



Appropriation Account 2013

Vote 6

Office of the Chief State Solicitor

Introduction

As Accounting Officer for Vote 6, 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 2013 for the salaries and expenses of the Office of the Chief State Solicitor.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.61 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.

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.

Information and Communications Technology Security

The Office applies good practice controls to mitigate against key security risks associated with information and communications technology (ICT). Review and upgrade, where necessary, of ICT security systems is an ongoing process.

Administrative and Financial Controls

The MAC and the Audit Committee regularly review controls. All internal audit reports are considered by the MAC.

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. 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.

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.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.
- The Office is compliant with the exception of 7 contracts during 2013 to a total value of €720,000 which were awarded without competitive tender. The Office has put in place or is in the process of putting in place contracts where applicable for these services into the future.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Eileen Creedon
Accounting Officer
Office of the Chief State Solicitor

31 March 2014

Comptroller and Auditor General Report for the presentation to Houses of the Oireachtas

Vote 6 Office of the Chief State Solicitor

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by her Office and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2013.

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 Chief State Solicitor. The appropriation account is in agreement with the books of account.

Non compliance with procurement rules

The Accounting Officer has disclosed in the Statement on Internal Financial Control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2013.

Seamus McCarthy

Comptroller and Auditor General

29 August 2014

Vote 6 Office of the Chief State Solicitor

Appropriation Account 2013

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of legal services	31,776	29,737	30,679
Gross expenditure		31,776	29,737	30,679
<i>Deduct</i>				
B	Appropriations-in-aid	1,860	1,432	1,876
Net expenditure		29,916	28,305	28,803

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2013	2012
	€	€
Surplus to be surrendered	1,610,920	4,148,587

Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	14,397	13,993	14,245
ii	Travel and subsistence	61	58	65
iii	Training and development and incidental expenses	1,105	801	919
iv	Postal and telecommunications services	350	331	344
v	Office equipment and external IT services	850	795	579
vi	Office premises expenses	370	221	171
vii	Consultancy services and value for money policy reviews	29	7	11
		17,162	16,206	16,334

Notes to the Appropriation Account

1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	13,531	14,345
Pay	13,993	14,245
Non pay	2,213	2,089
Gross expenditure	29,737	30,679
<i>Deduct</i>		
Appropriations-in-aid	1,432	1,876
Net expenditure	28,305	28,803
Changes in capital assets		
Purchases cash	(306)	
Depreciation	294	
Loss on Disposals	3	
	(9)	133
Changes in assets under development		
Cash payments	(39)	(38)
Changes in net current assets		
Decrease in closing accruals	(1,020)	
Decrease in stock	2	
	(1,018)	(879)
Direct expenditure	27,239	28,019
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,036	2,084
Notional rents	825	821
Net programme cost	30,100	30,924

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 6 borne elsewhere.

	2013	2012
	€000	€000
Vote 7 Finance	e 66	61
Vote 12 Superannuation and Retired Allowances	e 1,108	1,085
Vote 13 Office of Public Works	e 862	938
	<u>2,036</u>	<u>2,084</u>

"e" indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
Capital assets	2.2	839	767
Capital assets under development	2.3	39	63
		878	830
Current assets			
Bank and cash	2.4	105	1,377
Stocks	2.5	47	49
Prepayments		150	188
Accrued income		9,890	9,122
Other debit balances	2.6	334	397
Net Exchequer funding due	2.8	790	702
Total current assets		11,316	11,835
Less current liabilities			
Accrued expenses		734	1,024
Other credit balances	2.7	1,229	2,476
Total current liabilities		1,963	3,500
Net current assets		9,353	8,335
Net assets		10,231	9,165
Represented by:			
State funding account	2.1	10,231	9,165

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		9,165	8,381
Disbursements from the Vote			
Estimate provision	Account	29,916	
Surplus to be surrendered	Account	(1,611)	
Net vote		28,305	28,803
Expenditure (cash) borne elsewhere	1	2,036	2,084
Non cash expenditure – notional rent	1	825	821
Net programme cost	1	(30,100)	(30,924)
Balance at 31 December		10,231	9,165

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2013	3,835	1,714	5,549
Additions	367	2	369
Disposals	(61)	(10)	(71)
Cost or valuation at 31 December 2013	4,141	1,706	5,847
Accumulated depreciation			
Opening balance at 1 January 2013	3,519	1,263	4,782
Depreciation for the year	206	88	294
Depreciation on disposals	(58)	(10)	(68)
Cumulative depreciation at 31 December 2013	3,667	1,341	5,008
Net assets at 31 December 2013	474	365	839
Net assets at 31 December 2012	316	451	767

2.3 Capital Assets under Development

at 31 December	Computer applications €000
Amounts brought forward at 1 January 2013	63
Cash payments in year	39
Transferred to asset register	(63)
Balance at 31 December 2013	39

2.4 Bank and Cash

at 31 December	2013 €000	2012 €000
PMG balances and cash	106	1,569
Orders outstanding	(1)	(192)
	105	1,377

2.5 Stocks

at 31 December	2013 €000	2012 €000
Stationery	47	49

2.6 Other Debit Balances

at 31 December	2013 €000	2012 €000
Miscellaneous	334	397

2.7 Other Credit Balances	2013	2012
at 31 December	€000	€000
Amounts due to the State		
Income Tax	234	242
Pay Related Social Insurance	110	108
Professional Services Withholding Tax	471	244
Value Added Tax	20	10
Pension contributions	49	51
	<u>884</u>	<u>655</u>
Payroll deductions held in suspense	56	51
Other credit suspense items	289	1,770
	<u>1,229</u>	<u>2,476</u>

2.8 Net Exchequer funding due	2013	2012
at 31 December	€000	€000
Surplus to be surrendered	1,611	4,149
Exchequer grant undrawn	(2,401)	(4,851)
Net Exchequer funding due	<u>(790)</u>	<u>(702)</u>

Represented by:**Debtors**

Bank and cash	105	1,377
Debit balances: suspense	334	397
	<u>439</u>	<u>1,774</u>

Creditors

Due to State	(884)	(655)
Credit balances: suspense	(345)	(1,821)
	<u>(1,229)</u>	<u>(2,476)</u>
	<u>(790)</u>	<u>(702)</u>

2.9 Commitments	2013	2012
at 31 December	€000	€000
Total of legally enforceable commitments	1,140	868

There are commitments in respect of ongoing legal cases which are not included in the above figure as the costs will only be finalised once legal action is completed. The expenditure is subject to the normal cost controls and the observation of budgetary limits.

2.10 Matured Liabilities

The total amount of matured liabilities undischarged at 31 December 2013 amounted to €26,616.

3 Programme Expenditure by Subhead

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A Provision of legal services			
A.1 Administration - pay	14,397	13,993	14,245
A.2 Administration - non -pay	2,765	2,213	2,089
A.3 External legal services	248	268	142
A.4 Fees to counsel	11,850	12,391	9,528
A.5 General law expenses	2,516	872	4,675
	<u>31,776</u>	<u>29,737</u>	<u>30,679</u>

Significant variations

Overall, the expenditure in relation to Programme A was €2.04 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – pay	404	Savings arose due to the time taken in filling legal vacancies during the year.
Training and development and incidental expenses	304	Savings arose as a result of new contracts in place for security and cleaning, further provision of in house training and the reduction in library expenditure.
Office premises expenses	149	Savings were achieved as a result of the use of centralised contracts in the area of Utilities and lower than estimated expenditure on furniture and fittings.
Fees to counsel	(541)	Expenditure on this subhead is dependent on the level of activity in the courts and as such is difficult to predict. There was an increase in the number of high profile cases in 2013 which accounted for the increase in expenditure in this subhead.
General law expenses	1,644	Expenditure on this subhead is dependent on the level of activity in the courts and as such is difficult to predict. In addition, following the transfer of the Attorney General's scheme to the Legal Aid Board in 2013, the anticipated expenditure on legacy fee did not arise.

4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Costs and fees received by the Office of the Chief State Solicitor	1,000	530	960
2. Receipts from pension-related deductions on public service remuneration	860	902	916
	<u>1,860</u>	<u>1,432</u>	<u>1,876</u>

Explanation of significant variations

The amount realised was €428,000 less than expected. It is not possible to forecast accurately what costs will be awarded to the State and what fees will be actually recovered in any year.

4.2 Extra receipts payable to the Exchequer

A total of €50,122 was lodged to the Exchequer under the State Property Act 1954.

5 Employee Numbers and Pay

	2013	2012
Number of staff at year end (full time equivalents)	226	217
	2013	2012
	€000	€000
Pay	12,889	13,144
Higher, special or additional duties allowance	83	80
Other allowances	7	8
Overtime	21	20
Employer's PRSI	993	993
Total Pay	13,993	14,245

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2013 €	Maximum individual payment 2012 €
Higher, special or additional duties	31	1	10,434	9,280
Other allowances	4	—	1,783	1,783
Overtime	9	—	5,920	5,464

Certain individuals received extra remuneration in more than one category.

6 Miscellaneous

6.1 Legal Costs	2013	2012
	€000	€000
Legal costs paid during the year are categorised as follows:		
Fees to counsel	12,391	9,529
General law expenses	862	1,135
Attorney General's scheme	10	3,540
External legal services	268	142
Compensation paid	—	—
	<u>13,531</u>	<u>14,346</u>

6.2 Monies Held in Trust

The CSSO maintains a number of commercial bank accounts. Monies in these accounts are held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No monies from the CSSO Estimate allocation are transmitted through these bank accounts. The amount held at the end of 2013 is €2.384 million.