

**Appropriation Account 2016**

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**Vote 5**

**Office of the Director of Public Prosecutions**

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## **Introduction**

As Accounting Officer for Vote 5, 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 Office of the Director of Public Prosecutions.

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 €259,940 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 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.

## **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.

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

I rely on 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.

### ***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 complied with the guidelines with the exception of four contracts to the value of €678,928 which were listed in my annual return in respect of Circular 40/2002. Two of the contracts, to the value of €64,605, involved services for which there was only one supplier. Another, to the value of €26,471, involving the provision of data connectivity was extended beyond the original advertised tender length because of a delay in reducing the number of locations in which staff of the Office are based. The final contract for the provision of static security services, with a value of €587,852, was renewed without a tender competition while awaiting the completion of an Office of Government Procurement competition to establish a framework agreement.

***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 the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Barry Donoghue**  
Accounting Officer  
Office of the Director of Public Prosecutions

21 September 2017

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 5 Office of the Director of Public Prosecutions**

I have audited the appropriation account for Vote 5 Office of the Director of Public Prosecutions 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 5 Office of the Director of Public Prosecutions 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 Office of the Director of Public Prosecutions. The appropriation account is in agreement with the accounting records.

**Seamus McCarthy**  
Comptroller and Auditor General

26 September 2017

## Vote 5 Office of the Director of Public Prosecutions Appropriation Account 2016

		2016	2015
		Estimate provision	Outturn
		€000	€000
<b>Programme expenditure</b>			
A	Provision of prosecution service	39,861	38,622
<b>Gross expenditure</b>		<b>39,861</b>	<b>38,622</b>
<i>Deduct</i>			
B	<b>Appropriations-in-aid</b>	<b>975</b>	<b>953</b>
<b>Net expenditure</b>		<b>38,886</b>	<b>37,669</b>

### 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	259,940	164,795

### Analysis of administration expenditure

		2016	2015
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	13,400	12,963
ii	Travel and subsistence	109	91
iii	Training and development and incidental expenses	991	1,139
iv	Postal and telecommunications services	250	219
v	Office equipment and external IT services	808	422
vi	Office premises expenses	1,142	983
vii	Consultancy services and value for money and policy reviews	37	30
		<b>16,737</b>	<b>15,847</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	23,976	22,775
Pay	12,825	12,963
Non pay	2,616	2,884
<b>Gross expenditure</b>	<b>39,417</b>	<b>38,622</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>791</b>	<b>953</b>
<b>Net expenditure</b>	<b>38,626</b>	<b>37,669</b>
<b>Changes in capital assets</b>		
Purchases cash	(93)	
Depreciation	157	
Loss on disposals	6	
	70	83
<b>Changes in net current assets</b>		
Increase in closing accruals	216	
Increase in stock	(6)	
	210	354
<b>Direct expenditure</b>	<b>38,906</b>	<b>38,106</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	2,600	2,509
Notional rents	457	457
<b>Net programme cost</b>	<b>41,963</b>	<b>41,072</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 5 borne elsewhere.

	2016	2015
	€000	€000
Vote 12 Superannuation and Retired Allowances	1,186	1,106
Vote 13 Office of Public Works	1,230	1,203
Vote 18 National Shared Services Office	24	20
Vote 20 Garda Síochána	160	180
	<b>2,600</b>	<b>2,509</b>

**2 Balance Sheet as at 31 December 2016**

	Note	2016 €000	2015 €000
<b>Capital assets</b>	2.2	<b>301</b>	<b>358</b>
<b>Current assets</b>			
Bank and cash	2.3	854	968
Stocks	2.4	67	61
Prepayments		145	142
Other debit balances	2.5	230	84
<b>Total current assets</b>		<b>1,296</b>	<b>1,255</b>
<b>Less current liabilities</b>			
Net liability to the Exchequer	2.7	94	3
Accrued expenses		3,109	2,890
Other credit balances	2.6	990	1,049
<b>Total current liabilities</b>		<b>4,193</b>	<b>3,942</b>
<b>Net current liabilities</b>		<b>(2,897)</b>	<b>(2,687)</b>
<b>Net liabilities</b>		<b>(2,596)</b>	<b>(2,329)</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>(2,596)</b>	<b>(2,329)</b>

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		(2,329)	(1,892)
Disbursements from the Vote			
Estimate provision	Account	38,886	
Surplus to be surrendered	Account	(260)	
Net vote		38,626	37,669
Expenditure (cash) borne elsewhere	1	2,600	2,509
Non cash expenditure – notional rent	1	457	457
Net programme cost	1	(41,963)	(41,072)
Non Cash Items: Capital Asset Adjustment	2.2	13	—
<b>Balance at 31 December</b>		<b>(2,596)</b>	<b>(2,329)</b>

**2.2 Capital Assets**

	<b>Office equipment €000</b>	<b>Furniture and fittings €000</b>	<b>Total €000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2016	3,389	687	4,076
Additions	89	4	93
Capital Asset Adjustment <sup>a</sup>	13	—	13
Transfers	—	(28)	(28)
Disposals	(33)	(2)	(35)
Cost or valuation at 31 December 2016	<u>3,458</u>	<u>661</u>	<u>4,119</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2016	3,163	555	3,718
Depreciation for the year	112	45	157
Depreciation on transfers	—	(22)	(22)
Depreciation on disposals	(33)	(2)	(35)
Cumulative depreciation at 31 December 2016	<u>3,242</u>	<u>576</u>	<u>3,818</u>
<b>Net assets at 31 December 2016</b>	<b><u>216</u></b>	<b><u>85</u></b>	<b><u>301</u></b>
<b>Net assets at 31 December 2015</b>	<b><u>226</u></b>	<b><u>132</u></b>	<b><u>358</u></b>

<sup>a</sup> Assets purchased in 2015 with a total value of €12,976 were not capitalised in 2015. The assets are included as a capital asset adjustment in 2016.

<b>2.3 Bank and cash</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
PMG balance	837	904
Commercial bank account balances	17	64
	<u>854</u>	<u>968</u>

<b>2.4 Stocks</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
Stationery	36	36
IT consumables	31	25
	<u>67</u>	<u>61</u>

<b>2.5 Other Debit Balances</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
Other debit balances	230	84

<b>2.6 Other Credit Balances</b>	<b>2016</b>	<b>2015</b>
at 31 December	€000	€000
Amounts due to the State		
Income Tax	551	536
Pay Related Social Insurance	176	160
Professional Services Withholding Tax	259	211
Value Added Tax	4	20
	<u>990</u>	<u>927</u>
Payroll deductions held in suspense	—	115
Other credit suspense items	—	7
	<u>990</u>	<u>1,049</u>

<b>2.7 Net Liability to the Exchequer</b>	<b>2016</b>	<b>2015</b>
at 31 December	€000	€000
Surplus to be surrendered	260	165
Exchequer grant undrawn	(166)	(162)
Net liability to the Exchequer	<u>94</u>	<u>3</u>

**Represented by:****Debtors**

Bank and cash	854	968
Debit balances: suspense	230	84
	<u>1,084</u>	<u>1,052</u>

**Creditors**

Due to State	(990)	(927)
Credit balances: suspense	—	(122)
	<u>(990)</u>	<u>(1,049)</u>
	<u>94</u>	<u>3</u>

**2.8 Commitments**

The Office had commitments in respect of legal fees at the year end, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases. The Office had no other legally enforceable commitments at 31 December 2016 (2015 : nil).

<b>2.9 Matured Liabilities</b>	<b>2016</b>	<b>2015</b>
at 31 December	€000	€000
Estimate of matured liabilities not discharged at year end	138	—

**3 Programme Expenditure by Subhead**

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>Provision of a Prosecution Service</b>			
A.1	Administration - pay	13,400	12,825	12,963
A.2	Administration - non pay	3,337	2,616	2,884
A.3	Fees to counsel	14,248	14,858	14,022
A.4	General law expenses	2,226	2,571	2,319
A.5	Local state solicitor service	6,650	6,547	6,434
		<b>39,861</b>	<b>39,417</b>	<b>38,622</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €444,000 lower than provided. This was mainly due to the following;

Description	Less/(more) than provided	Explanation
	€000	
Administration - non pay	721	Savings arose because capital works which were planned to be carried out in 2016 did not proceed.
General law expenses	(345)	The excess on this subhead is due to a cost award arising from a single complex financial trial.

## 4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated €000	Realised €000	Realised €000
1. Miscellaneous	80	110	140
2. Receipts from pension-related deductions on public service remuneration	895	681	813
<b>Total</b>	<b>975</b>	<b>791</b>	<b>953</b>

### 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 provided €000	Explanation
Receipts from pension-related deductions on public service remuneration	214	Receipts were less than expected due to an increase in the annual PRD thresholds and because posts which had been budgeted for were not all filled.

### 4.2 Extra receipts payable to the Exchequer

Receipts of €23,324 arising from forfeitures ordered by the courts were lodged to the Exchequer.

## 5 Employee Numbers and Pay

	<b>2016</b>	<b>2015</b>
<b>Number of staff at year end</b> (full time equivalents)	194	189
	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Pay	11,783	11,901
Higher, special or additional duties allowance	119	148
Overtime	5	2
Employer's PRSI	918	912
<b>Total Pay</b>	<b>12,825</b>	<b>12,963</b>

### 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	50	3	37,757	61,878
Overtime and extra attendance	4	—	2,909	632
Extra remuneration in more than one category	—	—	—	449

### 5.2 Other Remuneration Arrangements

This account includes expenditure of €138,244 in respect of one officer who was serving outside the Office in 2016 and whose salary was paid from Subhead A.1.

### 5.3 Payroll overpayments

Overpayments at year end were €10,409 (11 cases) (2015: €251, 1 case). Of this, €6,004 (10 cases) have recovery plans in place.

