

Vote 38: Social Protection

Introduction

As Accounting Officer for Vote 38, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2010 for the salaries and expenses of the Office of the Minister for Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund and for certain grants.

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

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

Statement of Accounting Policies and Principles

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

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Social Protection.

NIAMH O'DONOGHUE
Accounting Officer
Department of Social Protection
17 August 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 38: Social Protection for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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

In my opinion the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

Chapters 33 to 40 of my annual report refer to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

I am required, under section 3 (5) of the Comptroller and Auditor General (Amendment) Act 1993, to refer in my audit certificate on an Appropriation Account to any material level of payment in excess of entitlement included in the charge to that account.

Chapter 35 of my annual report outlines the estimated range of payments in excess of entitlement included in the Appropriation Account.

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

JOHN BUCKLEY

Comptroller and Auditor General

7 September 2011

Vote 38 Social Protection Appropriation Account 2010

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
		€000	€000	€000
Administration				
A.1. Salaries, wages and allowances				
	<i>Original</i>	226,946		
	<i>Supplementary</i>	<u>3,500</u>	230,446	237,089
A.2. Travel and subsistence		3,188	3,108	3,166
A.3. Incidental expenses				
	<i>Original</i>	12,482		
	<i>Supplementary</i>	<u>(4,000)</u>	8,482	7,212
A.4. Postal and telecommunications services		19,930	18,340	18,813
A.5. Office machinery and other office supplies and related services				
	<i>Original</i>	31,164		
	<i>Supplementary</i>	<u>(3,000)</u>	28,164	30,594
A.6. Office premises expenses				
	<i>Original</i>	13,900		
	<i>Supplementary</i>	<u>(500)</u>	13,400	10,750
A.7. Consultancy Services		1,027	597	1,146
A.8. Payments for agency services				
	<i>Original</i>	64,172		
	<i>Supplementary</i>	<u>(3,000)</u>	61,172	64,156
A.9. Value for money and policy reviews		298	287	321
A.10. eGovernment related projects				
	<i>Original</i>	11,066		
	<i>Supplementary</i>	<u>(9,000)</u>	2,066	1,276
Social Assistance				
B. State Pension (Non-Contributory)				
	<i>Original</i>	946,740		
	<i>Supplementary</i>	<u>13,020</u>	959,760	1,000,546
C. Blind Pension		15,686	16,032	16,277
D. Child Benefit				
	<i>Original</i>	2,260,990		
	<i>Supplementary</i>	<u>(54,680)</u>	2,206,310	2,495,304
E. Jobseeker's Allowance				
	<i>Original</i>	2,759,911		
	<i>Supplementary</i>	<u>73,929</u>	2,833,840	2,809,381
F. Farm Assist scheme				
	<i>Original</i>	96,280		
	<i>Supplementary</i>	<u>15,070</u>	111,350	93,297
G. Employment Support Services				
	<i>Original</i>	229,330		
	<i>Supplementary</i>	<u>34,430</u>	263,760	193,888

Social Assistance - continued		2010	2010	2009
		Estimate	Outturn	Outturn
		€000	€000	€000
H.	Pre-retirement Allowance			
	<i>Original</i>	75,440		
	<i>Supplementary</i>	3,560	79,000	77,850
I.	One-parent Family Payment			96,606
	<i>Original</i>	1,119,932		
	<i>Supplementary</i>	7,988	1,127,920	1,110,328
J.	Widows'/ Widowers' Pension and Guardian's Payment (Non-Contributory)			1,121,344
	<i>Original</i>	22,460		
	<i>Supplementary</i>	1,140	23,600	23,949
K.	Deserted Wives without Dependent Children		5,070	5,020
L.	Family Income Supplement			6,044
	<i>Original</i>	215,040		
	<i>Supplementary</i>	(25,200)	189,840	185,998
M.	Carer's Allowance			167,133
	<i>Original</i>	541,460		
	<i>Supplementary</i>	(36,570)	504,890	501,789
N.	Supplementary Welfare Allowances			502,469
	<i>Original</i>	1,026,439		
	<i>Supplementary</i>	(11,999)	1,014,440	1,009,190
O.	Disability Allowance			1,031,950
	<i>Original</i>	1,100,970		
	<i>Supplementary</i>	(9,240)	1,091,730	1,109,505
P.	Respite Care Grant			1,142,769
	<i>Original</i>	153,000		
	<i>Supplementary</i>	(24,330)	128,670	128,097
Q.	Free Schemes (Assistance)			99,200
	<i>Original</i>	408,536		
	<i>Supplementary</i>	(24,600)	383,936	381,808
R.	School Meals Scheme		35,000	34,939
S.	Grant to Family Support Agency ¹		9,909	9,909
T.	Grant to the Citizens Information Board ²		45,872	44,986
U.	Domiciliary Care Allowance			28,005
	<i>Original</i>	99,264		
	<i>Supplementary</i>	(3,264)	96,000	95,710
V.	Rural Social Scheme ³		15,955	13,872
W.	Community Services Programme ³		9,123	8,198
X.	Miscellaneous services ⁴			—
	<i>Original</i>	4,539		
	<i>Supplementary</i>	(800)	3,739	3,857
X.1.	Community Employment programmes administered by FÁS and associated expenses ⁵			4,046
	<i>Original</i>	—		
	<i>Supplementary</i>	1	1	—

Social Assistance - continued		2010 Estimate	2010 Outturn	2009 Outturn
		€000	€000	€000
X.2. Other employment programmes administered by FÁS and associated expenses ⁵				
	<i>Original</i>	—		
	<i>Supplementary</i>	1	—	—
<i>Money Advice and Budgeting Service</i> ²		—	—	17,041
<i>Combat Poverty Agency</i> ¹		—	—	1,564
Social Insurance				
Y. Payment to the Social Insurance Fund under section 9(9)(a) of the Social Welfare Consolidation Act 2005 ⁶				
	<i>Original</i>	1,551,448		
	<i>Supplementary</i>	417,335	1,968,783	1,862,286
		<u>1,968,783</u>	<u>1,862,286</u>	—
Gross Expenditure				
	<i>Original</i>	13,132,567		
	<i>Supplementary</i>	359,791	13,492,358	13,377,458
		<u>13,492,358</u>	<u>13,377,458</u>	<u>10,877,552</u>
Deduct				
Z. Appropriations-in-aid				
	<i>Original</i>	212,399		
	<i>Supplementary</i>	9,791		
		<u>222,190</u>	<u>218,132</u>	<u>219,040</u>
Net Expenditure				
	<i>Original</i>	12,920,168		
	<i>Supplementary</i>	350,000	13,270,168	13,159,326
		<u>13,270,168</u>	<u>13,159,326</u>	<u>10,658,512</u>
Surplus to be surrendered		<u><u>€110,842,156</u></u>	<u><u>€258,497,235</u></u>	

¹The Combat Poverty Agency was dissolved on 1 July 2009 and its functions and staffing were integrated into the Department's Social Inclusion Division. Responsibility for the Family Support Agency, the Social Inclusion Division and for family policy transferred to the Department of Community, Equality and Gaeltacht Affairs on 1 May 2010.

²The Money Advice and Budgeting Service was transferred to the Citizen's Information Board during 2009.

³Responsibility for the Rural Social Scheme and the Community Services Programme transferred from the Department of Community, Equality and Gaeltacht Affairs on 1 September 2010.

⁴Dormant accounts for economic and social disadvantage and the EU Community Action Programme for Employment and Social Solidarity (PROGRESS) 2007-2013 (previously in separate subheads) are now included under the Miscellaneous Services subhead.

⁵A token estimate was included in the Supplementary Estimate in November 2010 to assume financial responsibility for the transfer of Employment and Community Services and associated administration expenses from the Department of Education and Skills from 1 January 2011.

⁶In anticipation of the exhaustion of the cash reserves of the Social Insurance Fund in 2010 it was necessary to put in place provision for subvention payments from Vote 38 in accordance with the existing relevant legislation.

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	€000	2010 €000	2009 €000
Expenditure on administration			365,009	374,523
Expenditure on services and programmes			13,012,449	10,503,029
Gross expenditure			13,377,458	10,877,552
Deduct				
Appropriations-in-aid			218,132	219,040
Net expenditure			13,159,326	10,658,512
Changes in capital assets				
Purchases cash		(5,424)		
Depreciation		18,665		
Loss on disposals		—		
			13,241	6,646
Changes in assets under development				
Cash payments			(3,815)	(17,325)
Changes in net current assets				
Increase in closing accruals		300		(1,588)
Decrease in stock		1,162	1,462	(323)
Direct expenditure			13,170,214	10,645,922
Net allied services expenditure	1.1		31,173	36,637
Notional rents			14,588	16,458
Total operating cost			13,215,975	10,699,017

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 38 borne elsewhere

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	22,411	27,950
10	Office of Public Works	8,495	8,453
20	Garda Síochána	209	176
	Central Fund - Ministerial etc. pensions	58	58
		31,173	36,637

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	52,425	50,843
Capital Assets under Development	2.2	16,648	27,659
		<u>69,073</u>	<u>78,502</u>
Current Assets			
Stocks	2.4	577	1,739
Prepayments		2,321	2,332
Accrued income		—	7
Other debit balances	2.5	215,145	12,033
Total Current Assets		<u>218,043</u>	<u>16,111</u>
Less Current Liabilities			
Bank and cash	2.3	155,378	(48,950)
Accrued expenses		16,076	15,798
Other credit balances	2.6	35,394	84,838
Net Liability to/(from) the Exchequer	2.7	24,373	(23,855)
Total Current Liabilities		<u>231,221</u>	<u>27,831</u>
Net Current Liabilities		<u>(13,178)</u>	<u>(11,720)</u>
Net Assets		<u>55,895</u>	<u>66,782</u>

2.1 Capital Assets

	Office Equipment	Furniture and Fittings	Totals
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2010	230,181	29,579	259,760
Transfers	—	—	—
Additions	19,088	1,159	20,247
Disposals	(9)	(18)	(27)
Cost or valuation at 31 December 2010	<u>249,260</u>	<u>30,720</u>	<u>279,980</u>
Accumulated Depreciation			
Opening balance at 1 January 2010	187,216	21,701	208,917
Depreciation on transfers	—	—	—
Depreciation for the year	16,972	1,693	18,665
Depreciation on disposals	(9)	(18)	(27)
Cumulative depreciation at 31 December 2010	<u>204,179</u>	<u>23,376</u>	<u>227,555</u>
Net Assets at 31 December 2010	<u>45,081</u>	<u>7,344</u>	<u>52,425</u>
Net Assets at 31 December 2009	<u>42,965</u>	<u>7,878</u>	<u>50,843</u>

2.2 Capital Assets under Development

	In-House Computer Applications €000
Amounts brought forward at 1 January 2010	27,659
Cash payments for the year	3,815
Transferred to asset register	(14,826)
Amounts carried forward at 31 December 2010	<u>16,648</u>

Note: Cash payments do not include in-house developed software which is fully developed during the course of the year.

2.3 Bank and Cash	2010	2009
at 31 December	€000	€000
An Post balance	151,688	237,972
PMG balances and cash	(304,903)	(184,273)
Orders outstanding	(2,163)	(4,749)
	<u>(155,378)</u>	<u>48,950</u>

2.4 Stocks	2010	2009
at 31 December	€000	€000
Stationery	570	1,726
IT consumables	7	13
	<u>577</u>	<u>1,739</u>

2.5 Other Debit Balances	2010	2009
at 31 December	€000	€000
Advances to An Post for postage expenditure	1,020	885
Advances to OPW for office furniture and electrical work	778	808
Social Insurance Fund suspense account*	209,162	—
Other debit suspense items	4,185	10,212
Other recoupable expenditure	—	128
	<u>215,145</u>	<u>12,033</u>

* Represents advances from Vote 38 to the Social Insurance Fund subvention suspense account which were not expended by year end.

2.6 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Income Tax	1,754	2,083
Superannuation Contributions	364	368
Pay Related Social Insurance	1,703	1,811
Interstat Value Added Tax	78	49
Withholding Tax	387	1,798
Extra exchequer receipts	—	75
	<u>4,286</u>	<u>6,184</u>
Payroll Deductions	1,963	2,386
PARP Suspense	(57)	7,000
Due to/(from) Social Insurance Fund in respect of Jobseeker's and Free Scheme Payments	28,860	68,991
Other credit suspense items	342	277
	<u>35,394</u>	<u>84,838</u>

2.7 Net Liability to/(from) the Exchequer	2010	2009
at 31 December	€000	€000
Surplus to be surrendered	110,842	258,497
Exchequer grant undrawn	(86,469)	(282,352)
Net liability to/(from) the Exchequer	<u>24,373</u>	<u>(23,855)</u>
Represented by:		
Debtors		
Debit balances: suspense	215,145	12,033
Creditors		
Bank and cash	(155,378)	48,950
Due to State	(4,286)	(6,184)
Credit balances: suspense	(31,108)	(78,654)
	<u>(190,772)</u>	<u>(35,888)</u>
	<u>24,373</u>	<u>(23,855)</u>
2.8 Commitments	2010	2009
at 31 December	€000	€000
Total of legally enforceable commitments	39,405	53,958

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, after any supplementary estimate adjustments, by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided	Explanation
€000		
A.7.	430	A number of projects were either deferred to 2011 or had later than anticipated start dates which resulted in less expenditure than profiled.
G.	(14,332)	Higher than expected recipients on Back to Work Allowance and Back to Education Allowance schemes.
V.	2,083	The variance is represented by monies unspent at the year end incorporating scheme expenditure being less than anticipated as a result of the implementation of cost saving measures.
W.	925	The variance is mainly represented by scheme expenditure being less than anticipated as a result of the implementation of cost saving measures.
Y.	106,497	Higher than expected SIF income from PRSI receipts over and above that provided for in the 2010 Supplementary Estimate.

4 Receipts

4.1 Appropriations-in-aid	2010	2010	2009
	Estimated	Realised	Realised
	€000	€000	€000
1. Recovery of administration expenses from the Social Insurance Fund	181,000	178,207	181,000
2. Recoveries of Social Assistance overpaid	13,000	12,314	14,175
3. Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	9,500	8,551	9,545
4. Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare Consolidation Act, 2005	800	657	851
5. Receipts from the General Register Office	750	671	718
6. Dormant Accounts Receipts	200	1,014	—
7. Receipts from European Social Fund for activation and participation of people with disabilities	307	179	232
8. Miscellaneous	5,000	4,769	3,164
9. Receipts from Pension-related Deduction on Public Service Remuneration	11,633	11,770	9,355
Total	222,190	218,132	219,040

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated, after any supplementary estimates adjustments, by more than 5%.

Heading	Less/(more) than estimated	Explanation
	€000	
2.	686	Receipts under this heading cannot be accurately forecasted.
3.	949	Less people were paid Unemployment Benefit in 2010 than anticipated.
4.	143	Receipts under this heading cannot be accurately forecasted.
6.	(814)	Section 44A(2) of the Dormant Accounts Acts 2001 to 2005 provides that expenditure incurred by the Department of Social Protection in respect of measures and projects approved by Government shall be paid from the Dormant Accounts Fund. The total expenditure in 2009 and 2010 in respect of the measures and projects incurred by the Department of Social Protection amount to €1,014,200 - €642,248 in 2009 and €371,952 in 2010. Receipts of €1,014,200 were received in 2010 to cover this expenditure.
7.	128	The refund from ESF was less than originally forecasted as the project did not expand as envisaged.

4.2 Extra receipts payable to the Exchequer

	2010	2009
	€000	€000
Conscience Money	42	67
Witness Expenses	10	16
	52	83

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	4,812	4,690
	2010	2009
	€000	€000
Pay	212,691	217,294
Higher, special or additional duties allowances	573	698
Other allowances	469	691
Overtime	6,100	7,677
Employer's PRSI	10,618	10,729
Total pay	230,451	237,089

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2010 €	Maximum individual payment 2009 €
Higher, special or additional duties	325	11	19,605	32,899
Other allowances	259	15	13,824	14,656
Overtime	2,498	76	21,486	25,940

Note: Certain individuals received extra remuneration in more than one category.

5.2 Performance and Merit Payments

A total of €28,160 was spent on the Input scheme with awards made to 2 officers.

A total of €116,109 was awarded to Departmental staff for merit awards as allowed for under the Administrative Budget Scheme, comprising awards to 13 individuals ranging from €500 to €650 per individual and 14 teams ranging from €100 to €350 per team member.

5.3 Other Remuneration Arrangements

A payment of €3,000 was paid to 1 staff member in respect of a decentralisation training allowance as per Department of Finance Circular 19/2007.

Redundancy payments of €16,911 were paid to 6 staff under the Redundancy Payments Acts, 1967 – 2007.

6 Miscellaneous Items

6.1 Recovery of overpayments

Recoveries of Assistance overpayments amounting to €12,313,724 in cash refunds and by withholding from the Social Insurance Fund (Benefit) entitlements have been accounted for under Subhead Z. In addition, recoveries amounting to €10,888,916 were made by deductions from Assistance entitlements.

The summary position on Assistance overpayments at 31 December 2010 was as follows:

	2010	2009
	Outturn	Outturn
	€000	€000
Overpayments outstanding at 1st January	205,472	191,167
Adjustment for prior years	—	(741)
Net Overpayments recorded	54,441	45,604
	<hr/>	<hr/>
	259,913	236,030
Less:		
Amounts recovered	23,203	23,592
Amounts written off as irrecoverable	5,207	6,966
	<hr/>	<hr/>
	28,410	30,558
Overpayments outstanding at 31st December	<hr/> <hr/>	<hr/> <hr/>
	231,503	205,472

6.2 Compensation

Compensation and associated legal and miscellaneous costs totalling €157,937 were paid in 9 cases of personal injury claims and other settlements in respect of employees.

Payments totalling €57,464 in respect of legal expenses, damages and costs in 5 instances were made in relation to personal injuries sustained on Departmental property and other cases.

Total payments of €427,662 were paid in legal costs in respect of 3 cases being taken against the Department.

Legal costs totalling €195,203 were paid in respect of Disability Allowance, Child Benefit and Maintenance Recovery.

An extra-statutory payment of €1,700 was made in respect of Respite Care Grant.

6.3 Administrative Budget Carry Forward

As agreed with the Department of Finance under the Administrative Budget scheme, a carry forward from 2010 of savings to the value of €900,000 is included in the Estimates for 2011.

6.4 EU Funds

An amount of €178,884 was received from the EU in respect of the Disability Activation Project. The project is a cross agency programme co-funded by the Department and the European Social Fund, Human Capital Investment Operational Programme 2007-2013.

