

Appropriation Account 2019

Vote 37

Employment Affairs and Social Protection

Introduction

As Accounting Officer for Vote 37, 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 2019 for the salaries and expenses of the Office of the Minister for Employment Affairs and Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund (SIF) and for certain grants.

The expenditure outturn is compared with the sums

- a) granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- b) provided for capital supply services in 2019 out of unspent 2018 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €51.460 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.

Provision of agency services

The Department continues to act as a paying agent of the Department of Finance for the purpose of the discharge of the approved liabilities of the Waterford Crystal pensioners' lump sum payments and Waterford Crystal ongoing pensions payments, under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No.2) Act 2014. Funding is drawn down by the Department from the Central Fund and transferred by the Department to the National Shared Services Office, who commenced processing the individual payments from October 2017. The amounts paid are reported in the Finance Accounts.

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 27 of 2019, have been applied in the preparation of the account with the exception of the following:

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows.

- Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with a corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayment receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.
- Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a bank holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments.

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 human resources and payroll shared service.

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

The position in regards to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Control of capital assets

A multi-year plan to address asset identification including retirements and transfers, asset tagging and periodic inventories was implemented in 2019.

Significant data cleansing of the asset register occurred during 2019. The Department identified a number of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings with asset values of under €1,000. Prior to 2019 the Department had capitalised assets less than the €1,000 threshold. Approximately €43 million of these assets were retired in 2019. Ongoing data cleansing of the asset register is in progress to ensure assets can be traced from the asset register back to physical inventory or equivalent.

A new tag/barcode format was developed in conjunction with our IT support contractors. The asset barcode format is compatible with future Financial Management Shared Services plans. The Department has produced tags for asset additions in 2018 and 2019. Tagging of asset additions prior to 2018 will continue in 2020. Development work on a scanning methodology to record these tagged assets has commenced.

Scheduled weekly inventory scans of IT hardware and software were completed by the Lansweeper system an agentless IT asset management and Network Inventory software. The Department can run reports on a weekly, monthly or ad hoc basis to ascertain what IT assets are linked to the Department's network.

Following the major data cleansing exercise detailed above, in 2020 the Department plans to send inventory details to business areas to verify existence of furniture and fittings. This will be completed on a rotational basis to ensure coverage of all areas over a number of years.

Debt reconciliations

The Department's debt and receipts accounting system (DRAS) allows for the automatic recording and posting of debt recovered in its local offices, from its receiving bank accounts and by way of deduction from the Department's payments to customers.

Since the introduction of DRAS in late 2014, the annual statements on internal financial control (SIFCs) have made reference to unresolved variances in regard to DRAS related debtors, amounts recovered and bank and cash balances. The Department has applied additional resources to this area and has made substantial progress in addressing these issues during 2018 and 2019. The following area is now the focus of attention:

Unmatched amounts

Overpaid customers sometimes make repayment with insufficient details to associate it with their outstanding debt. As a result, in some cases, the Department is constrained from identifying and matching these amounts to the customer. Since DRAS went live in 2014 over €400 million in recovered overpayments was processed on DRAS. As at 31 December 2019, the total amount recorded on the Department's accounting system for unmatched overpayment recoveries is €3.2 million (2018: €3.2 million). Unmatched amounts may also include amounts processed in advance of debts being raised and customer payments which require refunds.

Work has now commenced on resolving these unmatched amounts and consists of: (a) a reconciliation of unmatched customer receipts in suspense on DRAS with unmatched receipts on the Department's accounting system; and (b) an age analysis of those receipts with a view to bringing to account, on a permanent basis, those amounts that have been fully investigated but remain unresolved.

Covid-19 claims processing

As of 27 March 2020, the Department had received and processed over 392,000 claims related to the Covid-19 outbreak. This was equivalent to receiving a 19 month claim-load in just two weeks.

Given the extremely high volume of claims, the projections regarding the likely infection rate of Covid-19 among the population, including the Department's staff, which would affect the capacity to process claims, and the overriding public health and public interest considerations, it was neither possible nor appropriate to exercise all of the normal control checks when registering claims. All claims were also processed at a single flat rate of €350 per week.

This approach created a high level of risk – both in the level of control applied to the scheme but also in relation to information technology where, in effect, a new payment system was built and implemented in less than a week.

While, as Accounting Officer, I am not normally disposed to accepting such a high level of risk, I was satisfied on this occasion that the approach followed was both necessary and proportionate and was in the public interest.

I was also satisfied that the risk was mitigated somewhat by a number of underlying control and eligibility checks. These checks looked at a range of issues including age, address, attachment to employment, PPSN validity, duplicate claiming and ensuring that there was no overlap in cases where individuals were also receiving payment through the Temporary Wage Subsidy Scheme. Departmental risk registers and business plans have been updated to both identify and deal with the risks associated with covid-19 claim processing. An additional rate of €203 has been introduced from 29 June 2020 along with the original flat rate of €350.

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. This includes the following elements:

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

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. 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 reported in the 40/02 return to the Department of Public Expenditure and Reform and to the Office of the Comptroller and Auditor General that in 2019 eight contracts to the value of €1,184,095 entered into were not subject to a competitive procurement process. There were also twenty four contracts to deliver the EmployAbility Service, with a total value of €8,850,000, that were not subject to a competitive tender process which should have been included in the 40/02 return for 2019.

Of the total non-competitive procurement of €10,034,095:

- Seven contracts with a total value of €891,415 were deemed to be compliant as they involved procurement of proprietary goods/services where competition was absent for technical reasons.
- Twenty five contracts with a total value of €9,142,680 were deemed to be non-compliant as follows:
 - One supply contract with a value of €292,680 was rolled over as the Department was awaiting the conclusion of a legal challenge on an Office of Government Procurement framework. As a result, the Department was required to issue its own request for tender to regularise the matter and a new contract has since been put in place.
 - Twenty four service provider contracts with a total cost of €8,850,000 in 2019 to deliver the EmployAbility Service across the State. The EmployAbility service, operated by community and voluntary organisations, delivers activation support to jobseekers with disabilities. The 24 contracts are renewed on an annual basis. The Department is reviewing how such services should be procured and delivered on an ongoing basis in line with public procurement procedures.

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 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 the business area responsible for the risk actions.

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2019 that require disclosure in the appropriation account.

John McKeon

Accounting Officer

Department of Employment Affairs and Social Protection

31 August 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Employment Affairs and Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Employment Affairs and Social Protection for the year ended 31 December 2019 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 37 Employment Affairs and Social Protection for the year ended 31 December 2019, 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 Employment Affairs and Social Protection 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*.

Regularity of expenditure

Chapter 4 of my report on the accounts of the public services for 2019 refers to welfare payments in excess of entitlement included in the 2019 account for Vote 37. I consider the estimated level of irregular payment to be material. The chapter also examines the Department's control over welfare payments.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2019.

Seamus McCarthy
Comptroller and Auditor General

31 August 2020

Vote 37 Employment Affairs and Social Protection

Appropriation Account 2019

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
	<i>Original</i>	569,517		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	<u>(15,000)</u>		
			555,517	541,140
				541,396
Pensions				
	<i>Original</i>	1,022,075		
	<i>Supplementary</i>	<u>25,825</u>		
			1,047,900	1,042,838
				1,020,260
Working age – income supports				
	<i>Original</i>	2,384,595		
	<i>Supplementary</i>	<u>49,910</u>		
			2,434,505	2,426,227
				2,610,477
Working age – employment supports				
	<i>Original</i>	723,540		
	<i>Supplementary</i>	<u>(8,600)</u>		
			714,940	712,375
				773,863
Illness, disability and carers				
	<i>Original</i>	2,941,220		
	<i>Supplementary</i>	<u>93,265</u>		
			3,034,485	3,021,168
				2,803,538
Children				
	<i>Original</i>	2,635,560		
	<i>Supplementary</i>	<u>(21,360)</u>		
			2,614,200	2,615,036
				2,611,287
Supplementary payments, etc.				
	<i>Original</i>	549,766		
	<i>Supplementary</i>	<u>(32,840)</u>		
			516,926	512,377
				573,426
Subvention to the Social Insurance Fund				
			—	—
Gross expenditure				
	<i>Original</i>	10,826,273		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	<u>91,200</u>		
			10,918,473	10,871,161
				10,934,247

*Deduct***Appropriations-in-aid**

<i>Original</i>	226,500
<i>Supplementary</i>	<u>(8,800)</u>

217,700	223,035	207,009
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Net expenditure

<i>Original</i>	10,599,773
<i>Deferred surrender</i>	1,000
<i>Supplementary</i>	<u>100,000</u>

10,700,773	10,648,126	10,727,238
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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 spending in the following year. €1.187 million of unspent allocations in respect of capital elements of subhead A.2 (vi) was carried forward to 2020.

	2019	2018
	€	€
Surplus	52,647,107	39,887,039
Deferred surrender	(1,187,000)	(1,000,000)
Surplus to be surrendered	<u>51,460,107</u>	<u>38,887,039</u>

John McKeon

Accounting Officer
Department of Employment Affairs and Social Protection

31 August 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	10,330,021	10,392,851
Pay	294,952	295,329
Non pay	246,188	246,067
Gross expenditure	10,871,161	10,934,247
<i>Deduct</i>		
Appropriations-in-aid	223,035	207,009
Net expenditure	10,648,126	10,727,238
Changes in capital assets		
Purchases cash	(10,891)	
Depreciation	19,021	
Loss on disposal/write-off	2	8,132
		(35,592)
Changes in net current assets		
Decrease in closing accruals	(3,835)	
Decrease in stock	27	(3,808)
		(4,827)
Direct expenditure	10,652,450	10,686,819
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	84,457	79,881
Notional rents	14,386	14,019
Net programme cost	10,751,293	10,780,719

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	364	492
Vote 12 Superannuation and Retired Allowances	69,985	64,741
Vote 13 Office of Public Works	13,421	13,959
Vote 18 National Shared Services Office	659	661
Central Fund – Ministerial pensions	28	28
	84,457	79,881

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	136,714	152,062
Current assets			
Stocks	2.3	269	296
Other debit balances	2.4	70,430	204,961
Prepayments	2.11	64,376	65,124
Net Exchequer funding	2.6	3,334	(7,151)
Total current assets		<u>138,409</u>	<u>263,230</u>
Less current liabilities			
Bank and cash	2.2	38,434	170,842
Accrued expenses	2.12	48,247	52,830
Other credit balances	2.5	35,330	26,968
Total current liabilities		<u>122,011</u>	<u>250,640</u>
Net current assets		<u>16,398</u>	<u>12,590</u>
Net assets		<u>153,112</u>	<u>164,652</u>
Represented by:			
State funding account	2.7	<u>153,112</u>	<u>164,652</u>

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2019	31,896	353,496	19,153	404,545
Adjustment ^a	—	—	(4,033)	(4,033)
Additions	326	3,487	7,078	10,891
Disposals	(31)	(4,425)	—	(4,456)
Write-off ^b	(6,450)	(36,156)	—	(42,606)
Transfers	—	3,859	(3,859)	—
Cost or valuation at 31 December 2019	25,741	320,261	18,339	364,341
Accumulated Depreciation				
Opening balance at 1 January 2019	28,535	223,948	—	252,483
Adjustment ^c	—	3,183	—	3,183
Depreciation for the year	801	18,220	—	19,021
Depreciation on disposals/write-off	(6,481)	(40,579)	—	(47,060)
Cumulative depreciation at 31 December 2019	22,855	204,772	—	227,627
Net assets at 31 December 2019	2,886	115,489	18,339	136,714
Net assets at 31 December 2018	3,361	129,548	19,153	152,062

Note ^a Adjustments totalling €4.033 million were made to capital assets under development (CAUD) as non-capital expenditure incurred in previous years had been incorrectly classified as expenditure in respect of CAUD projects.

^b Write-off consist of software, IT hardware, furniture and equipment including franking machines, photocopiers, tables, chairs, etc. Significant data cleansing of the asset register occurred during 2019. The Department identified a number of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings with asset values of under €1,000. All of these assets had been fully-depreciated and were no longer in use.

^c Of the €3.859 million of CAUD projects that were transferred to office equipment during the period, €3.183 million related to assets already in use by the Department and that should have been transferred and depreciated in previous years.

2.2 Bank and cash

at 31 December	2019	2018
	€000	€000
An Post advance balances ^a	110,841	142,290
PMG balances (overdraft)	(179,044)	(336,056)
Commercial bank and cash	29,769	22,924
	(38,434)	(170,842)

Note ^a As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2019, the combined balance held by An Post in respect of Vote 37 and the SIF was €185.8 million. The combined corresponding balance at the end of 2018 was €235.2 million.

2.3 Stocks

at 31 December	2019	2018
	€000	€000
Stationery	246	268
IT consumables	23	28
	269	296

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	901	475
Advances to Pobal	5,836	6,801
Scheme prepayments ^a	28,405	154,595
Other debit suspense	2,227	2,877
<i>Due from SIF in respect of</i>		
• Vote related receipts recovered through SIF	16,719	23,285
• payments by Vote on behalf of SIF	14,436	15,222
• imprest payments receivable from SIF	899	699
	70,430	204,961

Note ^a At 31 December 2019, there were prepayments for Vote schemes of €28.405 million of which €9.7 million were made via An Post and €18.705 million were made via bank electronic funds transfer.

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Income tax	6,345	3,574
Pay related social insurance	4,599	2,462
Universal social charge ^a	1,306	747
Professional services withholding tax	3,701	1,890
Value added tax	85	95
Pension contributions	2,103	754
Local property tax ^b	83	61
Extra Exchequer receipts	6	8
	<u>18,228</u>	<u>9,591</u>
Payroll deductions ^a	2,197	1,359
<i>Due to SIF in respect of</i>		
• payments by SIF on behalf of Vote	9,335	11,549
• imprest payments received from SIF	984	448
Unmatched overpayment recoveries	3,169	3,209
Debt recovery on behalf of other EU countries	839	724
Other credit suspense items ^c	578	88
	<u>35,330</u>	<u>26,968</u>

- Note ^a The year-end universal social charge (USC) balance is disclosed as a separate line item under the 'Amounts due to the State' heading. In previous years, the year end USC balance was included in the payroll deductions figure. The comparative figures have been represented on the same basis as the current year.
- ^b Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct the Department to make deductions from certain scheme payments in respect of liable persons for local property tax. The Department also make voluntary deductions of local property tax from some staff salaries. Amounts paid over to the Revenue Commissioners in 2019 were €668,000 and €295,000 respectively.
- ^c The Department opened a new suspense account during the year to facilitate the receipt of €50,000 from the Irish Government Economic and Evaluation Service Research Fund.

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	51,460	38,887
Deferred surrender	1,187	1,000
Exchequer grant undrawn	(55,981)	(32,736)
Net Exchequer funding	(3,334)	7,151
Represented by:		
Debtors		
Debit balances: suspense	70,430	204,961
Creditors		
Bank and cash	(38,434)	(170,842)
Due to State	(18,228)	(9,591)
Credit balances: suspense	(17,102)	(17,377)
	(73,764)	(197,810)
	(3,334)	7,151

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		164,652	124,233
Disbursements from the Vote			
Estimate provision	Account	10,700,773	
Deferred surrender	Account	(1,187)	
Surplus to be surrendered	Account	(51,460)	
Net vote		10,648,126	10,727,238
Expenditure (cash) borne elsewhere	1.1	84,457	79,881
Non cash expenditure – notional rent	1	14,386	14,019
Net assets adjustment	2.1	(4,033)	
Depreciation adjusted	2.1	(3,183)	
Net programme cost	1	(10,751,293)	(10,780,719)
Balance at 31 December		153,112	164,652

2.8 Commitments

Global commitments		
At 31 December	2019	2018
	€000	€000
Procurement of goods and services	38,909	37,124
Capital projects	18,417	19,458
Total of legally enforceable commitments	57,326	56,582

2.9 Matured liabilities

at 31 December	2019	2018
	€000	€000
Estimate of matured liabilities not discharged at year end.	90	809

2.10 Contingent liabilities

The Department is involved in 232 legal cases which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

2.11 Prepayments

at 31 December	2019	2018
	€000	€000
Administration expenses	104	243
Office expenses	903	4,169
Programme advances/floats ^a	63,098	60,712
Consultancy	271	—
	64,376	65,124

Note ^a The Department provides advance funding to some organisations delivering schemes. These include advances or floats for cash flow paid to schemes and other organisations providing Community Employment, Jobs Initiative, Local Employment Services and Job Clubs. Advances are provided to Community Employment and Jobs Initiative schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats are provided to Local Employment Services and Job Clubs to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

2.12 Accrued expenses

At 31 December	2019	2018
	€000	€000
Administration expenses	4,442	4,071
Office expenses	8,945	11,462
Consultancy expenses	78	83
Programme costs ^a	34,782	37,214
	<u>48,247</u>	<u>52,830</u>

Note ^a Moneys owed to organisations providing Community Employment, Jobs Initiative and Local Employment Services on behalf of the Department. This money relates to organisations as opposed to individual claimants.

Note 3 Vote Expenditure

Analysis of administration expenditure

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	<i>Original</i>	303,890			
	<i>Supplementary</i>	<u>(6,248)</u>			
			297,642	294,952	295,329
ii	Travel and subsistence				
	<i>Original</i>	5,000			
	<i>Supplementary</i>	<u>(200)</u>			
			4,800	4,695	4,484
iii	Training and development and incidental expenses				
	<i>Original</i>	15,687			
	<i>Supplementary</i>	<u>(2,907)</u>			
			12,780	11,322	9,506
iv	Postal and telecommunication services				
	<i>Original</i>	16,400			
	<i>Supplementary</i>	<u>(2,000)</u>			
			14,400	12,707	15,595
v	Office equipment and external IT services				
	<i>Original</i>	61,590			
	<i>Supplementary</i>	<u>(270)</u>			
			61,320	54,657	47,340
vi	Office premises expenses				
	<i>Original</i>	19,950			
	<i>Deferred surrender</i>	1,000			
	<i>Supplementary</i>	<u>(2,925)</u>			
			18,025	15,267	16,198
vii	Consultancy services				
	<i>Original</i>	2,100			
	<i>Supplementary</i>	<u>(1,300)</u>			
			800	476	710

viii	Payments for agency services				
		<i>Original</i>	128,500		
		<i>Supplementary</i>	<u>3,550</u>		
				132,050	134,156
					139,024
ix	eGovernment related projects				
		<i>Original</i>	16,400		
		<i>Supplementary</i>	<u>(2,700)</u>		
				13,700	12,908
				<u>555,517</u>	<u>541,140</u>
					<u>13,210</u>
					<u>541,396</u>

Significant variations

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

iii Training and development and incidental expenses

Estimate provision: €15.687 million, outturn: €11.322 million

The underspend of €4.4 million relative to the estimate provision was because:

- The original estimate contained a contingency of €2 million that was not required.
- €2.4 million of savings was achieved on various incidental expenses including staff training (€1.1 million), research support (€500,000), shared services (€325,000), hire of rooms (€331,000) and compensation (€142,000).

An amount of €2.9 million was surrendered as part of the supplementary estimate to reflect lower costs. The final outturn was €1.46 million (11%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

vii Consultancy services

Estimate provision: €2.1 million, outturn: €476,000

The underspend of €1.6 million relative to the estimate provision was because:

- One project with a value of €150,000 commenced later than originally planned. Work began in late 2019 but the payments will fall in 2020
- Due to administration delays, payment of €25,000 for one project carried forward into 2020.
- Following due diligence on another project with a budgeted value of €100,000, it was agreed consultancy services were not required
- Due to demands on business areas, a number of projects totalling €1.3 million that were approved in 2019 have been rescheduled to be undertaken in 2020.

An amount of €1.3 million was surrendered as part of the supplementary estimate to reflect lower costs. The final outturn was €0.3 million (40%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

Programme A Social assistance schemes, services, administration and payment to Social Insurance Fund

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
Administration				
A.1	Administration – pay			
	<i>Original</i>	303,890		
	<i>Supplementary</i>	(6,248)		
			297,642	294,952
A.2	Administration – non pay			295,329
	<i>Original</i>	265,627		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	(8,752)		
			257,875	246,188
				246,067
Pensions				
A.3	State Pension (Non-Contributory)			
	<i>Original</i>	1,022,075		
	<i>Supplementary</i>	25,825		
			1,047,900	1,042,838
				1,020,260
Working age – Income Supports				
A.4	Jobseeker's Allowance			
	<i>Original</i>	1,606,770		
	<i>Supplementary</i>	27,430		
			1,634,200	1,628,172
				1,840,750
A.5	One-parent Family Payment			
	<i>Original</i>	527,700		
	<i>Supplementary</i>	6,600		
			534,300	533,122
				511,088
A.6	Widows'/Widowers'/ Surviving Civil Partners' (Non-Contributory) Pension			
	<i>Original</i>	13,670		
	<i>Supplementary</i>	330		
			14,000	13,938
A.7	Deserted Wife's Allowance		955	959
				1,192

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
				€000	€000
A.8	Basic Supplementary Welfare Allowance Payments	<i>Original</i>	106,540		
		<i>Supplementary</i>	13,260		
				119,800	120,175
A.9	Farm Assist	<i>Original</i>	72,050		
		<i>Supplementary</i>	(3,300)		
				68,750	68,569
A.10	Exceptional and Urgent Needs Payments	<i>Original</i>	38,775		
		<i>Supplementary</i>	4,725		
				43,500	43,206
A.11	Other Working Age – Income Supports	<i>Original</i>	18,135		
		<i>Supplementary</i>	865		
				19,000	18,086
					15,242
Working Age – Employment Supports					
A.12	Community Employment Programme	<i>Original</i>	345,115		
		<i>Supplementary</i>	4,085		
				349,200	353,366
A.13	Rural Social Scheme	<i>Original</i>	53,115		
		<i>Supplementary</i>	385		
				53,500	52,817
A.14	Tús	<i>Original</i>	95,000		
		<i>Supplementary</i>	4,600		
				99,600	99,048
A.15	Jobs initiative			17,490	16,417
A.16	Back to Work Enterprise Allowance	<i>Original</i>	70,360		
		<i>Supplementary</i>	(10,200)		
				60,160	59,695
A.17	Youth Employment Support Scheme	<i>Original</i>	5,000		
		<i>Supplementary</i>	(4,200)		
				800	2,014
					33

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
A.18	Back to Education Allowance			
	<i>Original</i>	61,670		
	<i>Supplementary</i>	4,430		
			66,100	65,327
A.19	Back to Work Family Dividend			78,687
	<i>Original</i>	21,270		
	<i>Supplementary</i>	(2,600)		
			18,670	18,357
A.20	JobsPlus			21,044
	<i>Original</i>	20,200		
	<i>Supplementary</i>	(5,100)		
			15,100	14,390
A.21	Local Employment Service		19,300	18,318
A.22	Jobs Clubs		5,400	4,841
A.23	Other Working Age – Employment Supports		9,620	7,785
				10,294
Illness, Disability and Carers				
A.24	Disability Allowance			
	<i>Original</i>	1,649,990		
	<i>Supplementary</i>	60,510		
			1,710,500	1,705,778
A.25	Blind Pension		13,625	12,971
A.26	Carer's Allowance			13,308
	<i>Original</i>	837,360		
	<i>Supplementary</i>	29,340		
			866,700	862,447
A.27	Domiciliary Care Allowance			795,363
	<i>Original</i>	182,235		
	<i>Supplementary</i>	1,365		
			183,600	182,485
A.28	Carer's Support Grant			168,417
	<i>Original</i>	217,930		
	<i>Supplementary</i>	2,470		
			220,400	219,535
A.29	Disability Activation Supports			203,958
	<i>Original</i>	15,360		
	<i>Supplementary</i>	(1,100)		
			14,260	14,142
A.30	Wage Subsidy Scheme			13,913
	<i>Original</i>	24,720		
	<i>Supplementary</i>	680		
			25,400	23,810
				22,321

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
Children				
A.31	Child Benefit			
	<i>Original</i>	2,097,460		
	<i>Supplementary</i>	4,540		
			2,102,000	2,102,435
A.32	Working Family Payment			2,096,671
	<i>Original</i>	416,440		
	<i>Supplementary</i>	(19,300)		
			397,140	397,204
A.33	Back-to-School Clothing and Footwear Allowance			410,546
	<i>Original</i>	56,270		
	<i>Supplementary</i>	(2,600)		
			53,670	53,451
A.34	School Meals Scheme			47,402
	<i>Original</i>	57,600		
	<i>Supplementary</i>	(4,000)		
			53,600	54,312
A.35	Other Child Related Payments		7,790	7,634
				49,165
				7,503
Supplementary Payments, Agencies and Miscellaneous Services				
A.36	Rent Supplement			
	<i>Original</i>	132,395		
	<i>Supplementary</i>	(6,900)		
			125,495	125,248
A.37	Telephone Support Allowance			175,032
	<i>Original</i>	7,540		
	<i>Supplementary</i>	660		
			8,200	8,143
A.38	Household Benefits Package			4,559
	<i>Original</i>	89,873		
	<i>Supplementary</i>	(20,200)		
			69,673	69,290
A.39	Free Travel		95,000	93,919
A.40	Fuel Allowance			86,813
	<i>Original</i>	150,292		
	<i>Supplementary</i>	(3,000)		
			147,292	147,363
A.41	Grant to the Citizens Information Board			152,669
	<i>Original</i>	59,260		
	<i>Supplementary</i>	(1,100)		
			58,160	56,462
				54,775

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.42	Miscellaneous Services			
	<i>Original</i>	14,916		
	<i>Supplementary</i>	(2,300)		
			12,616	12,231
A.43	Low Pay Commission		490	403
			11,589	
Subvention to the Social Insurance Fund				
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005		—	—
			10,918,473	10,934,247
			10,871,161	

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €43.888 million higher than originally provided. This was made up of the following:

- An underspend of €29.377 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained.
- An overspend of €73.265 million relates to scheme and service subheads. The main variances are described below.

A decision on whether to pay a Christmas bonus, and at what rate, to long-term social welfare recipients is made by Government around October each year, in the context of the following year's budget. In 2019, approximately €279.4 million of total scheme payments related to the Christmas bonus, which has an impact on scheme expenditure and, by extension, average payment values, is thus not included in the original estimate.

A.8 Basic Supplementary Welfare Allowance Payment

Estimate provision: €106.54 million, outturn: €120.175 million

Expenditure was €13.7 million higher relative to the estimate provision due to:

- Higher average recipient numbers (16,140) than provided for in the original estimates (15,400). The increase in Basic Supplementary Welfare Allowance (Basic SWA) claim numbers is mainly relative to higher numbers of Illness, Disability and Caring claims receiving Basic SWA while awaiting a decision on their claim. This cost an extra €7.6 million.
- Higher average weekly payment values (€205.44) than provided for in the original estimate (€197.68). This cost an additional €6.6 million, of which €0.9 million related to the decision to pay a 100% Christmas bonus.
- Recoupment of expenditure from primary schemes (e.g. Disability Allowance, Jobseekers Allowance) where the recipient had been claiming Supplementary Welfare Allowance pending resolution of their claim. Outturn was €52.5 million compared to €52 million in the original estimate. This resulted in a saving of €0.5 million.

A supplementary estimate of €13.2 million was sought to reflect emerging trends. The final outturn was €0.4 million greater than the final allocation.

A.10 Exceptional and Urgent Needs Payments

Estimate provision: €38.775 million, outturn: €43.206 million

Expenditure was €4.4 million higher relative to the estimate provision mainly due to:

- Higher average payment cost for claims, €109.39 higher than estimated costing €10.8 million. This was due to higher costs in relation to the Housing category paid under the subhead i.e. higher cost of deposits and accommodation kit outs.
- Offset by lower number of claims than predicted, 12,580 lower, saving €6.4 million.
- Included in this saving would be the cessation in January 2019 of supplementary welfare payments paid to homeless persons for Hostel/B&B accommodation. The provision of emergency accommodation for homeless persons is the responsibility of local authorities and the arrangement whereby supplementary welfare payments were used to fund this has ceased.

Given the nature of this scheme it can be difficult to accurately predict from year to year the number of recipients.

A.15 Jobs Initiative

Estimate provision: €17.49 million, outturn: €16.417 million

Expenditure was €1.1 million lower relative to the estimate due to:

- Lower average payment values for participants (€429.20) than provided for in the original estimate (€448.20). This resulted in a saving of €0.7 million.
- Average number of participants and supervisors were slightly lower than provided for in the original estimate. This saved €0.3 million.
- Other non-payroll costs were €0.2 million lower than provided for in the 2019 original estimate.
- Offset by average payment values for supervisors (€814.81) were higher than provided for in the original estimate (€740.46). This cost an extra €0.1 million.

A.16 Back to Work Enterprise Allowance

Estimate provision: €70.36 million, outturn: €59.695 million

Expenditure was €10.7 million lower relative to the estimate provision due to:

- Average number of recipients (5,620) were lower than provided for in the original estimate (6,520) due to an improved labour market, resulting in lower demand for the scheme. This saved €9.8 million.
- Average payment values (€204.31) were lower than provided for in the original estimate (€207.18) due to a decline in the number of recipients. This saved €0.8 million (the underlying saving would have been higher except that a Christmas bonus costing €0.9 million was paid in 2019).
- Inter-scheme adjustments were lower than provided for in the original estimate resulting in a saving of €0.1 million.

An amount of €10.2 million was surrendered as part of the supplementary estimate.

A.17 Youth Employment Support Scheme

Estimate provision: €5 million, outturn: €2.014 million

Expenditure was €3 million lower relative to the estimate provision due to lower take-up on the scheme than originally estimated caused by a number of factors including the improved labour market conditions.

An amount of €4.2 million was surrendered as part of the supplementary estimate to reflect this. The savings were used to fund excess expenditure on other subheads. Following a review in 2019, €1.3 million was charged to this subhead having been previously charged to other subheads.

A.18 Back to Education Allowance

Estimate provision: €61.67 million, outturn: €65.327 million

The level of demand for Back to Education Allowance for the 2018/2019 academic year (beginning in September 2018) and 2019/2020 academic year (beginning in September 2019) could not be predicted accurately when the 2019 estimates were finalised in early October 2018. The decline in recipient numbers which materialised in 2019 was less than provided for in the 2019 REV estimates, resulting in expenditure exceeding the estimate by €3.6 million. This was made up as follows:

- Higher average recipient numbers (7,523) than provided for in the original estimate (7,402). This cost an extra €1 million.
- Higher average payment values (€227.96) than provided for in the original estimates (€221.78). This cost an extra €1.5 million (the cost of paying the Christmas bonus was €1.8 million so there would have been an underlying saving before account was taken of bonus).
- Summer expenditure was higher (€5.2 million) than provided for in the original estimate (€4.1 million). This cost an extra €1.1 million.

A supplementary estimate of €4.4 million was provided to fund emerging trends. The final outturn was €775,000 (1.2%) lower than the final estimate. The savings were used to fund excess expenditure on other subheads.

A.19 Back to Work Family Dividend

Estimate provision: €21.27 million, outturn: €18.357 million

Expenditure was €2.9 million lower relative to the estimate provision due to:

- Lower average recipient numbers (6,420) than provided for in the original estimate (7,131). This resulted in a saving of €2 million.
- Lower average payment values (€54.95) than provided for in the original estimate (€57.33). This resulted in a saving of €0.9 million. This is net of the cost of the Christmas bonus of €0.3 million.

An amount of €2.6 million was surrendered as part of the supplementary estimate. The outturn was €0.3 million (1.7%) less than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.20 JobsPlus

Estimate provision: €20.2 million, outturn: €14.39 million

Due to an improvement in the labour market, including a decline in the number of long-term unemployed people, there was a decrease in participants from 4,295 in December 2018 to 2,696 in December 2019. This has resulted in an underspend of €5.8 million.

- Lower average recipient numbers (2,696) than provided for in the original estimate (3,660). This resulted in a saving of €5.3 million.
- Lower average payment values (€444.86) compared to the original estimate (€460.00). This resulted in a saving of €0.5 million.

€5.1 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.7 million (4.7%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.21 Local Employment Service

Estimate provision: €19.3 million, outturn: €18.318 million

The underspend of €1 million reflected improved labour market conditions and was due to:

- The Local Employment Services (LES) is only reimbursed for expenditure that has occurred during the financial year.
- Lower Mediation Intervention Grants (€0.9 million) than provided for in the original estimate (€1.5 million). This resulted in a saving of €0.6 million.
- Lower operational costs (€3.2 million) than provided for in the original estimate (€3.5 million). This resulted in a saving of €0.3 million.
- Lower contracted staff costs than provided for in the estimate saved €0.1 million.

A.22 Jobs Clubs

Estimate provision: €5.4 million, outturn: €4.841 million

Expenditure was €0.6 million lower relative to the estimate provision reflecting improved labour market conditions and due to lower contracted salary costs and lower operational costs:

- Lower travel and subsistence costs (€0.2 million) than provided for in the original estimate (€0.5 million). This resulted in a saving of €0.3 million.
- Lower salary costs (€3.6 million) than provided for in the original estimate (€3.8 million). This resulted in a saving of €0.2 million.
- Lower operational costs (€1 million) than provided for in the original estimate (€1.1 million). This resulted in a saving of €0.1 million.

A.23 Other Working Age – Employment Supports

Estimate provision: €9.62 million, outturn: €7.785 million

Expenditure was €1.8 million lower relative to the estimate provision mainly due to:

- Underspend occurred on Enterprise Support Grant (€0.5 million), Activation and Family Supports (€0.4 million), Part-time Jobs Initiative (€0.4 million), on Technical Support Grants (€0.3 million), on Drugs Task Force (€0.1 million) and on European initiatives (€0.1 million).

All of the above schemes are demand led and, due to an improved labour market in 2019 take up was less than provided for in the original estimate.

A.29 Disability Activation Supports

Estimate provision: €15.36 million, outturn: €14.142 million

Expenditure was €1.3 million lower relative to the estimate provision mainly due to:

- An underspend of €0.9 million on the Employment Service Programme. Employability contracts are for a service delivered on behalf of the Department by individual contractors/companies. Where a contractor does not subsequently incur costs, payments from the Department cannot be sought and hence will result in an underspend.
- An underspend of €0.4 million on the Ability programme. The Ability programme runs from July to July each year, which is different to the estimates year. In addition, there was slower than planned recruitment of programme participants.

An amount of €0.3 million was surrendered from the Ability Scheme as part of the supplementary estimate. The outturn was €0.1 million (2.1%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.33 Back-to-School Clothing and Footwear Allowance

Estimate provision: €56.27 million, outturn: €53.451 million

Expenditure was €2.8 million lower relative to the estimate provision due to:

- Lower average payment value (€370.47) than provided for in the original estimate (€395.71). This resulted in a saving of €3.6 million.

Offset by:

- Higher average recipient numbers (144,282) than provided for in the original estimate (142,200). This cost an extra €0.8 million.

An amount of €2.6 million was surrendered as part of the supplementary estimate. The outturn was €0.2 million (0.4%) less than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.34 School Meals Scheme

Estimate provision: €57.6 million, outturn: €54.312 million

Expenditure was €3.3 million lower relative to the estimate provision due to:

- Expenditure under the scheme is affected by the timing of receipt of claims from schools which is difficult to predict and schools carrying a surplus from the previous year. The Department reduces payments by the surplus amount. The estimate is based on schools getting the full amount. The unused surplus amount was €3m.

An amount of €4 million was surrendered as part of the supplementary estimate. The outturn was €0.7 million (1.3%) higher than the final allocation. This was funded through virement from subheads with underspends elsewhere in the Vote.

A.36 Rent Supplement

Estimate provision: €132.395 million, outturn: €125.248 million

Expenditure was €7.1 million lower relative to the estimate provision mainly due to:

- Lower average recipient numbers (23,770) than provided for in the original estimate (24,500) due to transfers to the Housing Assistance Payment (HAP) administered by local authorities. This saved €8 million.
- Higher average weekly payment values (€104.36) than provided for in the original estimate (€103.61). This cost €0.9 million.

An amount of €6.9 million was surrendered as part of the supplementary estimate. The outturn was €145,000 (0.1%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.37 Telephone Support Scheme

Estimate provision: €7.54 million, outturn: €8.143 million

This is a new scheme introduced from June 2018 so there was limited trend data available when the 2019 estimate was finalised in October 2018.

Expenditure was €0.6 million higher relative to the estimate provision due to:

- Higher recipient numbers (60,983) than provided for in the original estimate (58,000). This cost an additional €0.4 million.
- Higher average weekly payment values (€2.57) than provided for in the original estimate (€2.50). This cost €0.2 million.

A supplementary estimate of €0.7 million was provided to reflect emerging trends. The final outturn was €0.1 million (0.7%) lower than the final allocation.

A.38 Household Benefits Package

Estimate provision: €89.873 million, outturn: €69.29 million

Expenditure was €20.6 million lower relative to the original estimate of which €12.3 million related to Electricity Allowance, €0.7 million related to Gas Allowance and €7.6 million related to Free TV Licence.

This was due primarily to a revised allocation of expenditure between Vote 37 and the Social Insurance Fund to take account of people availing of bill credits rather than cash payments.

Electricity Allowance

The 2019 Revised Estimates for Electricity Allowance provided for a split of expenditure for Electric Ireland of 36.9% Vote and 63.1% SIF. The 2019 outturn based on the revised split was 23.6% Vote and 76.4% SIF. This saved €12.3 million on the Vote side with corresponding higher expenditure on the Social Insurance Fund.

An amount of €12 million was surrendered as part of the supplementary estimates to reflect the revised percentage split and also emerging trends. This resulted in a revised allocation of €49.6 million and an underspend of €0.3 million (0.6%) on the supplementary estimate. The savings were used to fund excess expenditure on other subheads.

Gas Allowance

The 2019 Revised Estimates for Gas Allowance provided for a split of expenditure for Bord Gáis of 25.9% Vote and 74.1% SIF. The 2019 outturn based on the revised split was 14.9% Vote and 85.1% SIF. This saved €0.7 million on the Vote side with corresponding higher expenditure on the SIF.

An amount of €0.7 million was surrendered as part of the supplementary estimates to reflect the revised percentage split and also emerging trends. This resulted in a revised allocation of €4.8 million. The outturn was on target with the revised allocation.

Free TV licence

The revised split for TV licences is 25% funded from Vote 37 and 75% from Social Insurance Fund, reflecting the aggregate split of Electricity Allowance and Gas Allowance combined. This resulted in a saving of €7.6 million compared to the original estimate on the Vote 37 element of the scheme.

An amount of €7.5 million was surrendered as part of the supplementary estimates to reflect the revised percentage split and also emerging trends. This resulted in a revised allocation of €15.1 million and an underspend as compared to the revised allocation of €0.2 million or 1.5%. The savings were used to fund excess expenditure on other subheads.

A.42 Miscellaneous Services

Estimate provision: €14.916 million, outturn: €11.589 million

Expenditure was €3.3 million lower relative to the estimate due to:

- European Aid for the Most Deprived (funded from FEAD programme) expenditure was €2.7 million lower than the original estimate. As rollout of the programme continued, expenditure was marginally lower than anticipated. Expenditure on the food/basic material element of the programme continued as planned. However, as projects cannot duplicate existing programmes, no additional projects were chosen and spending was under budget for 2019. The service is demand-led and awareness of the scheme continues to grow. There are currently 154 charities using FEAD products. The distribution of the FEAD product at any given time remains very much dependent on capacity of local charities to collect and distribute the food and the availability of volunteers. It is difficult to accurately predict the expenditure on the scheme given the nature of it.
- Magdalen Commission Scheme expenditure was €0.6 million lower than the original estimate. The main reasons for this were that actual average payment values for weekly paid recipients (€156.41) was €34.34 lower than provided for in the original estimates (€190.75).

An amount of €2.3 million was surrendered as part of the supplementary estimates. The outturn was €1 million lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.43 Low Pay Commission

Estimate provision: €490,000, outturn: €363,000

Expenditure was €0.1 million lower relative to the estimate provision due to:

- An underspend on non-pay expenditure (including ESRI research, travel and subsistence, consultation costs) of €0.07 million due to efforts to keep costs to a minimum.
- Expenditure on pay was €0.05 million lower than original estimates as some staff were reallocated to other sections and were not replaced.

The savings were used to fund excess expenditure on other subheads.

Note 4 Receipts

4.1 Appropriations-in-aid

		2019		2018
		Estimated	Realised	Realised
		€000	€000	€000
Social Insurance Fund transfer to Vote 37				
1	Recovery of administration expenses from the Social Insurance Fund		131,930	113,940
Appropriations-in-aid: Other				
2	Recoveries of social assistance overpaid			
	<i>Original</i>	58,900		
	<i>Supplementary</i>	(100)		
			58,800	59,161
3	Repayment from the Social Insurance Fund of amounts paid initially as social assistance			
	<i>Original</i>	3,700		
	<i>Supplementary</i>	1,700		
			5,400	3,497
4	Receipts under 'liability to maintain family' provisions in Part XII of the Social Welfare (Consolidation) Act 2005			
	<i>Original</i>	240		
	<i>Supplementary</i>	80		
			320	268
5	Receipts from the General Register Office			
	<i>Original</i>	300		
	<i>Supplementary</i>	10		
			310	369
6	Receipts from the additional superannuation contributions on public service remuneration ^a			
	<i>Original</i>	10,000		
	<i>Supplementary</i>	(2,570)		
			7,430	9,388
7	Receipts from European Social Fund			
	<i>Original</i>	5,050		
	<i>Supplementary</i>	(5,050)		
			—	553
			721	

		2019		2018	
		Estimated €000	Realised €000	Realised €000	
8	Receipts from National Training Fund (Community Employment)	<i>Original</i> 6,500 <i>Supplementary</i> (400)	6,100	6,369	6,423
9	Receipts from Pensions Authority – staff superannuation	<i>Original</i> 680 <i>Supplementary</i> (80)	600	649	632
10	Homeless Unit operational costs – contributions from external agencies	<i>Original</i> 300 <i>Supplementary</i> 2,200	2,500	2,717	1,569
11	Receipts from dormant accounts	<i>Original</i> — <i>Supplementary</i> 550	550	610	1,926
12	Recovery of social assistance from insurance claims	<i>Original</i> 2,600 <i>Supplementary</i> 100	2,700	2,633	2,609
13	Receipts from Fund for European Aid to the most deprived	<i>Original</i> 5,000 <i>Supplementary</i> (4,740)	260	3,507	4,640
14	Miscellaneous	<i>Original</i> 1,300 <i>Supplementary</i> (500)	800	776	1,849
—	Receipts from European Social Fund for activation and participation of people with disabilities		—	—	185
	Total		217,700	223,035	207,009

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €3.465 million lower than the original estimate. Explanations for variances are set out below:

3 Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance

Estimate: €3.7 million, realised: €5.545 million

This subhead is used to record the recovery of social assistance from the Social Insurance Fund where the inter-scheme adjustment is effected after the close of the financial year. Receipts can vary significantly from month to month. For example, it includes customers paid Supplementary Welfare Allowance (SWA) basic payment (funded from Vote 37) while awaiting a decision on their claim for Illness Benefit, Invalidity Pension or State Pension (Contributory). The amount of SWA Basic paid is subsequently recovered from the SIF when their Illness Benefit, Invalidity Pension or State Pension (Contributory) claim is decided.

The 2019 Revised Estimates Volume for the Public Service assumed a trend decline in receipts observed since 2013 would continue.

However, receipts in 2019 were €2 million higher than the outturn in 2018 (€3.5 million) and €1.8 million higher than the expected yield in the 2019 REV estimates. Monthly receipts averaged €0.5 million in 2019, an increase of €0.2 million compared to 2018 when the average monthly receipts were €0.3 million.

6 Receipts from the additional superannuation contributions on public service remuneration

Estimate: €10 million, realised: €7.477 million

The Public Service Stability Agreement (PSSA) 2018 to 2020 provided for the replacement of the pension levy with additional superannuation contributions for public servants, resulting in revised thresholds, rate bands and rates of payment. The 2019 2019 Revised Estimates Volume for the Public Service published in December 2018 did not take account of these changes. The impact of these changes resulted in the yield to Vote 37 being €2.5 million lower than provided for in the estimate.

7 Receipts from European Social Fund

Estimate: €5.05 million, realised: €721,000

The Department's claim covering the years 2015 – 2018 for Back to Work Enterprise Allowance and Jobs Plus was not submitted in 2019 as anticipated. The Department's claim forms part of an aggregate claim which also includes schemes and services provided by other Departments. While it was originally expected that the claim would be submitted during 2019, this will instead take place in 2020.

10 Homeless Unit operational costs – contributions from external agencies*Estimate: €300,000, realised: €2.717 million*

There was a process to recoup exceptional needs payments relating to emergency accommodation made in Cork from the local authority. The 2019 revised estimate was conservative. Receipts from this source can be unpredictable, having been €0.3 million in 2015, €0.8 million in 2016, €1.7 million in 2017, €1.6 million in 2018 and €2.7 million in 2019. The arrangement with Cork City Council ceased in 2019 with the responsibility transferring from the Community Welfare Service back to local authority. There is therefore no provision for receipts in the 2020 REV Estimate as a result.

11 Receipts from dormant accounts*Estimate: € nil, realised: €610,000*

In 2019, the receipts from dormant accounts were used to contribute towards the Ability to Work Fund which is used to support people with disabilities find work. There was no provision for receipts in the 2019 estimates as the plan for the use of such funding was not in place when the estimates were being finalised. The Ability to Work Fund was launched on 11th November 2019 and arising from this initiative, receipts of €0.55m were drawn down from the Dormant Accounts Fund to progress pathways to employment, training and skill building courses for people with disabilities.

An amount of €60,000 was returned to the Department as a measure could not proceed as planned under the Dormant Accounts Action Plan 2017 & 2018.

13 Receipts from Fund for European Aid to the Most Deprived*Estimate: €5 million, realised: €3.507 million*

The fund for European Aid to the Most Deprived (FEAD) supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. The Department received the balance of the 2017 claim valued at €0.3 million in 2019. The Department submitted its third claim under the programme in December 2019 and reimbursement of €3.2 million was received on 20 December 2019, bringing the total receipts to €3.5 million.

14 Miscellaneous*Estimate: €1.3 million, realised: €776,000*

This subhead provides for small receipts not covered elsewhere under appropriations-in-aid receipts and not anticipated when the estimates were prepared. The 2019 estimate provided for an expectation of €1.3 million, which included cancelled cheques, small miscellaneous receipts and a small element of unforeseen receipts. The overall yield of €0.8 million was €0.5 million lower than estimated.

The main receipts under this category of appropriations-in-aid are:

- €616,000 from cancelled and out-of-date cheques.
- €120,000 from once off miscellaneous receipts.
- €40,000 from a small element of unforeseen receipts.

4.2 Extra receipts payable to the Exchequer

	2019	2018
	€000	€000
Balance at 1 January	8	2
Conscience money	8	6
Witness expenses	2	2
Pensions Authority fines	12	4
Transferred to the Exchequer	(24)	(6)
Balance as at 31 December	6	8

4.3 Recovery of welfare assistance overpayments

The summary position on welfare assistance overpayments managed by Central Debt Unit (CDU) at 31 December 2019 was as follows:

	2019		2018	
	€000	Outturn €000	€000	Outturn €000
Overpayments outstanding at 1 January		399,397		412,170
Adjustment ^a		—		483
		<u>399,397</u>		<u>412,653</u>
Net overpayments recorded				
Suspected fraud	28,642		27,152	
Claimant error	35,957		46,786	
Departmental error	1,699		2,262	
Estate cases	21,500		14,993	
		<u>87,798</u>		<u>91,193</u>
		487,195		503,846
Less:				
Amounts recovered ^b	(63,909)		(64,490)	
Recoveries adjustment ^c	619		495	
		(63,290)		(63,995)
Prior year debts cancelled ^d		(7,610)		(8,292)
Amounts written off as irrecoverable ^e		(35,100)		(32,162)
Overpayments outstanding at 31 December		<u>381,195</u>		<u>399,397</u>

- Notes
- a The adjustment represents the alignment of the overpayment balance brought forward from the 2017 accounts with the adjusted list of debtors on DRAS at 1 January 2018. There was no corresponding adjustment for 2019.
- b The amount recovered in 2019 includes:
- €59 million posted to income in respect of previous years' debt.
 - €4.9 million posted against expenditure in respect of the current years' debt.
- c The adjustment of €619,000 is in respect of recorded recoveries in prior years which were cancelled in 2019.
- d The prior year debts cancelled of €7.6 million represents overpayments raised in prior years which were cancelled in 2019.
- e During 2019, the Department completed a project to write off individual cases of older debt which were deemed irrecoverable. This was in addition to ongoing write offs in the normal course of business. Specific sanction was requested and received from the Department of Public Expenditure and Reform for this project under which a total of 7,802 cases with a value of €30.3 million were written off during 2019. (Vote: €26.5 million; SIF: €3.8 million). A similar project was completed in 2018 under which a total of 33,290 cases with a value of €41.5 million were written off. (Vote: €28.9 million; SIF: €12.6 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers

	2019	2018
Full time equivalents		
Number of staff at year end		
Department	6,041	6,343
Agencies ^a	137	135
	6,178	6,478

Note ^a Agencies in this note comprise of the Citizens Information Board, the Pensions Authority and the Low Pay Commission.

5.2 Pay

	2019	2018
	€000	€000
Pay	294,607	295,617
Higher, special or additional duties allowance	1,248	1,168
Other allowances	356	360
Overtime	2,914	3,087
Employer's PRSI	19,704	19,052
Total pay	318,829	319,284

Remuneration of Department staff

The following remuneration arrangements refer to pay elements subheads A.1 (i), A.2 (viii) and A.2 (ix).

	2019	2018
	€000	€000
Pay	286,740	288,001
Higher, special or additional duties allowance	1,078	1,075
Other allowances	356	360
Overtime	2,914	3,087
Employer's PRSI	18,920	18,332
Total pay	310,008	310,855

Agency remuneration

	2019	2018
	€000	€000
Pay	7,867	7,616
Higher, special or additional duties allowance	170	93
Other allowances	—	—
Overtime	—	—
Employer's PRSI	784	720
Total pay	8,821	8,429

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Department staff				
Higher, special or additional duties	497	17	38,638	42,926
Other allowances	45	14	12,365	12,202
Overtime	1,566	20	16,025	16,153
Extra remuneration in more than one category	6	1	10,205	18,589
Agency staff				
Higher, special or additional duties	21	5	16,238	14,717

5.4 Other remuneration arrangements

The cost of staff serving outside the Department in 2019 was €1.1 million in respect of 27 staff. These costs are recouped by the Department from the relevant organisations.

5.5 Payroll overpayments

at 31 December	Number of recipients	2019 €million	2018 €million
Overpayments ^a	628	2.4	2.3
Recovery plans in place ^a	254	1.5	1.1

88 individuals with recovery plans in place to the value of €88,772 transferred to other Departments in the year.

Note ^a The 2018 overpayments and recovery plans in place figures as disclosed in this note are lower than those disclosed in note 5.5 payroll overpayments in the 2018 appropriation account. This is a result of more accurate information provided by NSSO.

5.6 Severance payments/redundancy

During 2019, 14 staff members whose employment was terminated were paid redundancy payments totalling €48,259.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	Legal costs awarded €000	2019	2018
					Total €000	Total €000
Claims by employees of the Department						
Personal injuries ^a	32	31	214	48	293	311
Breach of HR/employment policies ^b	4	—	43	1	44	35
Claims by members of the public						
Personal injuries ^c	12	9	62	3	74	79
Department schemes ^d	451	1	4,291	202	4,494	3,621
Other ^e	9	218	11	953	1,182	429
		259	4,621	1,207	6,087	4,475

- Notes
- ^a Total costs in respect of individuals ranged from €40 to €200,000.
 - ^b Total costs ranged from €1,230 to €22,799. The cases related to a termination of a probationary contract, an equality case under the Employment Equality Act 1998, a termination case under Section 20(1)(c) and Section 23(1) of the Organisation of Working Time Act, 1997 and a Workplace Relations Commission unfair dismissals case.
 - ^c Total costs in respect of individuals ranged from €431 to €25,000.
 - ^d Ex-gratia payments, loss of purchasing power payments and legal costs payments up to €117,209 were made in respect of Carer's Allowance, Back to Work Enterprise Allowance, Child Benefit, Jobseekers Allowance, Rent Supplement, One-Parent Family Payment, Supplementary Welfare Allowance basic payment and Community Employment. An amount of €4.273 million was paid to Magdalen laundries during 2019. The amounts paid ranged from €43 to €86,635.
 - ^e Total costs ranged from €5,530 to €616,867. The cases related to pension entitlements, constitutional rights, Workplace Relations Commission case under the Protection of Employment Act 1977, habitual residence non-registration of a birth, marriage registration (two cases) and the audit of a CE scheme.

6.2 EU funding

The outturn shown in subheads A1, A2 and A42 includes payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns recorded in Note 4.1, (subheads 7 and 13) were as follows:

Subhead Description	2019 Estimate €000	2019 Outturn €000	2018 Outturn €000
Fund for European Aid to the Most Deprived	260	3,507	4,640
European Social Fund, programme for Employability, Inclusion and Learning	0	517	32
European Employment Services	0	14	19
Connecting Europe Facility Fund	0	190	500
EP-Dem Labs-Equity, Participation, Decision making Labs	0	0	12

Funds for European Aid to the Most Deprived

Funding of €3.5 million was received from the EU in respect of the Fund for European Aid to the Most Deprived (FEAD) programme which supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. Expenditure of €14.3 million has been incurred in the operation of this programme to December 2019. The EU provides funding to member states and member states match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023.

European Social Fund, programme for Employability, Inclusion and Learning

Funding of €516,760 was received from the EU for the European Social Fund (ESF) programme for Employability, Inclusion and Learning (PEIL). The ESF is the European Union's financial instrument for investing in people. The mission of the ESF is to help prevent and fight unemployment, to make Europe's workforce and companies better equipped to face new challenges and to prevent people losing touch with the labour market. This receipt is in respect of aggregated EURES claims for 2015, 2016 and 2017. The EU co-funds this programme on a 50% basis through the ESF.

European Employment Services

Amount of €14,021 was received from the EU in respect of EURES (European Employment Services) to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member state by the Public Employment Service.

Connecting Europe Facility Fund

An amount of €190,000 was received from the EU in respect of the Connecting Europe Facility Fund (CEF). The CEF is to assist member states with their national implementation of the Electronic Exchange of Social Security Information. DEASP and the HSE are in partnership on this implementation.

6.3 Late interest payments

	2019	2018
	€000	€000
Interest payments	<u>4</u>	<u>3</u>

6.4 Revenue tax settlement

An amount of €637,000 (which includes interest and penalties of €135,000) is included in the accounts as a payment to the Revenue Commissioners in respect of a special investigations unit allowance that was deemed taxable since 2013.

Appendix A Department of Employment Affairs and Social Protection Summary of Programme Expenditure

	2019	2018
	€m	€m
Vote 37		
Gross expenditure	10,871	10,934
Less non-scheme expenditure		
Administration	(541)	(541)
Grant to Citizens Information Board	(57)	(55)
Grants to Low Pay Commission and the Office of the Pensions Ombudsman	(1)	(1)
Miscellaneous services	(2)	(3)
Vote 37 scheme expenditure (A)	10,270	10,334
 Social Insurance Fund		
Gross expenditure	10,727	10,056
Less non-scheme expenditure		
Administration	(230)	(209)
National Training Levy	(712)	(566)
Social Insurance Fund scheme expenditure (B)	9,785	9,281
 Total Department scheme expenditure (A+B)	20,055	19,615

Scheme expenditure breakdown

Payments by scheme and category	2019	2018
	€m	€m
Pensions		
State Pensions (Contributory)	5,603	5,217
State Pensions (Non-Contributory)	1,043	1,020
Widows'/Widowers'/Surviving Civil Partners' Pension	1,559	1,511
Bereavement Grant	1	1
Total	8,206	7,749
Working Age Income Supports		
Jobseeker's Allowance	1,628	1,841
One Parent Family Payment	533	511
Jobseeker's Benefit	346	339
Redundancy and Insolvency Benefit	32	24
Maternity Benefit	267	265
Paternity Benefit, Parents Benefit and Adoptive Benefit	14	12
Basic Supplementary Welfare Allowance	120	112
Farm Assist	69	74
Deserted Wife's Benefit	72	73
Other Working Age – Income Supports	18	15
Exceptional and Urgent Needs payments	43	42
Treatment Benefits and Health and Safety Benefit	101	98
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	14	14
Deserted Wife's Allowance	1	1
Total	3,258	3,421
Supplementary Payments		
Rent Allowance	1	1
Fund for European Aid to the Most Deprived (FEAD)	5	5
Magdalen Laundries and other Institutions Payments	4	3
Rent Supplement	125	175
Household Benefits Package	247	237
Telephone Support Allowance	17	10
Fuel Allowance	235	241
Free Travel	94	87
Total	728	759

	2019	2018
	€m	€m
Working Age Employment Supports		
Community Employment Programme	353	353
Back to Education Allowance	65	79
Back to Work Enterprise Allowance	60	90
Back to Work Family Dividend	18	21
TÚS Community Work Placement Scheme	99	106
JobsPlus	14	23
Other Working Age – Employment Supports including Youth Employment Support Scheme	10	11
Rural Social Scheme	53	50
Jobs Initiative	17	18
Local Employment Scheme	18	18
Jobsclubs	5	5
Partial Capacity Benefit	21	18
Total	733	792
Illness, Disability and Carers		
Disability Allowance	1,706	1,586
Illness Benefit	605	623
Invalidity Pension	728	694
Carer's Payment	905	834
Carer's Support Grant	220	204
Domiciliary Care Allowance	182	168
Wage Subsidy Scheme	24	22
Disablement Benefit	73	77
Blind Pension	13	13
Death Benefit	10	9
Injury Benefit and Medical Care	14	18
Disability Activation Supports	14	14
Total	4,494	4,262
Children		
Child Benefit	2,103	2,097
Working Family Payment	397	411
Back to School Clothing and Footwear Allowance	53	47
School Meals	54	49
Child Related Payments	29	28
Total	2,636	2,632
Net expenditure on all schemes	20,055	19,615

Appendix B Accounts of bodies and funds under the aegis of the Department of Employment Affairs and Social Protection

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, at the account signing date, 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
Social Insurance Fund	2018	24 Sep 2019	27 Sep 2019	31 Oct 2019
Pensions Authority	2019	30 Jun 2020	30 Jun 2020	10 Aug 2020
Citizens Information Board	2018	18 Dec 2019	7 Jan 2020	8 Jan 2020