

Vote 28: Foreign Affairs

Introduction

As Accounting Officer for Vote 28, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2010 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administered by that Office, including grants-in-aid and contributions to International Organisations.

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

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the Account.

Statement of Accounting Policies and Principles

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

Foreign Currency Transactions

Transactions arising in foreign currencies are translated into Euro using an average monthly rate set at the beginning of each month.

Accruals, Prepayments, Commitments and Stocks at Diplomatic Missions

The accruals, prepayments and commitments figures do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental. The value of stock held by missions at year end is also not included.

Commitments

Commitments include only those amounts for which the Department may be liable in the subsequent twelve months.

Statement on Internal Financial Control

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

DAVID COONEY
Accounting Officer
Department of Foreign Affairs
29 March 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 28: Foreign Affairs for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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

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

Chapters 18 and 23 of my annual report refer to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

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

JOHN BUCKLEY
Comptroller and Auditor General
6 September 2011

Vote 28 Foreign Affairs Appropriation Account 2010

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000	€000
Administration				
A.1. Salaries, wages and allowances		92,603	92,975	97,891
A.2. Travel and subsistence				
	<i>Original</i>	5,659		
	<i>Supplementary</i>	<u>(200)</u>	5,459	5,274
A.3. Incidental expenses		5,459	3,227	4,709
A.4. Postal and telecommunications services		8,435	7,358	8,390
A.5. Office machinery and other office supplies and related services				
	<i>Original</i>	21,727		
	<i>Supplementary</i>	<u>(100)</u>	21,627	18,347
A.6. Office premises expenses				
	<i>Original</i>	27,419		
	<i>Supplementary</i>	<u>(1,500)</u>	25,919	27,030
A.7. Consultancy services		92	67	59
A.8. Value for money and policy reviews		20	—	—
Other Services				
B. Repatriation and maintenance of distressed Irish persons abroad		79	28	48
C. Support for Irish emigrant services				
	<i>Original</i>	12,983		
	<i>Supplementary</i>	<u>(1,000)</u>	11,983	11,933
D. Information services		783	422	1,232
E. Contributions to bodies in Ireland for the furtherance of international relations (grants-in-aid)		234	234	310
F.1. North-South and Anglo-Irish co-operation		3,000	2,999	3,000
F.2. International Fund for Ireland		195	195	195
G. Cultural relations with other countries (grant-in-aid)		846	846	891
H. Irish-American economic advisory board		28	13	14
I. Contributions to international organisations				
	<i>Original</i>	37,240		
	<i>Supplementary</i>	<u>15,200</u>	52,440	52,340
J. Actions consequent on Title V of the Treaty on European Union		582	494	551
K. Assistance to EU and other Eastern European states		—	—	789
L. Atlantic Corridor Project		250	250	250
M. Asia Strategy		200	179	183
N. Referendum on EU Reform Treaty		—	—	3,786

		2010 Estimate	2010 Outturn	2009 Outturn
		€000	€000	€000
Gross Expenditure				
	<i>Original</i>	217,834		
	<i>Supplementary</i>	<u>12,400</u>		
		230,234	224,211	232,173
Deduct				
O. Appropriations-in-aid		<u>39,697</u>	<u>42,900</u>	<u>40,481</u>
Net Expenditure		<u>190,537</u>	<u>181,311</u>	<u>191,692</u>
Surplus to be surrendered			<u><u>€226,474</u></u>	<u><u>€15,069,961</u></u>

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	€000	2010 €000	2009 €000
Expenditure on administration			154,278	168,546
Expenditure on services and programmes			69,933	63,627
Gross expenditure			<u>224,211</u>	<u>232,173</u>
Deduct				
Appropriations-in-aid			<u>42,900</u>	<u>40,481</u>
Net expenditure			<u>181,311</u>	<u>191,692</u>
Changes in capital assets				
Purchases cash		(6,542)		
Disposals cash		55		
Depreciation		7,560		
Profit on disposals		(51)	1,022	(3,077)
Changes in net current assets				
Decrease in closing accruals		(9,791)		
Decrease in stock		578		
			<u>(9,213)</u>	<u>5,911</u>
Direct expenditure			<u>173,120</u>	<u>194,526</u>
Net allied services expenditure	1.1		17,719	20,998
Notional rents			1,140	1,425
Total operating cost			<u><u>191,979</u></u>	<u><u>216,949</u></u>

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 28 borne elsewhere

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	10,873	11,610
9	Office of the Revenue Commissioners	142	154
10	Office of Public Works	6,276	8,621
20	Garda Síochána	203	172
	Central Fund - Ministerial etc. pensions	225	441
		<u>17,719</u>	<u>20,998</u>

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	165,018	175,148
Current Assets			
Stocks	2.2	6,197	6,775
Prepayments		17,216	5,205
Other debit balances	2.3	11,314	13,057
Total Current Assets		34,727	25,037
Less Current Liabilities			
Bank and cash	2.4	5,561	9,966
Accrued expenses		760	432
Contributions to bodies in Ireland for the furtherance of international relations (grants-in-aid)	7.2	90	90
Cultural relations with other countries (grant-in- aid)	7.3	119	146
Other credit balances	2.5	3,155	2,747
Net Liability to the Exchequer	2.6	2,389	108
Total Current Liabilities		12,074	13,489
Net Current Assets		22,653	11,548
Net Assets		187,671	186,696

2.1 Statement of Capital Assets

	Land and Buildings	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2010	152,931	3,798	47,085	71,168	274,982
Additions	2,150	115	827	1,566	4,658
Disposals	(7,216)	(238)	—	(253)	(7,707)
Cost or valuation at 31 December 2010	147,865	3,675	47,912	72,481	271,933
Accumulated Depreciation					
Opening balance at 1 January 2010	—	2,915	33,747	63,172	99,834
Depreciation for the year	—	372	2,961	4,227	7,560
Depreciation on disposals	—	(232)	—	(247)	(479)
Cumulative depreciation at 31 December 2010	—	3,055	36,708	67,152	106,915
Net Assets at 31 December 2010	147,865	620	11,204	5,329	165,018
Net Assets at 31 December 2009	152,931	883	13,338	7,996	175,148

Notes:

(i) Fixed Assets included under Land and Buildings represent properties owned outside the State. In addition, the Department occupies ten buildings within the State, of which one is state-owned and nine are leased.

(ii) During the course of the year, two buildings, namely the Hague Chancery Building and the Brussels Permanent Representation Office, valued at €595,000 and €6,621,116 respectively were sold. The proceeds of the sale of the Hague premises, amounting to €607,514, have been brought to account through Extra Exchequer Receipts in this Vote while the proceeds of the sale of the Brussels premises, amounting to €5,000,000, were brought to account through Extra Exchequer Receipts in the Office of Public Works Vote.

2.2 Stocks	2010	2009
at 31 December	€000	€000
Passport booklets	5,975	6,558
Protocol stocks	120	124
Stationery	62	49
Prepaid postage	8	13
IT consumables	32	31
	<u>6,197</u>	<u>6,775</u>
	<u><u>6,197</u></u>	<u><u>6,775</u></u>
2.3 Other Debit Balances	2010	2009
at 31 December	€000	€000
Mission and headquarter accounts	6,608	8,925
Inter-Government Department accounts	1,544	1,677
Imprest and personal suspense accounts	921	899
Foreign salary advance accounts	166	80
Miscellaneous	2,075	1,476
	<u>11,314</u>	<u>13,057</u>
	<u><u>11,314</u></u>	<u><u>13,057</u></u>
2.4 Bank and Cash	2010	2009
at 31 December	€000	€000
PMG balances and cash	(5,536)	(9,934)
Orders outstanding	(25)	(32)
	<u>(5,561)</u>	<u>(9,966)</u>
	<u><u>(5,561)</u></u>	<u><u>(9,966)</u></u>
2.5 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the state		
Income Tax	922	1,047
Pay Related Social Insurance	597	626
Pension contributions	197	23
VAT	1,053	696
Withholding Tax	68	86
	<u>2,837</u>	<u>2,478</u>
Miscellaneous	318	269
	<u>3,155</u>	<u>2,747</u>
	<u><u>3,155</u></u>	<u><u>2,747</u></u>

2.6 Net Liability to the Exchequer	2010	2009
at 31 December	€000	€000

Surplus to be surrendered	9,226	15,070
Exchequer grant undrawn	(6,837)	(14,962)
Net liability to the Exchequer	<u>2,389</u>	<u>108</u>

Represented by:**Debtors**

Debit balances: suspense	11,314	13,057
--------------------------	--------	--------

Creditors

Net PMG position and cash	(5,561)	(9,966)
Due to the State	(2,837)	(2,478)
Credit balances: suspense	(318)	(269)
Credit balances: other	(209)	(236)
	<u>2,389</u>	<u>108</u>

2.7 Commitments

2.7 Commitments	2010	2009
at 31 December	€000	€000
	18,386	20,715

The estimated total figure for commitments at 31 December 2010 and likely to materialise in the following year is €18.386m relating to property rental payments abroad and a contract for the printing of passport booklets.

3 Variations in Expenditure

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

Sub-head	Less/(more) than provided €000	Explanation
A.3.	2,232	Unanticipated foreign exchange gains were made on the revaluation of mission bank accounts. In addition, savings were made due to reduced expenditure on a range of items including purchases of official vehicles and state/official entertainment.
D.	361	Savings arose from reduced spending on general press costs and the Communicating Europe initiative. In addition, there were no major inward state visits in 2010.

4 Receipts

4.1 Appropriations-in-aid

	2010 Estimated €000	2010 Realised €000	2009 Realised €000
1. Passport, visa and other consular services	33,870	36,521	35,194
2. Repayment of repatriation and maintenance advances	30	8	6
3. VAT refunds to diplomatic missions	1,600	1,951	1,488
4. Miscellaneous	500	543	455
5. Receipts from pension-related deduction on public service remuneration	3,697	3,877	3,338
Total	39,697	42,900	40,481

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
1.	(2,651)	Passport receipts were higher than anticipated due to an increase in applications received in 2010.
3.	(351)	It is difficult to predict the level of VAT refunds to diplomatic missions.

4.2 Extra receipts payable to the Exchequer

	2010 €	2009 €
Proceeds from sale of property	607,514	—

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	1,309	1,326
	2010	2009
	€000	€000
Pay	73,201	78,670
Higher, special or additional duties allowances	257	387
Other allowances	377	288
Overtime	2,601	1,725
Employer's PRSI	2,998	3,249
Foreign social security/health insurance (missions)	2,487	2,309
Total pay	81,921	86,628

Note: The total pay figures above exclude non-pay expenditure charged to A.1.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2010	Maximum individual payment 2009
			€	€
Higher, special or additional duties allowances	55	4	19,629	29,224
Other allowances	202	1	12,020	11,317
Overtime	522	76	48,655	40,575

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

5.2 Performance and Merit Payments

A staff member received €250 in recognition of long service (25 years) with the Department. Long service payments have been discontinued.

Retirement awards amounting to €7,500 in total were paid to fifteen staff members. Such payments have since been discontinued.

Additional payments totalling €2,300 were paid to fifteen staff for attendance on bank holidays to issue urgent passports.

A payment of €1,000 was made to the Houses of the Oireachtas in respect of a merit award sanctioned in 2008 for an official on secondment from the Department.

5.3 Other Remuneration Arrangements

Payments totalling €15,869 were paid to three retired civil servants whose services were employed on specialised tasks.

Severance payments amounting to €147,796 were made to eight locally employed staff at embassies abroad on termination of their employment.

6 Miscellaneous Items

Legal Costs and Compensation

Payments totalling €170,121 were made in relation to legal costs and fees incurred on a wide range of matters arising at headquarters and at missions abroad, including employment/industrial relations issues and personal injury claims. A total of €89,323 was paid in settlement costs arising from seven legal claims.

7 Miscellaneous Accounts

7.1 Repatriation Advances

Account of receipts and payments during year ended 31 December

	2010 €000	2009 €000
Balance outstanding at 1 January	7	18
Add Advances/expenditure (subhead B.)	28	48
	35	66
Less Amounts written off	—	(53)
Amounts recovered (subhead O.)	(8)	(6)
Balance outstanding at 31 December	27	7

7.2 Contributions to Bodies in Ireland for the furtherance of International Relations (Grants-in-Aid)

Account of receipts and payments during year ended 31 December

	2010 €000	2009 €000
Balance at 1 January	90	48
Grant-in-aid (subhead E.)	234	310
	324	358
Expenditure	(234)	(268)
Balance at 31 December	90	90

7.3 Cultural Relations with Other Countries (Grant-in-Aid)**Account of receipts and payments during year ended 31 December**

	2010	2009
	€000	€000
Balance at 1 January	146	42
Grant-in-aid (subhead G.)	846	891
	<hr/> 992	<hr/> 933
Expenditure	(873)	(787)
Balance at 31 December	<hr/> <hr/> 119	<hr/> <hr/> 146