

Vote 9: Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, 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 Revenue Commissioners, including certain other services administered by that Office.

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

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

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account except in the case of the Customs Cutter which is depreciated on a straight line basis at an annual rate of 5% over its estimated useful life.

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 Office of the Revenue Commissioners.

JOSEPHINE FEEHILY

Accounting Officer

Office of the Revenue Commissioners

31 March 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 9: Office of the Revenue Commissioners 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 Office of the Revenue Commissioners. 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 11 to 18 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
2 September 2011

Vote 9 Office of the Revenue Commissioners Appropriation Account 2010

	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	298,763	291,820	329,744
A.2. Travel and subsistence	3,600	3,287	3,615
A.3. Incidental expenses	12,621	11,220	13,095
A.4. Postal and telecommunications services	14,000	12,184	13,849
A.5. Office machinery and other office supplies, and related services	50,329	58,586	69,452
A.6. Office premises expenses	8,342	8,480	10,499
A.7. Consultancy services	30	69	29
A.8. Value for money and policy reviews	65	73	48
A.9. Motor vehicles and specialised enforcement equipment	2,370	2,479	3,392
A.10. Law charges, fees and rewards	13,225	13,459	15,978
A.11. Compensation and losses	350	112	469
Gross Expenditure	403,695	401,769	460,170
Deduct			
A.12 Appropriations-in-aid	64,644	72,477	66,987
Net Expenditure	339,051	329,292	393,183
Surplus to be surrendered		€9,759,339	€10,072,089

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	€000	2010 €000	2009 €000
Gross expenditure on administration			401,769	460,170
Deduct				
Appropriations-in-aid			(72,477)	(66,987)
Net expenditure			<u>329,292</u>	<u>393,183</u>
Changes in capital assets				
Purchases cash		(7,094)		
Depreciation		28,867		
Disposals cash		4		
Gain on disposals		(6)		
			<u>21,771</u>	<u>21,459</u>
Changes in assets under development				
Cash payments			(7,944)	(20,698)
Changes in net current assets				
Decrease in closing accruals		(6,927)		
Increase in stock		(48)		
			<u>(6,975)</u>	<u>(7,170)</u>
Direct expenditure			<u>336,144</u>	<u>386,774</u>
Net allied services expenditure	1.1		61,494	75,081
Notional rents			15,631	18,465
Total operating cost			<u><u>413,269</u></u>	<u><u>480,320</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 9 borne elsewhere.

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	54,052	63,384
10	Office of Public Works	21,259	26,715
	Services rendered without charge	(13,817)	(15,018)
		<u>61,494</u>	<u>75,081</u>

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	61,333	70,136
Capital Assets under Development	2.2	489	5,507
		61,822	75,643
Current Assets			
Bank and cash	2.3	9,833	5,964
Stocks	2.4	1,806	1,758
Prepayments		22,728	15,735
Accrued income		369	650
Other debit balances	2.5	1,557	5,963
Total Current Assets		36,293	30,070
Less Current Liabilities			
Accrued expenses		2,289	2,514
Deferred Income		84	75
Other credit balances	2.6	11,139	11,767
Net Liability to the Exchequer	2.7	251	160
Total Current Liabilities		13,763	14,516
Net Current Assets		22,530	15,554
Net Assets		84,352	91,197

2.1 Capital Assets

	Vehicles & Equipment €000	Office/IT Equipment €000	Furniture & Fittings €000	Total €000
Gross assets				
Cost or valuation at 1 January 2010	12,607	379,467	51,155	443,229
Additions	310	18,420	1,354	20,084
Disposals	(77)	(6,313)	(127)	(6,517)
Cost or valuation at 31 December 2010	12,840	391,574	52,382	456,796
Accumulated Depreciation				
Opening balance at 1 January 2010	8,376	320,718	43,999	373,093
Depreciation for the year	806	26,131	1,930	28,867
Depreciation on disposals	(77)	(6,299)	(121)	(6,497)
Cumulative depreciation at 31 December 2010	9,105	340,550	45,808	395,463
Net Capital Assets at 31 December 2010	3,735	51,024	6,574	61,333
Net Capital Assets at 31 December 2009	4,231	58,749	7,156	70,136

2.2 Capital Assets under Development

	In-House Computer Applications €000
Amounts brought forward at 1 January 2010	5,507
Cash payments for the year	7,944
Transferred to asset register	(12,962)
Amounts carried forward at 31 December 2010	<u>489</u>

2.3 Bank and Cash

	2010	2009
at 31 December	€000	€000
PMG balances and cash	10,849	8,296
Orders outstanding	(1,016)	(2,332)
	<u>9,833</u>	<u>5,964</u>

2.4 Stocks

	2010	2009
at 31 December	€000	€000
Stationery	1,193	1,210
IT consumables	613	548
	<u>1,806</u>	<u>1,758</u>

2.5 Other Debit Balances

	2010	2009
at 31 December	€000	€000
Shared building advances	156	200
Advances to OPW for building works etc.	532	67
Advances for travel and subsistence purposes	11	17
Miscellaneous suspense	166	113
Recoupable expenditure	594	5,453
Vote 8 (Appeal Commissioners)	98	113
	<u>1,557</u>	<u>5,963</u>

2.6 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Income Tax	3,265	3,835
Pay Related Social Insurance	2,185	2,314
Professional Services Withholding Tax	1,388	897
Value Added Tax	322	381
Relevant Contracts Tax	4	—
Pensions	599	540
	<u>7,763</u>	<u>7,967</u>
Payroll deductions held in suspense	3,157	3,716
Other credit suspense items	219	84
	<u>11,139</u>	<u>11,767</u>
	<u><u>11,139</u></u>	<u><u>11,767</u></u>
2.7 Net Liability to the Exchequer	2010	2009
at 31 December	€000	€000
Surplus to be surrendered	9,759	10,072
Exchequer grant undrawn	(9,508)	(9,912)
Net liability to the Exchequer	<u>251</u>	<u>160</u>
	<u><u>251</u></u>	<u><u>160</u></u>
Represented by:		
Debtors		
Bank and cash	9,833	5,964
Shared buildings advances	156	200
Advances to OPW for building works etc.	532	67
Advances for travel and subsistence	11	17
Miscellaneous suspense	166	113
Recoupable expenditure	594	5,453
Vote 8 (Appeal Commissioners)	98	113
	<u>11,390</u>	<u>11,927</u>
Creditors		
Payroll deductions	(3,157)	(3,716)
Due to State	(7,763)	(7,967)
Other credit suspense items	(219)	(84)
	<u>(11,139)</u>	<u>(11,767)</u>
	<u><u>251</u></u>	<u><u>160</u></u>

2.8 Commitments

Contracted Commitments at 31 December 2010 amounted to €476k (2009 - €44k)

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, by more than €100,000, and by more than 25%.

Sub-head	Less/(more) than provided €000	Explanation
A.11	238	By its nature (various legal issues), it is difficult to forecast the amount and timing of payments under this subhead.

4 Receipts

	2010 Estimated €000	2010 Realised €000	2009 Realised €000
4.1 Appropriations-in-aid			
1. Receipts for services relating to Pay-Related Social Insurance Scheme	37,437	37,437	37,437
2. Fines, forfeitures, law costs recovered	4,000	4,767	5,393
3. Cherished numbers	50	182	142
4. Receipts in respect of Environmental Levy collection	400	400	397
5. Miscellaneous	7,680	13,234	9,155
6. Receipts from pension related deduction on remuneration	15,077	16,457	14,463
Total	64,644	72,477	66,987

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
2.	(767)	Difficult to estimate accurately due to uncertainty as regards amounts and timing of receipts.
3.	(132)	Receipts vary with demand.
5.	(5,554)	It is difficult to estimate accurately as a number of items involved.
6.	(1,380)	This is the first full year of operation of this scheme which made accurate forecasting difficult.

4.2 Extra receipts payable to the Exchequer

An amount of €234,093 in respect of bank interest on Revenue accounts held with the Central Bank was paid to the Exchequer.

An amount of €1,020,720 which was received as Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with a global cigarette manufacturer, was paid to the Exchequer.

The sum of €1,798,747 was lodged to the Exchequer in respect of cash forfeited under Section 39 of the Criminal Justice Act, 1994.

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	6,063	6,105
	2010	2009
	€000	€000
Pay	273,104	308,794
Allowances	4,141	4,181
Overtime	3,094	3,999
Employer's PRSI	11,481	12,770
Total pay	291,820	329,744

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	472	15	18,608	19,568
Overtime and extra attendance	2,293	91	20,007	20,501
Shift and roster allowances	177	25	20,181	20,724
Miscellaneous	63	—	4,538	10,000

5.2 Performance Awards

A total of €305,578 was spent on Exceptional Performance Awards (i.e. 1,038 individual awards ranging from €50 to €3,500 and 20 group awards ranging from €400 to €4,500).

5.3 Other Remuneration Arrangements

The cost of Revenue staff on loan to other Departments/Agencies without recoupment was €233,147.

6 Miscellaneous Items

6.1 Compensation and Legal Costs

Compensation of €41,047 was paid in respect of legal action taken by members of the public.

A total of €66,865 was paid in respect of compensation claims by members of staff pursued via the State Claims Agency.

6.2 EU Funding

A grant in the amount of €326,095 was received from the European Anti-fraud Office (OLAF) towards the cost of the purchase of a container X-ray scanner.

6.3 Other

As agreed with the Department of Finance under the delegated administrative budget scheme, a carryover of €1,909,000 is included in the Estimate for 2011.