

Appropriation Account 2023

Vote 10

Tax Appeals Commission

Introduction

As Accounting Officer for Vote 10, 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 2023 for the salaries and expenses of the Tax Appeals Commission.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €688,000 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, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of amortisation</i>
Software licences	5 years	20%
Acquired/developed software	10 years	10%

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 implemented, maintained and operated by the Commission.

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

Support services

Procedures in relation to the Commission's payment and accounting service that are administered by the Office of the Revenue Commissioners were set up in 2016 when the Commission was established. The service level agreement (SLA) between the Commission and the Office of the Revenue Commissioners setting out the responsibilities of the parties was reviewed and a revised SLA was agreed and signed on 12 February 2021. This agreement covers primarily accounts and finance.

With regards to the provision of human resources and payroll shared services, I note the assurance provided to the Revenue Commissioners by the Accounting Officer of the Vote for the National Shared Services Office.

Financial control environment

A control environment comprising 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 and Risk 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.

Administrative controls and management reporting

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 Commission
- there are systems aimed at ensuring the security of the Commission's ICT systems
- there are appropriate capital investment guidelines in place
- the Commission 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.

Internal audit

The Commission engages a firm of accountants to provide outsourced internal audit services. The internal auditor reports to me and independently to the Audit and Risk Committee who receive, review and approve a rolling three-year internal audit work plan in consultation with the Commission's management team.

In 2024, the internal auditor reported on the review of the effectiveness of internal financial controls in 2023, which provided reasonable assurance regarding the internal control environment in operation. The work of the internal audit function is informed by analysis of the risks to which the Commission 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Commission on the adequacy and effectiveness of the organisation's internal control systems, control environment and control procedures. In addition, the Committee monitors the work of the internal audit function and pays careful attention to the Comptroller and Auditor General's (C&AG) annual report and subsequent management letter. The Committee, which is advisory rather than supervisory, provides an independent view of the financial reporting process, internal controls and audit functions of the Commission. The Committee also advises on and monitors the implementation of the Commission's risk management strategy. The Committee makes an important contribution to the effectiveness of the corporate governance function of the Commission.

Procurement

The Commission ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €0.622 million in 2023.

The Commission has provided details of one non-competitive contract in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

The Commission 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 Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Risk Review Board and the Audit and Risk Committee 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 responsibility for operation of controls assigned to specific staff.

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, 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

The Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Commission'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 Commission 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 2023 that require disclosure in the appropriation account.

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

27 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 10 Tax Appeals Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 10 Tax Appeals Commission for the year ended 31 December 2023 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 10 Tax Appeals Commission for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 appendix to this report. I am independent of the Tax Appeals Commission 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 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

26 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure National Development Plan Delivery and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities 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 account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 10 Tax Appeals Commission

Appropriation Account 2023

		2023	2022
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Facilitation of hearing tax appeals	3,705	2,987	2,989
Gross expenditure	3,705	2,987	2,989
<i>Deduct</i>			
B Appropriations-in-aid	84	54	62
Net expenditure	3,621	2,933	2,927

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	688,444	516,287

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Pay	2,365	2,511
Non pay	622	478
Gross expenditure	2,987	2,989
<i>Deduct</i>		
Appropriations-in-aid	54	62
Net expenditure	2,933	2,927
Changes in capital assets		
<i>Property, plant and equipment (note 2.1)</i>		
Depreciation	23	
<i>Intangible assets (note 2.2)</i>		
Purchases	(379)	
Amortisation	34	
	(322)	(91)
Changes in net current assets		
Decrease in prepayments	18	
Increase in accrued expenses	17	
	35	(10)
Direct expenditure	2,646	2,826
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	634	636
Net programme cost	3,280	3,462

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 10 borne elsewhere.

	2023	2022
	€000	€000
Vote 9 Office of the Revenue Commissioners	20	29
Vote 13 Office of Public Works	579	575
Vote 43 Office of the Government Chief Information Officer	35	32
	634	636

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed Assets			
Property, plant and equipment	2.1	18	41
Intangible assets	2.2	583	238
Total fixed assets		601	279
Current assets			
Bank and cash		315	317
Prepayments	2.3	48	66
Total current assets		363	383
Less current liabilities			
Accrued expenses		26	9
Vote 9 Revenue Commissioners		280	300
Net Exchequer funding	2.4	35	17
Total current liabilities		341	326
Net current assets		22	57
Net assets		623	336
Represented by:			
State funding account	2.5	623	336

2.1 Property, plant and equipment ^a

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Cost or valuation ^b			
At 1 January 2023	139	7	146
Additions	—	—	—
Disposals	—	—	—
At 31 December 2023	139	7	146
Accumulated depreciation			
At 1 January 2023	102	3	105
Depreciation for the year	22	1	23
At 31 December 2023	124	4	128
Net assets			
At 31 December 2023	15	3	18
At 31 December 2022	37	4	41

Note ^a On 1 January 2023, acquired and developed software assets were transferred to intangible assets (note 2.2).

^b Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Intangible assets ^a

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	139	163	302
Additions	—	379	379
Transfers	542	(542)	—
Disposals	—	—	—
At 31 December 2023	681	—	681
Accumulated amortisation			
At 1 January 2023	64	—	64
Amortisation for the year	34	—	34
At 31 December 2023	98	—	98
Net assets			
At 31 December 2023	583	—	583
At 31 December 2022	75	163	238

Note ^a At 1 January 2023, acquired and developed software assets were transferred from property, plant and equipment (note 2.1).

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
ICT services and support	30	37
Other administration expenses	18	29
	48	66

2.4 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	688	516
Exchequer grant undrawn	(653)	(499)
Net Exchequer funding	35	17
Represented by:		
Debtors		
Bank and cash	315	317
Creditors		
Vote 9 Revenue Commissioners	(280)	(300)
	35	17

2.5 State funding account

	Note	2023	2022
		€000	€000
Balance at 1 January		336	235
Disbursements from the Vote			
Estimate provision	Account	3,621	
Surplus to be surrendered	Account	(688)	
Net vote		2,933	2,927
Expenditure (cash) borne elsewhere	1.1	634	636
Net programme cost	1	(3,280)	(3,462)
Balance at 31 December		623	336

2.6 Commitments

Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	358	728
Total of legally enforceable commitments	358	728

Note 3 Vote Expenditure

Analysis of administration expenditure

All the programme expenditure is classified as administrative expenditure.

		2023		2022
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
i	Salaries, wages and allowances	2,934	2,365	2,511
ii	Travel and subsistence	6	—	5
iii	Training and development and incidental expenses	100	59	71
iv	Postal and telecommunications services	18	4	6
v	Office equipment and external IT services	465	452	266
vi	Office premises expenses	22	24	21
vii	Consultancy and other services	160	83	109
		3,705	2,987	2,989

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	83	53	59
2	Miscellaneous	1	1	3
	Total	84	54	62

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	<u>33</u>	<u>34</u>

5.2 Pay

	2023	2022
	€000	€000
Pay	2,047	2,207
Higher, special or additional duties allowances	43	40
Overtime	53	28
Employer's PRSI	222	236
Total pay	<u>2,365</u>	<u>2,511</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	9	2	15,991	9,886
Overtime	21	1	12,612	4,240
Extra remuneration in more than one category	4	1	18,326	14,126

5.4 Performance awards

A total of €1,300 (2022: €1,250) was spent on staff suggestion schemes. There were 26 (2022: 25) individual awards of €50.

5.5 Commission staffing by pay band

The number of Commission employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	21	20
60,000	69,999	3	—
70,000	79,999	2	4
80,000	89,999	—	1
90,000	99,999	—	3
100,000	109,999	1	2
110,000	119,999	5	—
150,000	159,999	—	—
160,000	169,999	—	—
170,000	179,999	—	2
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2023 €000	2022 €000
Basic pay	201	195
	<u>201</u>	<u>195</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 1995 superannuation scheme for established civil servants and her entitlements in that regard do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

	Claims by		Total 2023	Total 2022
	employees (personal injury)	members of the public (judicial review)		
Number of cases	—	2	2	4
	€000	€000	€000	€000
Commission's own legal costs	—	52	52	51
Payments by/on behalf of the Commission				
Compensation	—	—	—	—
Legal costs	—	—	—	30
Other costs	—	—	—	—
2023 Total	—	52	52	81
2022 Total	30	51	81	

Note At 31 December 2023, two judicial reviews are outstanding (2022: one case).

Cumulative costs of cases completed in 2023

	Claims by		Total
	employees (personal injury)	members of the public (judicial review)	
Number of cases	—	2	2
	€000	€000	€000
Commission's own legal costs	—	58	58
Payments by/on behalf of the Commission			
Compensation	—	—	—
Legal costs	—	—	—
Other costs	—	—	—
Total	—	58	58