

Vote 34: Enterprise, Trade and Employment

Introduction

As Accounting Officer for Vote 34, 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 2009 for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for payment of certain subsidies, grants and a grant-in-aid, and for the payment of certain grants under the cash-limited schemes.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2009 out of unspent 2008 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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.

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 Department of Enterprise, Trade and Employment.

Seán Gorman

Accounting Officer
Department of Enterprise, Trade and Employment
30 March 2010

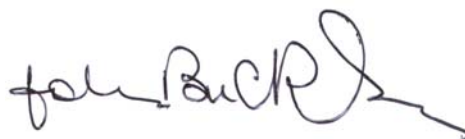
Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Enterprise, Trade and Employment for 2009 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 Department of Enterprise, Trade and Innovation. 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 2009.

Chapters 29 and 30 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

7 September 2010

Vote 34 Department of Enterprise, Trade and Employment Appropriation Account 2009

Service	2009 Estimate provision	2009 Outturn	2008 Outturn
€000	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	36,040	36,581	35,567
A.2. Travel and subsistence	1,246	1,201	1,572
A.3. Incidental expenses	1,348	838	1,575
A.4. Postal and telecommunications services	840	969	1,244
A.5. Office machinery and other office supplies and related services	4,819	4,682	5,253
A.6. Office premises expenses	1,566	1,243	1,686
A.7. Consultancy services	155	58	545
A.8. Advertising and publicity	351	199	249
A.9. Office of the Director of Corporate Enforcement	5,535	5,605	4,343
A.10. Labour Court	3,115	2,726	2,980
A.11. National Employment Rights Authority	8,731	7,936	9,595
A.12. Value for money and policy reviews	100	18	169
Enterprise Development, Science and Technology			
B.1. Forfás - Grant for administration and general expenses	36,527	36,527	36,033
B.2. Intertrade Ireland	8,499	8,100	7,735
C.1. IDA Ireland - Grant for administration and general expenses	41,877	41,877	44,099
C.2. IDA Ireland - Grants to Industry	70,364	65,364	75,120
C.3. IDA Ireland - Grant for building operations	3,230	3,230	3,400
D.1. Enterprise Ireland - Grant for administration and general expenses	94,476	93,056	100,218
D.2. Enterprise Ireland - Grant to Industry			
<i>Current year provision</i>	100,146		
<i>Deferred surrender</i>	<u>3,500</u>	103,646	111,646
D.3. Enterprise Ireland - Grant for capital expenditure		2,400	2,400
E.1. Shannon Free Airport Development Company Limited - Grant for administration and general expenses	2	—	—
E.2. Shannon Free Airport Development Company Limited - Grants to Industry	700	700	1,289
F. Science Technology and Innovation Programmes			
<i>Current year provision</i>	318,966		
<i>Deferred Surrender</i>	<u>6,000</u>	324,966	323,554
G. County Enterprise Development			
<i>Current year provision</i>	27,812		
<i>Deferred Surrender</i>	<u>6,000</u>	33,812	34,028
H.1. Monitoring and evaluation of EU Programmes	100	19	23

Service		2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000	€000
H.2. Interreg Enterprise Development		2,000	507	—
I. National Standards Authority of Ireland - Grant for administration and general expenses				
	<i>Current year provision</i>	8,241		
	<i>Deferred Surrender</i>	<u>326</u>	8,547	9,237
Labour Force Development				
K.1. FÁS Administration and general expenses		150,111	150,111	149,754
K.2. FÁS Training and integration supports				
	<i>Original</i>	108,245		
	<i>Supplementary</i>	<u>(20,500)</u>	87,745	98,485
K.3. FÁS Employment Programmes		440,669	424,669	434,550
K.4. FÁS Capital				
	<i>Current year provision</i>	7,500		
	<i>Deferred Surrender</i>	<u>2,500</u>	10,000	28,552
L.1. Grant to Irish National Organisation for the Unemployed		52	52	52
L.2. Enterprise Ireland - Temporary Employment Subsidy Scheme				
	<i>Original</i>	—		
	<i>Supplementary</i>	<u>20,501</u>	20,501	—
M.1. Operational Programme for Human Resources Development - Technical Assistance ¹		1,653	874	503
M.2. Leonardo Programme ¹		140	140	140
- Technical Support for Community Initiatives ²		—	—	496
- Matching Funding for Community Initiatives ²		—	—	40
- Equal Community Initiative Development Partnerships ²		—	—	2,469
Employment Rights and Industrial Relations				
N. Labour Relations Commission - Grant for administration and general expenses		6,286	5,657	5,921
O.1. Grants for Trade Union Education and Advisory Services		1,200	1,200	1,510
O.2. Workplace Innovation Fund Promotion of Partnership		805	357	418
P. Trade Union Amalgamations		50	—	10
Commerce, Consumers and Competition				
Q. Grant to the Competition Authority		5,568	5,381	5,957
R.1. National Consumer Agency - Grant for administration and general expenses		8,588	6,105	7,587
R.2. Consumer Support		68	68	68

Service	2009 Estimate	2009 Outturn	2008 Outturn
€000	€000	€000	€000
S.1. Companies Registration Office and Registry of Friendly Societies - Grant for administration and general expenses	8,912	8,728	9,801
S.2. Irish Auditing and Accounting Supervisory Authority (grant-in-aid)	1,532	1,355	1,220
Health and Safety			
T. Health and Safety Authority - Grant for administration and general expenses	22,638	22,361	23,940
Other Services			
U. Research including manpower surveys	235	98	145
V. National Framework Committee for Work/Life Balance Policies	175	83	153
W. Subscriptions to International Organisations, etc.	17,330	17,317	16,189
X.1. Commissions, Committees and Special Inquiries	702	389	523
X.2. Miscellaneous payments	2,327	1,545	812
X.3. Superannuation and Pensions for Members of the Labour Court, the Restrictive Practices Commission and the Competition Authority	708	611	527
X.4. Export Credit Insurance - Refund to the Exchequer	17	16	59
Gross Expenditure			
	<i>Original</i> 1,564,697		
	<i>Supplementary</i> 1		
	<i>Deferred surrender</i> 18,326		
	<u>1,583,024</u>	<u>1,550,058</u>	<u>1,536,946</u>
Deduct			
Y. Appropriations-in-Aid	<u>87,310</u>	<u>73,253</u>	<u>79,638</u>
Net Expenditure			
	<i>Original</i> 1,477,387		
	<i>Supplementary</i> 1		
	<i>Deferred surrender</i> 18,326		
	<u>1,495,714</u>	<u>1,476,805</u>	<u>1,457,308</u>
Surplus for the year		€18,909,020	€59,036,998
Deferred surrender		€ 6,440,000	€18,326,000
Surplus to be surrendered		<u>€12,469,020</u>	<u>€40,710,998</u>

¹ M1 Operational Programme for Human Resources Development and M2 Leonardo Programme were classified as M3 and M4 respectively in previous years accounts

² Retired subheads:- Technical Support for Community Initiatives (previously classified as M1); Matching Funding for Community Initiatives (previously classified as M2); Equal Community Initiative Development Partnerships (previously classified as M5).

Notes to the Appropriation Account

1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			62,056	64,778
Expenditure on services and programmes			1,488,002	1,472,168
Gross expenditure			<u>1,550,058</u>	<u>1,536,946</u>
Deduct				
Appropriations in aid			<u>73,253</u>	<u>79,638</u>
Net expenditure			<u>1,476,805</u>	<u>1,457,308</u>
Changes in capital assets				
Purchases cash		(1,012)		
Depreciation		2,572		
Loss on disposals		<u>13</u>	1,573	1,956
Changes in assets under development				
Cash payments			(1,323)	(1,054)
Changes in net current assets				
Decrease in closing accruals		(2,951)		
Increase in stock		<u>(17)</u>		
			<u>(2,968)</u>	<u>(3,347)</u>
Direct expenditure			<u>1,474,087</u>	<u>1,454,863</u>
Net allied services expenditure	1.1		26,798	23,165
Notional rents			<u>2,996</u>	<u>3,146</u>
Total operating cost			<u><u>1,503,881</u></u>	<u><u>1,481,174</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 34 borne elsewhere

Vote	2009 €000	2008 €000
7 Superannuation and Retired Allowances	17,351	15,115
9 Office of the Revenue Commissioners	292	298
10 Office of Public Works	8,515	7,114
20 Garda Síochána	185	188
Central Fund - Ministerial etc. pensions	455	450
	<u>26,798</u>	<u>23,165</u>

2 Statement of Assets and Liabilities as at 31 December 2009

		2009	2008
	Note	€000	€000
Capital Assets	2.1	8,029	9,180
Capital Assets under Development	2.2	2,168	1,267
		10,197	10,447
Current Assets			
Bank and cash	2.3	14,056	27,301
Stocks	2.4	351	334
Prepayments		360	175
Accrued income		2,632	943
Other debit balances	2.5	1,899	1,994
Total Current Assets		19,298	30,747
Less Current Liabilities			
Accrued expenses		855	797
Deferred income		3,748	4,883
Other credit balances	2.6	6,668	10,728
Net Liability to the Exchequer	2.7	9,287	18,567
Total Current Liabilities		20,558	34,975
Net Current Liabilities		(1,260)	(4,228)
Net Assets		8,937	6,219

2.1 Capital Assets

	Motor Vehicles €000	Office & IT Equipment €000	Furniture and Fittings €000	Total €000
Gross assets				
Cost or valuation at 1 January 2009	14	30,134	7,953	38,101
Additions	—	1,377	57	1,434
Disposals	—	(504)	(110)	(614)
Cost or valuation at 31 December 2009	14	31,007	7,900	38,921
Accumulated Depreciation				
Opening balance at 1 January 2009	3	22,253	6,665	28,921
Depreciation for the year	3	2,166	403	2,572
Depreciation on disposals	—	(503)	(98)	(601)
Cumulative depreciation at 31 December 2009	6	23,916	6,970	30,892
Net Assets at 31 December 2009	8	7,091	930	8,029
Net Assets at 31 December 2008	11	7,881	1,288	9,180

2.2 Capital Assets under Development

	In-House Computer Applications €000
Amounts brought forward at 1 January 2009	1,267
Cash payments for the year	1,323
Transferred to asset register	(422)
Amounts carried forward at 31 December 2009	2,168

2.3 Bank and Cash

	2009 €000	2008 €000
at 31 December		
PMG balances and cash	15,090	28,921
Orders outstanding	(1,034)	(1,620)
	14,056	27,301

2.4 Stocks	2009	2008
at 31 December	€000	€000
Stationery	267	276
IT Supplies	65	41
Materials	19	17
	<u>351</u>	<u>334</u>
	<u><u>351</u></u>	<u><u>334</u></u>
2.5 Other Debit Balances	2009	2008
at 31 December	€000	€000
Imprests advanced	21	21
Department of Justice, Equality and Law Reform	35	35
Department of Arts, Sport and Tourism	7	7
Miscellaneous debit balances	522	573
Recoupable expenditure	1,314	1,358
	<u>1,899</u>	<u>1,994</u>
	<u><u>1,899</u></u>	<u><u>1,994</u></u>
2.6 Other Credit Balances	2009	2008
at 31 December	€000	€000
Amounts due to the State		
Income Tax	120	47
Superannuation contributions	616	769
Pay Related Social Insurance	(101)	(76)
Income Levy	(58)	—
Professional Services Withholding Tax	177	148
VAT on Intra EU Acquisitions	31	17
	<u>785</u>	<u>905</u>
European Union funds	3,257	7,408
Miscellaneous credit balances	2,626	2,415
	<u>6,668</u>	<u>10,728</u>
	<u><u>6,668</u></u>	<u><u>10,728</u></u>

2.7 Net Liability to the Exchequer

at 31 December

	2009	2008
	€000	€000
Surplus to be surrendered	18,909	59,037
Exchequer grant undrawn	(9,622)	(40,470)
Net liability to the Exchequer	<u>9,287</u>	<u>18,567</u>
Represented by:		
Debtors		
Bank and cash	14,056	27,301
Debit balances: Suspense	1,899	1,994
	<u>15,955</u>	<u>29,295</u>
Creditors		
Due to State	(785)	(905)
Credit balances: suspense	(5,883)	(9,823)
	<u>(6,668)</u>	<u>(10,728)</u>
	<u>9,287</u>	<u>18,567</u>

2.8 Commitments

at 31 December

Global Commitments		2009	2008
		€000	€000
(A)	Procurement	239	4,213
(B)	Grants	1,448,960	1,423,106

Multi Annual Capital Commitments over €6.35m

	Cummulative Expenditure to 31 December 2008 €000	Expenditure in 2009 €000	Subsequent Years €000
IDA Ireland	38,000	40,100	170,000
Enterprise Ireland	7,776	12,973	108,751
Shannon Development	—	2,288	18,883
Science Foundation Ireland	11,227	20,762	93,007
	<u>57,003</u>	<u>76,123</u>	<u>390,641</u>

2.9 Matured Liabilities

Estimated matured liabilities undischarged at the year-end were €417,322.

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 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided €000	Explanation
A.3.	510	Savings arose due to efficiencies achieved in relation to staff training, room rental and business meeting costs.
A.8.	152	The anticipated impact of the Official Languages Act, 2003, did not materialise in 2009. Economies were also achieved in relation to the cost of advertising.
A.11.	795	NERA's legal costs were significantly lower than anticipated. Savings in administration costs were also achieved due to economies in purchasing, IT, and staff numbers.
B.2.	399	The saving arose from favourable movements in the Euro/Sterling exchange rate in 2009.
C.2.	5,000	The savings were due to (i) a reduction in grant claims received during 2009 and (ii) some grant applications not fully meeting payment conditions to enable payments to be made by 31st December 2009.
D.2.	(8,000)	Enterprise Ireland received sanction from the Department of Finance to spend an additional €8 million to fund client demand under the Enterprise Stabilisation Fund. This spending was offset by €8 million savings elsewhere on the Vote.
H.2.	1,493	Savings were due to a slower rate of project approval than anticipated.
L.2.	2,301	The number of enterprises that submitted applications under the Temporary Employment Subsidy Scheme was lower than expected. As this was a new demand-led subhead, it was difficult to anticipate the level of drawdown that could have been expected in 2009.
M.1.	779	External support to the ESF financial control unit did not commence until the second half of 2009. Planned expenditure on transnational activities and communications/publicity was also deferred to 2010.
O.2.	448	Expenditure in 2009 was less than anticipated as a number of companies which had been approved for funding under the Workplace Innovation Fund deferred plans to undertake project activity in 2009.
R.1.	2,483	Savings were achieved through economies in advertising, professional fees and other administrative savings, and through the cessation of recruitment pending clarification on the organisational structure of the proposed amalgamated NCA/Competition Authority.
S.2.	177	Savings in IAASA were attributable to staff vacancies.
U	137	In line with the Government's decision to reduce expenditure on consultants, expenditure under this subhead was minimised.
X.1.	313	Savings were due to various administrative efficiencies and to some work being re-scheduled for 2010.
X.2.	782	Savings primarily arose due to legal costs not arising as anticipated. Some administrative savings were also realised.

4 Receipts

4.1 Appropriations-in-aid

	2009 Estimated €000	2009 Realised €000	2008 Realised €000
1. Receipts from the Social Insurance Fund under Section 56 of the Redundancy Payments Act, 1967 (Employment Appeals Tribunal).	1,981	3,413	1,894
2. Employment permit fees	9,300	4,601	5,961
3. Employment Agency licences	250	213	289
4. Companies Registration Office & Registry of Friendly Societies	22,669	22,648	29,098
5. Receipts under the Trade Marks Act, 1963 and Patents Act, 1964	8,600	8,878	10,191
6. Occasional Trading Licences (Competition Authority)	10	10	9
7. NCA Consumer Credit	641	439	641
8. Merger notifications	256	208	328
9. FÁS pay	3,000	3,953	3,785
10. European Social Fund	21,499	8,332	24,331
11. ODCE legal	100	17	139
12. County Enterprise Development	80	99	570
13. Competition Authority - Receipts	—	95	—
14. Enterprise Policy (InterTrade Ireland)	27	77	44
15. IAASA pay refund	188	261	236
16. PIAB superannuation	900	1,404	925
17. HSA superannuation*	400	509	—
18. Receipts from pension related deductions on Public Service remuneration	17,309	16,890	—
19. Miscellaneous*	100	1,206	1,197
Total	87,310	73,253	79,638

* An amount of €1,009,272 was realised in 2008 in respect of HSA Superannuation. This was included in the Miscellaneous figure in the 2008 Appropriation Account.

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
1.	(1,432)	The excess over the estimate is attributable to the increase in the number of staff processing redundancy and insolvency claims, whose costs are recoverable from the Social Insurance Fund.
2.	4,699	The reduction in Employment Permit fee receipts is attributable to a fall in the number of new and renewed fee-bearing permits issued.
7.	202	The majority of credit intermediaries are engaged in the motor trade. The contraction in car sales in 2009 is the primary reason for the variation between the estimate and the actual income.

Heading	Less/ (more) than estimated €000	Explanation
9.	(953)	This item relates to pay-as-you-go pension contributions in respect of staff in FÁS who are not part of a closed (i.e. former ANCO) pension scheme. The excess income compared to the estimate reflects a greater than anticipated amount of pension contributions and was affected by the timing of individual retirements and staff changes in the organisation.
10.	13,167	An ESF payment claim was not submitted to the European Commission as anticipated during 2009, pending its finalisation. It is expected that the claim will be submitted in 2010.
13.	(95)	Receipts reflect legal costs awarded to the Competition Authority which were not forecast in advance.
16.	(504)	This item relates to the pension contributions for the staff in the Personal Injuries Assessment Board (PIAB). The 2009 forecast of receipts was understated.
17.	(109)	This item relates to the pension contributions for the staff in the Health & Safety Authority. The 2009 forecast of receipts was understated.
19.	(1,106)	The variation is largely attributable to the refund by County and City Enterprise Boards in December 2009 of unused grant monies.

4.2 Extra receipts payable to the Exchequer

	Estimated €	Realised €
Export Credit - Recoveries from Iraq	500,000	319,173
IDA Ireland - Interconnectivity Project receipts	—	104,996
IDA Ireland - Surplus own resource income	—	1,444,000
IDA Ireland - Grant refunds	2,282,000	2,282,000
Enterprise Ireland - Surplus own resource income - Current (D1, D2, F)	71,000	1,176,319
Enterprise Ireland - Surplus own resource income - Capital (D2, D3, G)	471,000	2,979,524
Enterprise Ireland - Grant refunds - Capital (F)	1,000	733,655
Forfas - Surplus own resource income	—	332,000
FÁS - Sale of Assets *	22,000,000	—
Voluntary Surrender of Pay	—	106,166
Miscellaneous	31,000	92,166
	<u>25,356,000</u>	<u>9,569,999</u>

*The estimate for FÁS - Sale of Assets (€22,000) was incorrectly represented in the 2009 Revised Estimates for Public Services as €22,000,000.

5 Employee Numbers and Pay

	2009	2008
Number of staff at year end (full time equivalents)	912	995
	€000	€000
Pay	47,741	46,383
Higher, special or additional duties allowances	899	953
Other allowances	410	383
Overtime	793	1,220
Employer's PRSI	2,633	2,659
Total pay	52,476	51,598

Note: The total pay of €52.476m is charged to subheads A.1, A.9, A.10, A.11, A.12, M.1 and S.1.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2009	Maximum individual payment 2008
			€	€
Higher, special or additional duties	146	9	21,699	19,851
Other allowances	244	6	46,458	36,989
Overtime	269	22	26,908	30,818

Note: Certain individuals received extra remuneration in more than one category.

5.2 Performance and Merit Payments

No merit awards were paid in 2009.

A €250 voucher was paid to the winning entrant of a competition to name the new Staff Suggestion Scheme.

6 Miscellaneous Items

6.1 EU Funding

The amount of €8,331,595 received from the European Social Fund and shown as appropriations-in-aid was included in the recorded expenditure for subheads: - K.2. and M.1.

In addition to the grants from the Vote, the following bodies under the aegis of the Department received EU aid directly in 2009 as shown below:

Subhead	Description	2009		Total	2008 Total
		ERDF	Other		
		€	€	€	€
E.2.	SFADCo	71,985	39,116	111,101	967,141
F	Science Foundation	—	109,173	109,173	—
I.1.	Health & Safety Authority	—	—	—	31,392
K.1.	FÁS	—	867,638	867,638	928,234
M.2.	Leonardo Programme	—	1,008,785	1,008,785	—
	Total	71,985	2,024,712	2,096,697	1,926,767

6.2 Commissions and Inquiries

	Year of appointment	2009 €	2008 €
National Framework Committee for Work/Life Balance Policies	2004	83,048	153,194
Joint Labour Committees	1946	76,167	84,764
Company Law Inquiries	1994	72,642	49,881
Company Law Review Group	2000	24,919	52,535
Business Regulation Group	2006	7,918	36,292
Workplace Safety	2002	200,000	295,450
Departmental Audit Committee	2004	2,049	4,598
Sales Law Review Group	2009	5,157	—
Total		471,900	676,714

6.3 Miscellaneous

Under the provisions of section 91 of the Finance Act 2004, €6,440,000 of unspent allocations in respect of the capital element of subheads C.2. and H.2. is carried forward to 2010 as a deferred surrender.

Sanction was received from Department of Finance in September 2009 to write off an amount of €319,802, which was charged to the Vote in earlier years in respect of payments to a project under the EQUAL Community Initiative. The amount in question is deemed to be irrecoverable.

6.4 Miscellaneous Payments

Employment and Training Levy - Statement of Payments made in accordance with Section 25(1) of the Labour Services Act, 1987

	Total for the year ended 31 December 2009 €	Cumulative to 31 December 2009 €	Total for the year ended 31 December 2008 €
Received by Minister for Enterprise, Trade and Employment	1,344,089	30,194,512	997,269
Paid by Minister for Enterprise, Trade and Employment into the Exchequer ¹	1,309,374	30,194,512	1,031,984

¹ An amount of €34,715 relating to 2008 was paid to the Exchequer in December 2008 but was not received by this Department until January 2009.