

Appropriation Account 2023

Vote 43

**Office of the
Government Chief Information Officer**

Introduction

As Secretary General of the Department of Public Expenditure, National Development Plan Delivery and Reform, I am the Accounting Officer for Vote 43. Accordingly, 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 Government Chief Information Officer.

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 €953,000 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.

The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were transferred from Property, plant and equipment. 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%

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 Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

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 (NSSO) for the provision of HR, finance and payroll shared service.

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, including financial shared services, to this Department.

Financial control environment

A control environment consisting of 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

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

Data security

The Office of the Government Chief Information Officer (OGCIO) in its role as a service provider to a number of public sector bodies implements a multi-layered defence-in-depth approach to cybersecurity and to protecting ICT systems, infrastructures, and services and have achieved ISO 27001 certification through the internationally accredited certification body, Certification Europe. This information security management system provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. OGCIO's defence-in-depth security strategy is achieved by utilisation of people, processes and technology to support the implementation of ICT security services.

Internal audit and Audit Committee

The Department of Public Expenditure, National Development Plan Delivery and Reform has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and 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 Office 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. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €36 million in 2023.

The Office has provided details of five non-competitive but compliant contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

The Office complied with the appropriate national and EU procedures.

Risk and control framework

The Department of Public Expenditure, National Development Plan Delivery and Reform 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 high level risks facing the Department are reviewed and updated by the Management Board on a quarterly 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 assigned 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 of Public Expenditure, National Development Plan Delivery and Reform 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.

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

7 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 43 Office of the Government Chief Information Officer

Opinion on the appropriation account

I have audited the appropriation account for Vote 43 Office of the Government Chief Information Officer 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 43 Office of the Government Chief Information Officer 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 Office of the Government Chief Information Officer 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 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

24 June 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 43 Office of the Government Chief Information Officer

Appropriation Account 2023

	Estimate provision		2023	2022
	€000	€000	Outturn	Outturn
			€000	€000
Programme expenditure				
A Government ICT services				
<i>Original</i>	40,483			
<i>Supplementary</i>	4,903			
			45,386	44,534
Gross expenditure			45,386	44,534
<i>Deduct</i>				
B Appropriations-in-aid			197	298
Net expenditure				
<i>Original</i>	40,286			
<i>Supplementary</i>	4,903			
			45,189	44,236

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	952,989	368,007

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

7 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	36,544	36,170
Pay	6,438	5,629
Non pay	1,552	1,355
Gross expenditure	44,534	43,154
<i>Deduct</i>		
Appropriations-in-aid	298	220
Net expenditure	44,236	42,934
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Purchases	(12,161)	
Depreciation	2,514	
<i>Intangible assets (note 2.2)</i>		
Purchases	(807)	
Amortisation	229	
	(10,225)	(16,478)
Changes in net current assets		
(Increase)/Decrease in prepayments	718	(329)
Increase/(Decrease) in accrued expenses	58	276
Direct expenditure	34,787	26,403
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(8,217)	(6,204)
Net programme cost	26,570	20,199

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 43 borne elsewhere, net of costs of shared services provided to other votes.

	2023	2022
	€000	€000
Vote 7 Office of the Minister for Finance	—	41
Vote 9 Office of the Revenue Commissioners	613	1,558
Vote 12 Superannuation and Retired Allowances	33	32
Vote 13 Office of Public Works	977	1,092
Vote 18 National Shared Services Office	738	135
	<u>2,361</u>	<u>2,858</u>
Cost of shared services provided to other votes	<u>(10,578)</u>	<u>(9,062)</u>
	<u>(8,217)</u>	<u>(6,204)</u>

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023	2022
		€000	€000
Fixed assets			
Property, plant and equipment	2.1	16,123	6,476
Intangible assets	2.2	<u>15,759</u>	<u>15,181</u>
Total fixed assets		31,882	21,657
Current assets			
Bank and cash		906	552
Prepayments	2.3	2,743	3,461
Other debit balances	2.4	<u>222</u>	<u>259</u>
Total current assets		3,871	4,272
Less current liabilities			
Accrued expenses		647	589
Other credit balances	2.5	603	772
Net Exchequer funding	2.6	<u>525</u>	<u>39</u>
Total current liabilities		1,775	1,400
Net current assets		<u>2,096</u>	<u>2,872</u>
Net assets		<u>33,978</u>	<u>24,529</u>
Represented by:			
State funding account	2.7	<u>33,978</u>	<u>24,529</u>

2.1 Property, plant and equipment ^a

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Cost or valuation			
At 1 January 2023	19,744	17	19,761
Additions	12,161	—	12,161
At 31 December 2023	31,905	17	31,922
Accumulated depreciation			
At 1 January 2023	13,270	15	13,285
Depreciation for the year	2,512	2	2,514
At 31 December 2023	15,782	17	15,799
Net assets			
At 31 December 2023	16,123	—	16,123
At 31 December 2022	6,474	2	6,476

Note ^a On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (see note 2.2)

2.2 Intangible assets ^a

	Acquired and developed software	Intangible assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	1,122	14,694	15,816
Additions	279	528	807
At 31 December 2023	1,401	15,222	16,623
Accumulated amortisation			
At 1 January 2023	635	—	635
Amortisation for the year	229	—	229
At 31 December 2023	864	—	864
Net assets			
At 31 December 2023	537	15,222	15,759
At 31 December 2022	487	14,694	15,181

Note ^a At 1 January 2023, acquired and developed software assets were transferred from property, plant and equipment (note 2.1).

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT services	667	1,114
Licences	1,837	1,938
Software maintenance	206	46
Telecom services	33	363
	2,743	3,461

2.4 Other debit balances

at 31 December	2023	2022
	€000	€000
Government networks	172	221
Agency services	10	—
Other debit suspense accounts	6	5
Recoupment of secondment	34	33
	222	259

2.5 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	110	103
Pay related social insurance	61	37
Professional services withholding tax	212	241
Value added tax	177	361
Pension contributions	19	16
	<u>579</u>	<u>758</u>
Payroll deductions held in suspense	24	14
	<u>603</u>	<u>772</u>

2.6 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	953	368
Exchequer grant undrawn	(428)	(329)
Net Exchequer funding	<u>525</u>	<u>39</u>
Represented by:		
Debtors		
Bank and cash	906	552
Debit balances: suspense	222	259
	<u>1,128</u>	<u>811</u>
Creditors		
Due to the State	(579)	(758)
Credit balances: suspense	(24)	(14)
	<u>(603)</u>	<u>(772)</u>
	<u>525</u>	<u>39</u>

2.7 State funding account

	Note	2023	2022
		€000	€000
Balance at 1 January		24,529	7,998
Disbursements from the Vote			
Estimate provision	Account	45,189	
Surplus to be surrendered	Account	(953)	
Net vote		44,236	42,934
Expenditure (cash) borne elsewhere	1.1	(8,217)	(6,204)
Net programme cost	1	(26,570)	(20,199)
Balance at 31 December		33,978	24,529

2.8 Commitments

	2023	2022
	€000	€000
at 31 December		
Procurement of goods and services	781	1,917
Total	781	1,917

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	7,486	6,438	5,629
ii	Travel and subsistence	70	59	36
iii	Training and development and incidental expenses	70	70	48
iv	Professional, consultancy and other services	1,200	1,196	892
v	Operating expenses	67	61	72
vi	Asset and equipment expenses	150	137	148
vii	Premises and accommodation expenses	40	29	23
viii	Communication and marketing expenses	—	—	136
		9,083	7,990	6,984

Programme A Government ICT Services

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	7,486	6,438	5,629
A.2	Administration – non pay	1,597	1,552	1,355
A.3	Government ICT services			
	<i>Original</i>	26,900		
	<i>Supplementary</i>	4,903		
		31,803	32,044	17,670
A.4	EU Recovery and Resilience	4,500	4,500	18,500
		45,386	44,534	43,154

Significant variations

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

A.3 Government ICT services

Estimate provision €26.9m; outturn €32.0m

A supplementary estimate of €4.903m was included in this subhead.

This programme subhead provides for the delivery and development of a wide range of ICT services across Government including the Build to Share (BTS) suite of services.

The excess expenditure in this subhead was due to the extension of the National Low Latency Platform (NLLP - see note 6.2) to the ports of Dublin, Rosslare and Cork using 5G, dark fibre, and radio connectivity. It is expected that the non-VAT portion of the costs, being €4 million, will be recouped by the Exchequer through the Brexit Adjustment Reserve. The Reserve does not fund the VAT element of expenditure, in this case being €903,000.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	17	107	41
2	Receipts from additional superannuation contributions on public service remuneration	180	191	179
Total		197	298	220

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	100	81

5.2 Pay

	2023	2022
	€000	€000
Pay	5,788	5,056
Other allowances	67	68
Overtime	59	66
Employer's PRSI	524	439
Total pay	6,438	5,629

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Allowances	12	1	13,596	15,527
Overtime	24	—	6,895	14,825
Extra remuneration in more than one category	—	—	—	—

5.4 OGCIO staffing by pay band

The number of OGCIO 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	53	56
60,000	69,999	14	5
70,000	79,999	8	13
80,000	89,999	5	2
90,000	99,999	8	10
100,000	109,999	1	1
110,000	119,999	3	2
120,000	129,999	1	—
130,000	139,999	1	1
190,000	199,999	1	1

5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	6	11,383	24,537
Recovery plans in place	—	—	1,162

5.6 Salary of Accounting Officer

The Accounting Officer for Vote 43 Office of the Government Chief Information Officer is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2023 €000	2022 €000
Data Governance Board ^a	2021	27	22

Note ^a The Data Sharing and Governance Act 2019 established the Data Governance Board. The Board plays a key role in implementing the provisions of the Act.

Under the legislation, the Board has a clearly defined set of legal powers and obligations and will advise the Minister for Public Expenditure, National Development Plan Delivery and Reform on

- the designation and operation of base registries (to store citizens' data)
- advise the Minister on the introduction of data management standards and guidelines
- promote and report on public sector bodies' compliance with the above standards and guidelines
- advise the Minister on the prohibition of collection of certain data by public sector bodies
- advise the Minister on directing public sector bodies to share data under the Act
- advise the Minister on the designation and operation of base registries, and
- review all data sharing agreements under the Act.

Remuneration for eligible Board members is paid through the salary subhead.

6.2 EU funding

The outturn shown in subhead A.4 includes payments in respect of activities which are included in the National Recovery and Resilience Plan. Estimates of expenditure and actual outturns were as follows.

	2023	2023	2022
	Estimate	Outturn	Outturn
	€000	€000	€000
A.4 EU Recovery and Resilience ^a	4,500	4,500	18,500
	4,500	4,500	18,500

Note ^a This was a new subhead in 2022. The EU allocated €23 million to the OGCI0 as part of its Recovery and Resilience Programme to fund the National Low Latency Platform (NLLP) project. €18.5m was spent in 2022 and €4.5m was spent in 2023. This project aims to ensure that the public service maximises the benefits and outcomes from 5G and to develop its capacity to innovate through increased connectivity that supports the use of new technologies.

6.3 Government ICT Services

This programme subhead provides for the delivery and development of a wide range of ICT services across Government including the Build to Share (BTS) suite of services which include delivery of

- managed desktop services to over 8,500 users across 27 public service bodies in 40 locations
- common applications to over 58,000 users in 55+ public service bodies
- government network services to over 150 public service bodies in 1,100 locations
- websites including Gov.ie – single source of information on government
- private government cloud – providing cloud services to public service bodies
- current and emerging Government as a Platform (GaaP) services including Digital Postbox, Single Digital Gateway (delivering on an EU regulatory requirement), Government Digital Wallet (delivering on EU regulatory requirement).

The outturn shown in subhead A.3 Government ICT services includes payments in respect of activities facilitated through a supplementary estimate of €4.903 million.