

Appropriation Account 2020

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 Public Works, for services administered by that Office and for payment of certain grants and for the recoument of certain expenditure.

The expenditure outturn is compared with the sums

- (a) 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, and
- (b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.233 million is liable for surrender to the Exchequer.

The Office of Public Works (the Office) incurs expenditure on behalf of other Government departments and agencies. The expenditure incurred on their behalf is set out in Note 2.10. In addition, the Office provides client services on behalf of the State. This expenditure is set out in Note 1.

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 below.

Valuation of capital assets

The Office recognises the value of land and buildings as follows.

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value.

Capital expenditure in a number of areas is not recognised in Note 2.1 (Capital assets) as follows.

- Expenditure on improvements on certain buildings is not included. The change in value will be reflected at the next valuation date.
- Expenditure on improvements to leased buildings is not capitalised.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading fixtures and fittings at historical cost and is not revalued. Artwork acquired prior to 1 January 2008 has not been capitalised.

Depreciation

Depreciation is calculated on an annual basis. The depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, to a projected residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

Capital assets under development

Expenditure on works on existing properties owned by the Office carried out under Subhead B6 (New works alterations and additions) is capitalised under its relevant asset category in the year the expenditure is incurred save for the exceptions outlined above where capital expenditure is not recognised as a capital asset. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

Property lease payments

The Office recognises payment for goods and services when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements once the lease commences, and the rent is due and payable, then the Office is satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments, the Office charges the payment to the Vote and transfers the funds to suspense.

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 Chairman. 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 resources and payroll and travel shared services for civil service grades.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

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 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 Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- a corporate governance framework for the Office is in place.

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 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 recommendations arising from reports of the internal audit function are implemented.

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 all relevant guidelines.

In 2020, the Office complied with the guidelines with the exception of 21 instances totalling €3.079 million.

- €185,570 related to payments to three suppliers where there was no contract in place.
- €592,456 related to payments to ten suppliers where there was no procurement method employed.
- €2,163,222 related to payments to six suppliers where a contract was extended as the new procurement process was not complete.
- €137,827 related to payments to two suppliers where the contract value was in excess of the advertising threshold but was awarded by way of requests for tenders sent to preferred bidders.

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.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on an annual 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

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 the Office 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 environment with remote becoming normal for most office-based staff from March 2020. The control environment itself remains largely unchanged. Under the Office's business continuity framework, a risk assessment of the Covid-19 impact on the control environment was carried out. I confirm that both existing controls and those introduced as a result of Covid-19 continue to be effective.

The Office has identified additional costs of €2.4 million incurred in 2020 that were directly related to the Office's response to working in a Covid-19 environment. In the main, additional costs relate to construction costs, health and safety equipment and ICT requirements.

The Office has also experienced a shortfall in receipts due to the pandemic. Concession fees and rental income of €239,000 were written off.

Internal financial control issues

The following internal financial control issue was identified in 2020:

Expenditure on measured term maintenance contract

A measured term maintenance contract entered into in 2014 had an anticipated value estimated at €12 million over four years. The contract term ended in October 2018. In 2020, the OPW incurred expenditure of €1.5 million on works placed under the contract prior to the term end. This brought the total expenditure under this contract to €48.3 million at year end 31 December 2020.

A replacement measured term maintenance contract entered into in October 2018 had an anticipated value estimated at €15 million. In 2020, the OPW incurred expenditure of €13.8 million on building works under the contract. A further €24.1 million related to urgent Brexit Infrastructure works under the contract. This brought the total expenditure under this contract to €26.5 million on building works and €46.1 million on urgent Brexit Infrastructure works.

Maurice Buckley
Accounting Officer
Office of Public Works

22 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

Opinion on the appropriation account

I have audited the appropriation account for Vote 13 Office of Public Works 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 13 Office of Public Works 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 Public Works 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 there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2020.

Expenditure under a maintenance contract

Chapter 6 of my report on the accounts of the public services for 2018 examined excess expenditure by the Office of Public Works under a maintenance contract in the period 2015 to 2018. The Accounting Officer has disclosed in the statement on internal financial control that further excess expenditure occurred in 2020 on a replacement maintenance contract.

Seamus McCarthy
Comptroller and Auditor General

24 September 2021

Vote 13 Office of Public Works

Appropriation Account 2020

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A	Flood risk management	126,219	107,664
B	Estate management		99,296
	<i>Estimate provision</i>	379,208	
	<i>Deferred surrender</i>	8,000	
		<u>387,208</u>	<u>380,643</u>
			<u>355,835</u>
Gross expenditure			
	<i>Estimate provision</i>	505,427	
	<i>Deferred surrender</i>	8,000	
		<u>513,427</u>	<u>488,307</u>
			<u>455,131</u>
	<i>Deduct</i>		
C	Appropriations-in-aid	<u>15,000</u>	<u>12,113</u>
			<u>24,314</u>
Net expenditure			
	<i>Estimate provision</i>	490,427	
	<i>Deferred surrender</i>	8,000	
		<u>498,427</u>	<u>476,194</u>
			<u>430,817</u>

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €20 million of unspent allocations in respect of the capital elements of Subhead A.5 and B.5 was carried forward to 2021.

	2020	2019
	€	€
Surplus	22,232,890	8,921,440
Deferred surrender	(20,000,000)	(8,000,000)
Surplus to be surrendered	<u>2,232,890</u>	<u>921,440</u>

Maurice Buckley
Accounting Officer
Office of Public Works

22 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	428,088	399,146
Administration - pay	47,785	43,487
Administration - non pay	12,434	12,498
Gross expenditure	488,307	455,131
<i>Deduct</i>		
Appropriations-in-aid	12,113	24,314
Net expenditure	476,194	430,817
Changes in capital assets		
Purchases cash	(11,234)	
Depreciation	5,033	
Disposals cash	2,876	
Gain on disposal	(195)	(470)
Changes in net current assets		
Decrease in closing accruals	(6,309)	
Increase in stock	(283)	(6,434)
Direct expenditure	466,082	423,913
Expenditure on services where OPW acts as client	(111,390)	(106,998)
Direct expenditure (excluding services where OPW acts as client)	354,692	316,915
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(175,607)	(171,059)
Net programme cost ^a	179,085	145,856

Note ^a The net programme cost does not include the following.

- Notional rents receivable by the OPW on State owned properties are estimated at some €89.8 million. Notional rents payable by OPW are estimated at €3.6 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 13 borne elsewhere and costs borne by Vote 13 in respect of other Votes.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	53	8
Vote 12 Superannuation and Retired Allowances	22,882	22,446
Vote 18 National Shared Services Office	82	76
Apportioned cost of shared services for other Votes	<u>(198,624)</u>	<u>(193,589)</u>
	<u>(175,607)</u>	<u>(171,059)</u>

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	3,429,835	3,349,956
Current assets			
Bank and cash	2.2	71,030	40,667
Stocks	2.3	1,995	1,712
Prepayments	2.4	29,881	21,646
Accrued income		3,570	3,444
Other debit balances	2.5	5,512	13,846
Total current assets		111,988	81,315
Less current liabilities			
Accrued expenses		9,567	7,345
Deferred income		173	343
Other credit balances	2.6	48,310	45,592
Net Exchequer funding	2.7	28,232	8,921
Total current liabilities		86,282	62,201
Net current assets		25,706	19,114
Net assets		3,455,541	3,369,070
Represented by:			
State funding account	2.8	3,455,541	3,369,070

2.1 Capital assets

	Land and buildings ^a	Plant and machinery	Office equipment	Furniture and fittings	Assets under development ^b	Total ^c
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	3,322,506	49,227	24,813	22,707	2,228	3,421,481
Adjustments ^d	3,155	—	—	—	—	3,155
Additions	13,865	8,561	693	75	2,029	25,223
Disposals	(2,550)	(2,246)	(415)	(33)	—	(5,244)
Brought in to use	—	—	—	—	(25)	(25)
Revaluation on disposal	(6,725)	—	—	—	—	(6,725)
Revaluations ^e	65,974	—	—	—	—	65,974
Cost or valuation at 31 December 2020	3,396,225	55,542	25,091	22,749	4,232	3,503,839
Accumulated depreciation						
Opening balance at 1 January 2020	—	34,875	21,520	15,130	—	71,525
Adjustment	—	—	10	—	—	10
Depreciation for the year	—	3,328	1,419	286	—	5,033
Depreciation on disposals	—	(2,117)	(415)	(32)	—	(2,564)
Cumulative depreciation at 31 December 2020	—	36,086	22,534	15,384	—	74,004
Net assets at 31 December 2020	3,396,225	19,456	2,557	7,365	4,232	3,429,835
Net assets at 31 December 2019	3,322,506	14,352	3,293	7,577	2,228	3,349,956

Notes ^a An analysis of the valuations of land and buildings is given below.

^b Capital assets under development does not include construction projects carried out under Subhead B6 New works, alterations and additions.

^c Expenditure on leased buildings is not capitalised.

^d The adjustment figure relates to assets identified in the year and added to the Capital Assets Register.

^e The revaluation figure principally relates to the change in value on 36 assets subject to revaluation by the OPW in 2020.

Valuation of land and buildings

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation bases. The number of buildings and the related value under each valuation basis used is set out below.

Valuation bases	2020		2019	
	Number of buildings	€000	Number of buildings	€000
Market value	291	894,778	286	830,109
Building cost norms	538	716,682	544	718,711
Cost	145	856,859	140	845,780
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
Miscellaneous properties ^a	228	—	235	—
	1,940	3,396,225	1,943	3,322,506

Note ^a Miscellaneous properties have been added to the valuation of land and building table in 2020. These assets were excluded in previous years as they have a nil valuation. The assets are various categories of land and buildings including secondary properties or land where the overall valuation for the full site is included on the primary asset in the table above.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	71,030	40,660
Petty cash	5	7
Orders outstanding	(5)	—
	71,030	40,667

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Engineering stocks	974	825
Heritage depot stocks	919	801
Building materials	42	30
Stationery	33	32
Miscellaneous stocks	27	24
	1,995	1,712

2.4 Prepayments

at 31 December	2020	2019
	€000	€000
Administration	1,136	943
Flood risk management	15	1,142
Estate management	28,730	19,561
	29,881	21,646

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Agency balances (note 2.10)	5,456	12,348
Other debit balances	56	1,498
	5,512	13,846

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,329	1,063
Universal social charge	268	224
Pay related social insurance	1,157	941
Professional services withholding tax	904	713
Value added tax	8,439	5,970
Pension contributions	305	260
Local property tax	9	10
	12,411	9,181
Agency balances (note 2.10)	16,738	23,522
Sundry works account	116	17
Property management ^a	16,824	10,923
Percent for art scheme	2,013	1,047
Miscellaneous heritage	45	802
Payroll deductions held in suspense	87	—
Other credit balances	76	100
	48,310	45,592

Note ^a As at 31 December 2020, the value of lease payments charged to the vote and transferred to suspense was €13.2 million. Of this €7.3 million was charged to subhead B8, €135,000 was charged to subhead B9 and €5.8 million was charged to subhead B6.

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,233	921
Deferred surrender	20,000	8,000
Exchequer grant undrawn	5,999	—
Net Exchequer funding	28,232	8,921
Represented by:		
Debtors		
Bank and cash	71,030	40,667
Debit balances: suspense	5,512	13,846
	76,542	54,513
Creditors		
Due to the State	(12,411)	(9,181)
Credit balances: suspense	(35,899)	(36,411)
	(48,310)	(45,592)
	28,232	8,921

2.8 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		3,369,070	3,351,458
Disbursements from the Vote			
Estimate provision	Account	498,427	
Deferred surrender	Account	(20,000)	
Surplus to be surrendered	Account	(2,233)	
Net vote		476,194	430,817
Expenditure (cash) borne elsewhere	1.1	23,017	22,530
Allied services	1.1	(198,624)	(193,589)
Client services	1	(111,390)	(106,998)
Net programme cost	1	(179,085)	(145,856)
Asset adjustments		76,359	10,708
Balance at 31 December		3,455,541	3,369,070

2.9 Commitments

a) Global commitments	2020	2019
at 31 December	€000	€000
Procurement of goods and services	6,243	13,259
Non-capital grant programmes	1,000	1,250
Capital grant programmes	12,768	13,199
Capital projects	62,100	38,996
Public private partnership projects	365,978	391,587
Total of legally enforceable commitments	448,089	458,291

In addition, there were commitments outstanding at the end of 2020 in respect of rental of leased properties and associated service charges. Figures have not been included for such commitments above but they are estimated to be €114.9 million in 2021 (2020: €113.6 million).

b) Non-capital grant programmes	2020	2019
	€000	€000
Opening balance	1,250	1,500
Grants paid in the year	(250)	(250)
Closing balance	1,000	1,250

c) Capital grant programmes	2020	2019
	€000	€000
Opening balance	13,199	12,720
Adjustment ^a	24	769
New grant commitments	16	258
Grants paid in the year	(449)	(548)
Grants cancelled	(22)	—
Closing balance	12,768	13,199

Note ^a This adjustment is required to account for prior-year grant commitments omitted from the opening balance.

d) Major capital projects

Major ongoing projects during 2020 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows.

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years ^a	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Flood risk management					
River Dodder Fluvial Scheme	15,818	2,049	1,650	19,517	17,818
Ennis Lower	18,173	267	733	19,173	19,173
Bray	42,327	197	130	42,654	42,577
Waterford	16,004	45	51	16,100	16,100
Bandon	24,964	4,886	1,500	31,350	28,432
Skibbereen	32,189	805	1,506	34,500	34,500
Clonakilty	20,003	5,912	3,900	29,815	25,900
Ennis South	5,408	9,958	4,240	19,606	17,400
Douglas	4,204	7,176	8,420	19,800	19,500
Athlone	4,822	3,790	6,000	14,612	10,750
Clare Galway	10,184	783	250	11,217	11,000
Lower Morell FRS	620	805	9,384	10,809	—
Total	194,716	36,673	37,764	269,153	243,150
Estate Management					
Miesian Plaza	21,290	28	2,123	23,441	23,441
Leinster House	16,264	1,577	159	18,000	16,641
Total	37,554	1,605	2,282	41,441	40,082

Note ^a Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2019 to 2020.

Flood risk management**River Dodder (fluvial scheme)**

Increase in expected total spend: €1.699 million

The revised estimated total project cost is as a result of a necessary change to the piling solution in order to progress the scheme in a timely manner.

Bandon

Increase in expected total spend: €2.918 million

The revised estimated total project cost is as a result of the completion of a conciliation process and the payment of a final account settlement agreement.

Clonakilty

Increase in expected total spend: €3.915 million

The revised estimated total project cost is as a result of changes to the scope of the project that were necessary due to the vulnerability of buildings adjacent to the works in Clonakilty town centre and their poor structural condition.

Ennis South

Increase in expected total spend: €2.206 million

The revised estimated total project cost is as a result of a major re-design of defences necessitated due to poorer than anticipated ground conditions.

Athlone

Increase in expected total spend: €3.862 million

The revised estimated total project cost is as a result of inclusion of additional works not anticipated in the original design. In addition, enhancements to the original design were made including cladding and paving works and the widening of embankments to facilitate a future cycleway.

Estate management

Leinster House

Increase in expected total spend: €1.359 million

The revised estimate arose due to additional necessary works identified during the course of the project that were not foreseen.

e) Unitary payments of Public Private Partnership projects

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Legally enforceable commitments to be met in subsequent years	Expected project total 2020	Expected project total 2019
	€000	€000	€000	€000	€000
Convention Centre Dublin	374,823	23,879	365,978	764,680	766,410

2.10 Provision of agency services

In addition to expenditure on Vote 13, the Office also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the Office by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2020 was €138 million which included major capital works (€114 million); leasing of accommodation (€19.2 million); maintenance works (€2.9 million) and schools programme (€1.9 million).

Agency services account

at 31 December	2020	2019
	€000	€000
Opening balance at 1 January	(11,175)	(3,363)
Payments	137,956	112,520
Receipts	<u>(138,063)</u>	<u>(120,332)</u>
Closing balance ^a	<u>(11,282)^a</u>	<u>(11,175)</u>

Note ^a The closing credit balance of €11.282 million is made up of debit agency balances (note 2.5) €5.456 million and credit agency balances (note 2.6) €16.738 million.

2.11 Contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	44,840	47,785	43,487
ii	Travel and subsistence	2,310	1,534	2,332
iii	Training and development and incidental expenses	1,300	1,207	1,229
iv	Postal and telecommunications services	1,800	1,675	1,727
v	Office equipment and external IT services	6,382	6,704	6,095
vi	Office premises expenses	1,279	1,077	975
vii	Consultancy services and value for money and policy reviews	266	117	57
viii	Government Publication Services	170	120	83
		58,347	60,219	55,985

Significant variations

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

i Salaries, wages and allowances

Estimate provision €44.84 million; outturn €47.785 million

The increase of €2.945 million is due to increased recruitment in 2019 and 2020 to meet the staff requirement to deliver the increased programme of works primarily on flood risk management.

ii Travel and subsistence

Estimate provision €2.31 million; outturn €1.534 million

The saving of €776,000 is a result of travel restrictions imposed to combat Covid-19 and the increased usage of virtual meetings.

vii Consultancy services and value for money and policy reviews

Estimate provision €266,000; outturn €117,000

The saving of €149,000 is a result of planned work in three areas being carried over into 2021.

Programme A Flood risk management

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	11,796	12,888	11,567
A.2	Administration – non pay	2,725	3,141	3,430
A.3	Purchase of plant and machinery	6,470	9,107	6,896
A.4	Hydrometric and hydrological investigation and monitoring	1,264	1,343	1,132
A.5	Flood risk management	85,866	63,152	58,289
A.6	Drainage maintenance	18,098	18,033	17,982
		126,219	107,664	99,296

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €18.555 million lower than originally provided. There was an increase of €1.508 million in administration expenditure for the programme. Non-administration programme expenditure overall was €20.063 million less than originally provided, mainly due to the following.

A.3 Purchase of plant and machinery

Estimate provision €6.47 million; outturn: €9.107 million

The increase of €2.637 million is as a result of the OPW's investment in excavators used for flood defence schemes, and investment in road vehicles and machinery used in the management of the State property and heritage portfolio. The investment was necessary to deal with the high level of obsolete vehicles, to reduce emissions and to adhere to safety standards.

A.5 Flood risk management

Estimate provision €85.866 million; outturn €63.152 million

The saving of €22.714 million materialised in the main due to delays in obtaining planning consent, at schemes in Glashaboy and Blackpool, and objections from special interest groups, at Lower Morrell and Morrison's Island Project. Other factors that attributed to savings were the impact of Covid-19, unforeseen issues at site level, lower than expected uptake by homeowners under the Voluntary Home Relocation Scheme and funding constraints under the Minor Flood Mitigation Works and Coastal Protection Scheme.

Programme B Estate management

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
B.1	Administration – pay		33,044	34,897
B.2	Administration – non pay		10,782	9,293
B.3	President's household staff		975	802
B.4	Grants for certain refurbishment works and services		500	500
B.5	Purchase of sites and buildings			
	<i>Estimate provision</i>	4,480		
	<i>Deferred surrender</i>	8,000		
			12,480	9,338
B.6	New works, alterations and additions		82,981	85,222
B.7	Property maintenance and supplies		62,478	64,677
B.8	Rents		102,520	98,474
B.9	Service charges and utilities		11,043	11,447
B.10	Unitary payments		25,000	23,879
B.11	Heritage services		45,405	42,114
			387,208	380,643
				355,835

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €6.565 million lower than provided. There was an overspend of €364,000 in administration expenditure for the programme (see above). Non-administration programme expenditure overall was €6.929 million less than originally provided, mainly due to the following.

B.3 President's household staff

Estimate provision €975,000; outturn €802,000

The saving of €173,000 occurred, in the main, due to staff vacancies and restricted working hours during Covid-19.

B.5 Purchase of sites and buildings

Estimate provision €12.48 million; outturn €9.338 million

The saving of €3.142 million relates to acquisitions of property the OPW elected not to proceed with and a number which had not completed by the end of 2020.

B.11 Heritage services

Estimate provision €45.405 million; outturn €42.114 million

The saving of €3.291 million is as a result of postponed works and reduced staff numbers in the year due to Covid-19 restrictions.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Rents, licence fees, etc	3,150	3,161	3,882
2 Events and facilities management	2,500	938	5,045
3 Receipts for Government publication services	630	634	697
4 Sales at national monuments and historic properties	1,100	599	1,631
5 Admission charges at national monuments and historic properties	4,633	893	8,223
6 Miscellaneous, including fees, interest and disposals etc.	600	4,108	2,837
7 Receipts from additional superannuation contributions on public service remuneration	2,387	1,780	1,999
Total	15,000	12,113	24,314

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.887 million less than the estimate. Explanations for variances are set out below:

2 Events and facilities management

Estimate €2.5 million; realised €938,000

The decrease of €1.562 million was due to facilities closures due to Covid-19 restrictions.

4 Sales at national monuments and historic properties

Estimate €1.1 million; realised €599,000

The decrease of €501,000 was due to restricted numbers and site closures due to Covid-19 restrictions.

5 Admission charges at national monuments and historic properties

Estimate €4.633 million; realised €893,000

The decrease of €3.74 million was due to restricted numbers, site closures and admissions waiver due to Covid-19 restrictions.

6 Miscellaneous, including fees, interest and disposals etc.

Estimate €600,000; realised €4.108 million

The increase of €3.508 million is due to the proceeds from the sales of State property and an increase in agency fees.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.387 million; realised €1.78 million

The decrease of €607,000 relates to variables on the additional superannuation contributions (ASC). The ASC which replaced pension related deductions only applies to pensionable remunerations rather than all remuneration and has variable contribution threshold bands. This impacted on the amount collected in 2020.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Share of saving from refinancing of the National Convention Centre PPP company	12,042	—
Transferred to the Exchequer	<u>(12,042)</u>	<u>—</u>
Balance at 31 December	<u>—</u>	<u>—</u>

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Civil service grades	845	803
OPW specific grades	1,235	1,270
	2,080	2,073

5.2 Pay

	2020	2019
	€000	€000
Pay		
Civil service grades	44,037	40,167
OPW specific grades	49,251	47,143
Higher, special or additional duties allowances		
Civil service grades	195	228
OPW specific grades	1,981	2,137
Overtime		
Civil service grades	38	86
OPW specific grades	2,698	3,225
Extra attendance, shift and roster		
OPW specific grades	1,634	2,497
Employer's PRSI		
Civil service grades	3,515	3,005
OPW specific grades	5,885	5,827
Total pay ^a	109,234	104,315

Note ^a The total pay figure includes pay for 439 temporary and seasonal staff in 2020 (2019: 563 staff).

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				
Civil service grades	50	4	20,614	20,614
OPW specific grades	935	—	9,318	9,795
Overtime				
Civil service grades	32	—	3,454	8,957
OPW specific grades	890	54	31,337	38,016
Extra attendance, shift and roster				
OPW specific grades	706	3	10,599	13,994
Extra remuneration in more than one category				
Civil service grades	5	—	5,679	10,175
OPW specific grades	898	199	37,453	38,691

5.4 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €30,825. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	24	31,344	35,802 ^a
Recovery plans in place	10	11,625	15,998 ^a

Note ^a The 2019 figures disclosed in this note for overpayments and recovery plans in place are lower than those disclosed in the 2019 appropriation account. This is as a result of more accurate information becoming available in 2020.

5.6 Severance/redundancy

The pay figure includes €49,173 paid out in respect of severance payments to three staff members who were formerly employed as Ministerial Staff. €60,876 was paid to eight officers in severance payments, four of which exceed €10,000.

Note 6 Miscellaneous

6.1 Compensation and legal costs

					2020	2019
	Number of cases	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Claims by employees						
Personal Injury claims						
- settled in 2020	3	7	24	262	293	2,077
- settled in a previous year or ongoing	8	180	559	—	739	14
Claims by members of the public						
Personal injury claims						
- settled in 2020	6	14	31	72	117	288
- settled in a previous year or ongoing	17	102	145	—	247	113
Loss or damage claims settled in 2020	17	—	—	954	954	360
		303	759	1,288	2,350	2,852

6.2 Arbitration and conciliation costs

Voted expenditure in 2020 includes payments of €411,257 (2019: €6.001 million) made to contractors and others as a result of conciliation and arbitration proceedings. There were seven cases in 2020 (2019: six). Figures include VAT, legal and professional fees.

6.3 Interest and compensation

Penalty interest and compensation payments amounting to €91,525 were made by the OPW in 2020 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2019: €69,798) of which €23,880 related to delays caused by Covid-19 restrictions. The total value of payments made by the OPW in 2020 amounted to €451 million and the total number of reckonable payments was 90,170.

6.4 Write offs

The following sums were written off in the year

	2020	2019
	€000	€000
Unpaid fees from companies no longer trading	—	2
Write offs due to Covid-19 restrictions	239	—
	<u>239</u>	<u>2</u>

6.5 Ex-gratia payments

Ex-gratia payments to the value of €257,217 were paid in the year.