and EU missions:		
UNIFIL (Lebanon)	31,235	36,283
UNDOF (Golan Heights)	12,581	11,273
KFOR (Kosovo)	1,463	1,468
EUFOR (Bosnia Herzegovina)	567	569
Other UN and EU missions	4,878	4,164
	<u>50,724</u>	<u>53,757</u>
Other:		
Military representatives and advisors	2,103	1,896
German Battlegroup	1,611	361
Organisation for Security and Co-operation in Europe	183	28
Mediterranean operations (search and rescue)	682	229
Total	<u>55,303</u>	<u>56,271</u>

Of the sum of €50.72 million for UN and EU missions, €6.9 million relates to missions, the full costs of which are borne by the State. The remaining €43.82 million relates to UNIFIL and UNDOF in respect of which arrangements for the re-imbursement of certain costs have been agreed with the UN. The timing of re-imbursements from the UN are dependent on various factors including the funding available to that organisation.

The amount actually received from the UN by way of appropriations-in-aid in 2020 was €13.2 million, made up of €6.8 million for personnel costs and €6.4 million for equipment costs. The amount outstanding at year end was €3.2 million (€1.7 million personnel costs and €1.5 million equipment costs).

6.2 Support for Defence Forces' representative associations

This account includes a total of €519,629 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.3 Write-offs

The following sums were written off within the year.

	2020	2019
	€000	€000
Damage to military vehicles	73	73
Loss of, or damage to, stores, equipment or property	35	—
Debt write-off	11	—

6.4 Compensation and legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	Legal costs awarded €000	2020 Total €000	2019 Total €000
Employees of the Vote						
Personal injury cases	218	1,340	2,787	1,460	5,587	3,996
Administrative/ employment related cases	697	128	296	748	1,172	1,208
Members of the public						
Personal Injury	33	13	83	263	359	1,196
		1,481	3,166	2,471	7,118	6,400

Note The above figures relate to all cases where payments were made in 2020. These include cases that were settled in prior years, those settled in 2020 and those still open.

6.5 Arbitration and conciliation

In 2020, costs of €3,000 were incurred (2019: €28,674). No cases were settled at adjudication, arbitration and/or conciliation in 2020 (2019: 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	4.23
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	0.40
Galway	
Oranmore Rifle Range	216.10
Springfield water supply to Oranmore Range	—
Dún Uí Mhaoilíosa, 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
Louth	
Red Barns Rifle Range, Dundalk	5.46

Property	Area (hectares) ^a
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF Premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	1.98
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
Rockbrae House and Lands, Bray	1.95
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 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 ^b	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
Mayo	
Military Barracks, Castlebar	2.43
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16

Property	Area (hectares) ^a
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

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

^b Temporarily transferred to the Department of Agriculture, Food and the Marine for the remedial work on the former ISPAT site.

Appendix B Accounts of bodies and funds under the aegis of the Department of Defence

The following table lists the bodies and funds under the aegis of the Department where the Department 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.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Ombudsman for the Defence Forces	2019	30 Sep 2020	23 Dec 2020	12 Feb 2021
Defence Forces Canteen Board	2019	25 Jun 2020	9 Jul 2020	21 Sep 2020