

Appropriation Account 2016

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 2016 for the salaries and expenses of the Central Statistics Office (CSO).

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.97 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 except for:

Depreciation

Assets that cost €4.60 million and were employed during the 2016 Census of Population are being depreciated over a two year period (2016-2017).

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 Director 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.

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. My annual return in respect of Circular 40/2002 includes details of ten contracts to the value of €531,150 which were placed without a competitive tendering process.
 - One contract with a value of €52,587 related to a sole supplier.
 - Five contracts with a value of €293,255 related to renewal of software licenses in relation to systems currently in use by the CSO.
 - Four contracts with a value of €185,308 were not tendered due to short term roll over of contracts pending completion of a tendering process or instances where the CSO was of the view that the relevant supplier had a special advantage.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreements between this Office and the National Shared Service Office for the provision of HR and payroll shared service.

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

Significant financial risks

The CSO continues to have regard to significant financial and other business related risks via the Office's Risk Register. There are no significant financial risks on the CSO Risk Register.

The CSO continues to operate within a tight financial budget. All expenditure is carefully monitored to ensure that the Office does not breach the annual budget allocation. Process improvements on current activities as well as management of the financial, cyclical and project operations are required to keep the financial risk to a minimum on an on-going basis.

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.

Pádraig Dalton
Accounting Officer
Central Statistics Office

29 March 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2016 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 his control, for the efficiency and economy of administration by his 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 4 Central Statistics Office for the year ended 31 December 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Central Statistics Office. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

24 September 2017

Vote 4 Central Statistics Office Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	83,516	76,557	49,872
Gross expenditure		83,516	76,557	49,872
<i>Deduct</i>				
B	Appropriations-in-aid	1,435	1,442	2,287
Net expenditure		82,081	75,115	47,585

Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	6,966,305	5,250,671

Analysis of administration expenditure

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	39,332	36,391	33,515
ii	Travel and subsistence	1,204	1,245	1,084
iii	Training and development and incidental expenses	3,039	2,553	1,397
iv	Postal and telecommunications services	1,986	1,767	683
v	Office equipment and external IT services	6,761	6,312	9,597
vi	Office premises expenses	1,075	845	837
vii	Consultancy services and value for money and policy reviews	197	19	66
viii	Collection of statistics	29,922	27,425	2,693
		83,516	76,557	49,872

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Pay	36,391	33,515
Non pay	40,166	16,357
Gross expenditure	76,557	49,872
<i>Deduct</i>		
Appropriations-in-aid	1,442	2,287
Net expenditure	75,115	47,585
Changes in capital assets		
Purchases cash	(1,007)	
Depreciation	5,918	
Loss on disposals	21	
	4,932	2,956
Changes in assets under development		
Cash payments	(1,583)	(4,963)
Changes in net current assets		
Decrease in closing accruals	(239)	
Decrease in stock	20	
	(219)	456
Direct expenditure	78,245	46,034
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	6,868	6,549
Notional rents	1,568	1,542
Net programme cost	86,681	54,125

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 4 borne elsewhere.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,726	1,722
Vote 12 Superannuation and Retired Allowances	3,905	3,765
Vote 13 Office of Public Works	1,143	1,024
Vote 18 National Shared Services Office	94	38
	6,868	6,549

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	8,839	8,465
Capital assets under development	2.3	1,841	5,562
		10,680	14,027
Current assets			
Bank and cash	2.4	419	394
Stocks	2.5	52	72
Prepayments		841	948
Accrued income		424	133
Other debit balances	2.6	344	311
Net Exchequer funding due	2.8	693	687
Total current assets		2,773	2,545
Less current liabilities			
Accrued expenses		327	381
Other credit balances	2.7	1,457	1,392
Total current liabilities		1,784	1,773
Net current assets		989	772
Net assets		11,669	14,799
Represented by:			
State funding account	2.1	11,669	14,799

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		14,799	13,248
Disbursements from the Vote			
Estimate provision	Account	82,081	
Surplus to be surrendered	Account	(6,966)	
Net vote		75,115	47,585
Expenditure (cash) borne elsewhere		6,868	6,549
Non cash expenditure – notional rent		1,568	1,542
Net programme cost		(86,681)	(54,125)
Balance at 31 December		11,669	14,799

2.2 Capital Assets

	Land and buildings	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2016	34	59,581	3,356	62,971
Additions	—	6,183	130	6,313
Disposals	—	(1,058)	(21)	(1,079)
Cost or valuation at 31 December 2016	<u>34</u>	<u>64,706</u>	<u>3,465</u>	<u>68,205</u>
Accumulated depreciation				
Opening balance at 1 January 2016	34	51,237	3,235	54,506
Depreciation for the year	—	5,865	53	5,918
Depreciation on disposals	—	(1,037)	(21)	(1,058)
Cumulative depreciation at 31 December 2016	<u>34</u>	<u>56,065</u>	<u>3,267</u>	<u>59,366</u>
Net assets at 31 December 2016	<u>—</u>	<u>8,641</u>	<u>198</u>	<u>8,839</u>
Net assets at 31 December 2015	<u>—</u>	<u>8,344</u>	<u>121</u>	<u>8,465</u>

2.3 Capital Assets under Development

	In-house computer applications	
at 31 December	2016	2015
	€000	€000
Amounts brought forward at 1 January	5,562	1,436
Cash payments for the year	1,583	4,963
Transferred to asset register	(5,304)	(837)
Balance at 31 December	<u>1,841</u>	<u>5,562</u>

2.4 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balances	398	343
Commercial bank	19	50
Petty cash	2	1
	<u>419</u>	<u>394</u>

2.5 Stocks

	2016	2015
at 31 December	€000	€000
Stationery	38	52
IT consumables	14	20
	<u>52</u>	<u>72</u>

2.6 Other Debit Balances	2016	2015
at 31 December	€000	€000
Recoupable salary costs	205	231
Recoupable travel costs	16	13
Recoupable travel pass scheme	30	27
Other debit suspense items	93	40
	<u>344</u>	<u>311</u>

2.7 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State		
Income Tax	539	534
Pay Related Social Insurance	388	330
Professional Services Withholding Tax	1	11
Value Added Tax	7	3
Pension contributions	124	110
Universal Social Charge	149	177
	<u>1,208</u>	<u>1,165</u>
Payroll deductions held in suspense	241	218
Other credit suspense items	8	9
	<u>1,457</u>	<u>1,392</u>

2.8 Net Exchequer Funding Due	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	6,966	5,251
Exchequer grant undrawn	(7,659)	(5,938)
Net Exchequer funding due	<u>(693)</u>	<u>(687)</u>

Represented by:**Debtors**

Bank and cash	419	394
Debit balances: suspense	344	311
	<u>763</u>	<u>705</u>

Creditors

Due to State	(1,208)	(1,165)
Credit balances: suspense	(248)	(227)
	<u>(1,456)</u>	<u>(1,392)</u>
	<u>(693)</u>	<u>(687)</u>

2.9 Commitments	2016	2015
at 31 December	€000	€000

Global Commitments

Procurement of goods and services	1,779	6,441
Total of legally enforceable commitments	<u>1,779</u>	<u>6,441</u>

2.10 Matured Liabilities	2016	2015
at 31 December	€000	€000

Estimate of matured liabilities	<u>5</u>	<u>15</u>
---------------------------------	----------	-----------

3 Programme Expenditure by Subhead

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Delivery of annual statistical programme			
A.1	Administration - pay	39,332	36,391	33,515
A.2	Administration - non pay	44,184	40,166	16,357
		<u>83,516</u>	<u>76,557</u>	<u>49,872</u>

Significant variations

Overall, the expenditure in relation to Programme A was €6.96 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
€000		
Salaries, wages and allowances	2,941	The Estimate allocation was based on staff numbers of 843 for 2016 as detailed in the Revised Estimate Volume. The average staff number for the year was 791 but varied considerably from month to month because of the cyclical nature of the work of the Office. Funding for a critical investment programme, which included staff recruitment, and which was the subject of a business case to the Department of Public Expenditure and Reform in 2015 was included in the estimate provision for 2016. However throughout 2016 there were delays in the filling of vacancies at statistician level as the recruitment market for statisticians is currently very competitive. In addition there were delays in the filling of some headquarter posts related to the Census of Population in the early part of the year. Some of these vacancies were filled by redeployment.
Consultancy and value for money and policy reviews	178	The Office is in the process of implementing considerable change in the Irish Statistical System. Because of the scale of change, for example, in the way statistics are collected and the increased demand for statistical output both domestically and internationally, the consultancy provision was made for anticipated needs that might have arisen in 2016. In the event, no such need arose during the year.
Collection of statistics	2,497	The collection costs associated with the 2016 Census operation caused the bulk of the savings in the Subhead. Anticipated costs were €27.59 million and the actual outturn was €25.93 million (€21.42 million pay and €4.51 million non-pay). Advance provision had to be made for estimated numbers of temporary staff that would be required to complete the field operation. The required number was dependant on the number of households enumerated and was only finally established as the operation progressed. Provision had to be made for certain costs on the non-pay side that did not materialise, for example, transport and Garda clearance costs. Much of the remainder of the savings in the Subhead was due to lower than anticipated costs associated with the operation of a call centre that was brought into use during 2016 for some responses to household surveys.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. European Union receipts	130	1	575
2. Miscellaneous	70	41	16
3. Receipts from pension related deduction on public service remuneration	1,235	1,400	1,696
Total	1,435	1,442	2,287

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%.

Description	Less/(more) than estimated	Explanation
	€000	
European Union receipts	129	Expected funding in respect of two EU contracts did not materialise during 2016. Payments are made following CSO submission of results and the Office was not in a position to submit claims by year end. Payment in respect of these contracts is expected in 2017.
Miscellaneous	29	The reduced level of income reflects CSO policy of making all statistics freely available in the internet. Income from the sales of statistical material is currently difficult to predict.
Pension related deduction	(165)	The increased number of staff throughout 2016 caused a difficulty in the accurate prediction of the amount of pension related deduction that might be payable in the year.

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)	799	697
	2016	2015
	€000	€000
Pay	33,650	31,189
Redundancy	—	3
Higher, special or additional duties allowance	119	85
Other allowances	87	73
Overtime	83	82
Employer's PRSI	2,452	2,083
Total Pay	36,391	33,515

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	62	—	7,820	5,478
Overtime and extra attendance	76	1	13,672	10,936
Shift and roster allowances	14	—	8,112	8,650
Miscellaneous	1	1	11,440	—
Extra remuneration in more than one category	23	4	21,119	18,243

5.2 Payroll Overpayments

Overpayments at the year end were €90,026 (31 cases) (2015 €86,874, 135 cases). Of this, €48,201 of overpayments have recovery plans in place.

6 Miscellaneous

6.1 Support for statistical endeavour

The Office awarded prize money of €3,210 in 2016 as part of the sixth John Hooper Medal for Statistics Competition. This competition was open to senior cycle second level students.

A sum of €10,000 was paid to University College Cork by way of funding for the Donal McCarthy Scholarship 2016-2017. The recipient of the scholarship will undertake a CSO/official statistics project.

6.2 Legal costs

	Number of cases	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	2016	2015
					Total €000	Total €000
Claims by: employees	5	14	—	37	51	54
		14	—	37	51	54