Ard-Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

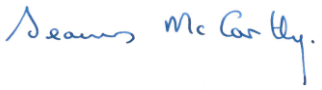
Appropriation Accounts 2020

30 September 2021

Appropriation Accounts 2020

Section 3 (11) of the Comptroller and Auditor General (Amendment) Act 1993 requires me, upon the completion of my audits of the appropriation accounts, to present to Dáil Éireann a copy of each such account together with my certificate thereon.

I hereby present, pursuant to the foregoing provision, the said accounts and certificates for the year ended 31 December 2020.



Seamus McCarthy
Comptroller and Auditor General

30 September 2021

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Part 1 — Preface

Background to the Appropriation Accounts

Dáil Éireann provides money for the ordinary services of Government department and offices, both capital and non-capital, by

- approving estimates of expenditure for those services in the course of each year
- giving statutory effect to the estimates in an annual Appropriation Act.

Expenditure is provided for under a series of votes, with one or more covering the functions of each department or office. The first part of the estimate for each vote is referred to as the ambit. This provides an outline of the services to be financed. The ambit of each vote is incorporated in the annual Appropriation Act and so represents the purposes for which funds have been authorised by Dáil Éireann.

At the end of every financial year, each department or office is required to prepare an account, known as the **appropriation account**, for each voted service administered by it. The statutory requirement is for the appropriation account to provide details of the outturn for the year against the amount provided by Dáil Éireann, based on the cash amounts of payments and receipts. The prior-year outturn is also shown for comparison purposes.

In addition to providing the statutory financial information on a cash-accounting basis, each appropriation account sets out some accrual-based information in notes to the account.

- Note 1 presents an **operating cost statement** that gives information on the cost of the service for the year.
- Note 2 presents a **statement of financial position**, with related explanatory notes, giving information on the financial position in respect of the service at year-end. This includes information on expenditure commitments and on the actual position of the voted service *vis-à-vis* the Exchequer at year-end i.e. the net liability to the Exchequer, or amount due from the Exchequer.
- Other notes to the account provide standard information on: expenditure by programme and subhead (Note 3); receipts (Note 4); and staff numbers and pay (Note 5). Information on any other relevant matters is presented in Note 6 (miscellaneous and fund accounts).
- Many departmental votes include an appendix that lists the State bodies that operate under the aegis of the relevant department, and that provides information on the timeliness of financial reporting by those bodies.

Accountability and Audit Arrangements

Duties of Accounting Officers in relation to the Appropriation Accounts

An Accounting Officer is the person – usually the head of a Government department or office – to whom the Minister for Public Expenditure and Reform has assigned, in accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the duty of preparing the annual appropriation account for each Vote under his/her charge. By law, the accounts must be submitted to the Comptroller and Auditor General by 31 March following the end of the year of account. The appropriation accounts must comply with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform.

Accounting Officers are responsible for the safeguarding of public funds and property under their control, for the efficiency and economy of administration in their departments/offices and for the regularity and propriety of all transactions recorded in the appropriation accounts.

An Accounting Officer is required to prepare a statement on internal financial control for presentation with the appropriation account. This explains the main elements of the control framework, and discloses any material weaknesses that have been identified in the operation of the controls and steps being taken to address those weaknesses.

Duties of the Comptroller and Auditor General

Article 33 of the Constitution of Ireland provides for a Comptroller and Auditor General to control on behalf of the State all disbursements and to audit all accounts of moneys administered by or under the authority of the Oireachtas. Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 provides the legislative base for the Comptroller and Auditor General to audit the appropriation accounts prepared by Accounting Officers.

The Comptroller and Auditor General carries out his audits of the appropriation accounts in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. In carrying out the audit, his objective is to obtain reasonable assurance about whether the account is free from material misstatement 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, the Comptroller and Auditor General exercises professional judgment and maintains professional scepticism throughout the process. In doing so, he

- identifies and assesses the risks of material misstatement of the appropriation account whether due to fraud or error;[1] designs and performs audit procedures responsive to those risks; and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion
- obtains 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
- assesses whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with
- communicates with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that is identified during the audit.

1 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.

Upon completion of the audit, the Comptroller and Auditor General is obliged to attach to each account a certificate stating whether, in his opinion, the account properly presents the receipts and expenditure related to the vote and 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.

Reporting on the statement on internal financial control

The opinion of the Comptroller and Auditor General on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and he does not express any form of assurance conclusion thereon.

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

Reporting on other matters

The Comptroller and Auditor General plans and performs his audit in a way which takes account of the special considerations which attach to State bodies in relation to their management and operation. He reports if there are material matters relating to the manner in which public business has been conducted.

The Comptroller and Auditor General also reports by exception if, in his opinion,

- he has not received all the information and explanations required for the 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.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, the Comptroller and Auditor General has the additional duty of preparing, in each year, a report on such matters as he considers it appropriate to report arising from his audits of the appropriation accounts.

Certain matters arising from the audit of the appropriation accounts for 2020 are set out in a separate report entitled *Report on the Accounts of the Public Services 2020*. Where such matters have arisen, the certificates of opinion on the respective appropriation accounts refer to the relevant chapter(s) in that report.

Part 2 — Appropriation Accounts 2020

Statement of Accounting Policies and Principles[1]

Basis of accounts

Appropriation accounts showing the financial transactions of Government departments,[2] are prepared in accordance with the Exchequer and Audit Departments Act 1866 (as amended by the Comptroller and Auditor General (Amendment) Act 1993) and with accounting rules and procedures laid down by the Minister for Public Expenditure and Reform.

The accounts are a cash-based record of the receipts and payments in the year compared with the amounts provided under the Appropriation Act. The accounts also show prior year figures for comparison purposes. Some information of an accruals nature is included in the notes to the accounts.

Departments should obtain prior approval from the Department of Public Expenditure and Reform for any departures, changes or additions to the standard accounting policies. Information regarding divergence from the standard accounting policies should be included in the Accounting Officer's introduction to the appropriation account.

Reporting period

The reporting period is the year ended 31 December 2020.

Receipts

As a general rule, all revenues of the State are paid into the Exchequer.

Subject to the express approval of the Department of Public Expenditure and Reform, certain Departmental receipts may be appropriated in aid of expenditure borne on a vote. Without such sanction, receipts must be surrendered directly to the Central Fund as Exchequer 'extra' receipts.

Appropriations-in-aid are receipts that, under section 2 of the Public Accounts and Charges Act 1891, may be used to meet expenditure to the extent authorised by the annual Appropriation Act. In general, these are receipts arising in the normal course of a department's business under the vote and can include such items as:

- charges for services[3]
- pension contributions
- rent and proceeds from certain sales
- with the prior agreement of the Minister for Public Expenditure and Reform, the proceeds from the sale of assets for the funding of high-priority capital programmes or projects
- fines, forfeitures or costs recovered.

In general, receipts of departments to be credited directly to the Exchequer as 'extra' receipts are those that have no direct connection with the vote expenditure or are 'windfall' receipts. Such extra receipts may not be used to meet expenditure from the vote. Where they arise, they are reported in a note to the appropriation account. They include items such as:

- receipts on foot of surplus income or profits of State companies
- interest, dividends or capital repayments
- compensation.

Where Exchequer extra receipts arise, they are reported in a note to the appropriation account (Note 4). Departments are required to provide a breakdown of such receipts and an explanation where the amounts are material in nature. In addition, departments are required to disclose both the amounts lodged to the Exchequer (via the Sundry Moneys Deposit Account) and the amounts payable (amounts not yet transferred over), where the amounts are not the same.

Departments are also required to present the breakdown of the Exchequer extra receipts on an opening balance/closing balance basis.

1 The Department of Public Expenditure and Reform sets the standard accounting policies and principles applied in the preparation of appropriation accounts. These are stated in the Department's circular 22/2020.

2 In this statement, the term 'department' includes central Government departments, offices and agencies responsible for Vote management and accounting.

3 Some offices, such as the Office of Public Works and the Office of the Attorney General, receive expenses in the course of carrying out their functions. These expenses should also be taken in as appropriations-in-aid.

Payments

Payments consist of those sums which have come in course of payment during the year. Sums are deemed to have come in course of payment where the liability has been incurred, payment is due and the instruction for the payment has been executed.

Where a liability has been incurred and payment is due (i.e. the liability has matured), payment should be completed before the year end to ensure the integrity of the appropriation account. In cases where payment has not been effected and matured liabilities are outstanding at year end, the amount of such liabilities should be given in a note to the account (Note 2).

Where a department is acting as an agent for another Government department (the principal) resulting in financial transactions between the principal and agent, the general rule is that the agent should put the transactions through suspense, the service being a final charge in the principal's appropriation account.

In situations where the agent requires the principal to provide advance funding to enable payment to be made, only amounts certified by the agent as having been disbursed by it in the year of account should be charged to the principal's appropriation account.

As a general principle, Government accounting is on a gross basis, i.e. receipts are not netted off against payments. Government departments, offices and vote holders should obtain prior approval from the Department of Public Expenditure and Reform for any proposed netting off.

Net allied services

Allied services are services provided centrally to, or on behalf of, department votes on the basis that, as specialists, the supplying department (whose primary function is the provision of these central services) is able to perform the services more efficiently than the vote holder. This includes shared services.

The net allied services note (in Note 1) details the expenditure amount in relation to the department which is borne elsewhere. There are various measurement bases for the calculation of the allied services expenditure figures.

Accruals

Each appropriation account incorporates information of an accruals nature in the notes to the account, including

- an operating cost statement (Note 1), showing the total amount of resources consumed by a vote in the year
- a statement of financial position showing the vote's assets and liabilities at year end (Note 2), and
- explanatory notes providing details regarding capital assets, the net funding due to the Exchequer, and any commitments.

The statement of financial position includes the position at year-end in relation to the following

- **Accrued expenses** — these represent all liabilities at the year end, with the exception of liabilities in regard to remuneration and pensions. In the case of goods and services, an accrued liability is recognised when the payee has met the contractual requirement to provide the goods or services ordered. Amounts due for goods delivered but not yet paid for, even if un-inspected and not taken to stock, are treated as a liability. In the case of grants, a liability is recognised when the grantee has met all the requirements of the grant scheme but has yet to receive payment. Travel and subsistence liabilities are recognised when travel has been completed.
- **Prepayments** — these are payments made during the year of account to meet expenses which will arise in a subsequent financial year.
- **Accrued income** — this is income due to the vote at the end of the year of account which has yet to be received.
- **Deferred income** — this represents income received by the vote during the year of account for goods/services which it has yet to provide.

Capital assets

The opening and closing values of capital assets on a department's asset register and details of depreciation are shown by way of note to the statement of financial position (Note 2). The following are not included in the statement of capital assets

- assets that are not yet available for use
- assets that cost less than €10,000 and/or [1]
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in the statement.)

Valuation of assets

Land and buildings

All lands and buildings owned by the State and controlled or managed by a department are included in the statement of financial position (and capital assets note). Where relevant, the basis of valuation of land and buildings is explained in the Accounting Officer's introduction to the appropriation account.

Where ownership of land and buildings is (a) vested in the Office of Public Works or (b) vested in a Minister but in fact controlled/managed by the Office of Public Works, they are included in the account for the Office of Public Works.

Where lands or buildings are vested in a Minister but are, in fact, controlled/managed by an outside body, they are not included as assets of the department's vote, but the ownership of the asset is noted in the department's account. Otherwise, land and buildings vested in a Minister are included on the account for the relevant vote.

Government departments/offices that for technical reasons cannot provide valuations for State-owned lands and buildings controlled or managed by them should append to the appropriation account a schedule of these assets.

Equipment, furniture and fittings

Equipment, furniture and fittings are valued at cost.

Other assets

Where required, accounting policies in respect of valuation of other assets (e.g. specialised vehicles) are set out in the Accounting Officer's introduction to the appropriation account.

1 Starting with the 2020 appropriation accounts, the threshold for inclusion of capital assets on the statement of financial position will increase to €10,000 for an individual asset. There will no longer be groupings of assets as was previously the case. Departments who are not in a position to apply this new threshold may on a one-off basis continue to report on the old threshold of €1,000 for the 2020 account. Departments must signal this approach clearly in the Accounting Officer's introduction to the appropriation account. Refer to the Department of Public Expenditure and Reform *Circular 21/2020; Increase in Value Threshold for Inclusion of Assets in Asset Registers.*

Depreciation policy

Current depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in year of disposal.[1]

Departmental assets fall into different categories for depreciation purposes. Depreciation is on a straight line basis. The principal categories which will apply are set out in the following table.

	Depreciation rate
Category A – Items depreciated to a nil value over 10 years	
Furniture and fittings	10%
Plant and machinery	10%
Major IT operational software systems	10%
Category B – Items depreciated to a nil value over 5 years	
IT equipment, hardware and software	20%
Office equipment	20%
Other specialist equipment	20%
Motor vehicles	20%
Category C – Other items	
Land	0%
Buildings	0% to 5%
Military assets	3% to 20%

There is some discretion for Accounting Officers to depart from the standard accounting policies set out below.

Bank and cash

'Bank and cash' should include all commercial bank account balances (payroll and other vote related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or that contain receipts liable to be paid to the Exchequer. The note should separately identify Paymaster General (PMG) bank accounts from other commercial bank accounts.

Details of any other commercial bank accounts not funded by or liable to be paid to the Exchequer are disclosed by way of a note to the account. This includes non-vote balances that are not recorded/accounted for in another set of accounts that are audited.

Stocks

Consumables are stated at the lower of cost or departmental valuations.

Net Exchequer funding

The net Exchequer funding note shows the funding position of the vote at the year end, taking account of the surplus and issues from the Exchequer on a cumulative/rolling basis. The breakdown of that figure in terms of bank/cash balances, debtors' receipts due and current liabilities is also shown.

1 Starting with the 2020 appropriation accounts, to accommodate the transition to the Financial Management Shared Services (FMSS) system, depreciation will be calculated on a monthly basis. Depreciation should be charged from the date the asset is place into service and run until the month of disposal. As an interim arrangement pending the roll out of FMSS, departments can calculate depreciation on a monthly or annual basis. All appropriation accounts must state the depreciation method used.

Commitments

A commitment is a contractual obligation to pay on delivery for goods or services (including capital projects) which have yet to be supplied at year-end. In the case of grant schemes, a commitment is recognised when the grant is approved but the grantee has yet to fulfil the requirements of the scheme.

Global contractual commitments (in excess of €10,000) likely to materialise in subsequent years, are disclosed by way of note, under the headings: procurement of goods and services, non-capital grant programmes, capital grant programmes, capital projects and public private partnership projects, to the account.

Details of all major capital projects and public private partnership projects, where the project value exceeds €10,000,000, are separately disclosed.

Where the reported commitment level or projected project cost has varied by more than €500,000 compared with the previous year, the reason for the movement should be explained.

Contingent liabilities

A contingent liability arises in any situation where past or current actions or events create a risk of a call on Exchequer funds in the future. Contingent liabilities are disclosed by way of a note, unless the possibility of an outflow of resources is remote.

Liabilities may arise from ongoing legal cases which can give rise to a contingent liability. Except in cases involving potential litigation or where disclosure would prejudice the Exchequer position and/or future negotiations with third parties contingent liabilities relating to court cases should be disclosed in the appropriation account.

Other arrangements with the potential to give rise to contingent liabilities should only be entered into where necessary and, then, only after the potential expenditure implications have been evaluated and assessed in the light of the possible scenarios that could arise on foot of the contingent liability. The potential benefits should always be compared with the most likely cost and with the range of possible costs to ensure that the contingent liability is properly assessed.

Under no circumstances should a contingent liability be accepted where the risk being assumed has not been assessed and defined as clearly as possible. Where a Minister agrees to accept a contingent liability, it is essential that the decision-making process is properly documented, setting out: (i) the rationale for accepting the liability and (ii) the potential benefit and (iii) the potential costs. The sanction of the Minister for Public Expenditure and Reform should be sought for the creation of any contingent liabilities that could give rise to significant Exchequer expenditure

Judgement is required in determining whether and at what point in time, legally and/or non-legally binding obligations give rise to a liability. Information is material if its omission or misstatement could influence the discharge of accountability by the Department for that financial reporting period.

Materiality depends on both the nature and amount of the item judged in the particular circumstance relative to the Department and involves consideration of both qualitative and quantitative characteristics.

Assessments of materiality will be made in the context of the legislative, institutional and operating environment within which the Department operates and, in respect of prospective financial and non-financial information, the preparer’s knowledge and expectations about the future.

Superannuation

Superannuation payments to retired civil servants are provided for in Vote 12 Superannuation and Retired Allowances. An estimate of the amount attributable to each vote is provided by the Department of Public Expenditure and Reform and shown under the net allied services note for the relevant votes.

Superannuation payments for gardaí, teachers, army personnel and Health Service Executive personnel are met on a pay-as-you-go basis from the relevant votes.

Foreign currency transactions

Transactions arising in foreign currencies are converted to euro values at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted at the year-end rates of exchange.

Other notes to the accounts

General principles

In general, the other notes to the appropriation accounts aim to draw the attention of Dáil Éireann and of the Committee of Public Accounts to matters bearing on parliamentary control, or to provide fuller information about material transactions of an unusual nature recorded in the account e.g. losses, special or *ex gratia* payments (a payment not legally due under a contract or otherwise – e.g. compensation paid on grounds of hardship) and extra remuneration.

Except in the cases outlined below, notes are provided where an individual transaction, or a category of transactions taken together, involves a sum of €50,000 or more.

Where amounts lower than the threshold values are involved, notes are also provided where a serious issue of principle arises or where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a note should be given.

Variations from estimate provision

Note 3 provides explanations of variations on outturn versus original estimate provision.

A note is provided where the variation (±) relative to the original estimate provision (including any deferred capital funding) is:

- €100,000 or more, and
- represents 5% or more of the subhead (25% in the case of administration subheads), or
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Notes in relation to variations in appropriations-in-aid are included on a similar basis.

Allowance and overtime payments

In the case of allowance and overtime payments, the details given in Note 5 include the total number of recipients of allowance and overtime payments in more than one category, the number of individuals that received €10,000 or more, and the highest payment to an individual, if over €10,000.

The aggregate amount paid to an individual under the various headings is set out in 'highest individual payment'.

Severance and redundancy payments

Severance and redundancy payments (in excess of €10,000) are required to be disclosed by way of a note.

Compensation and legal costs

The components of the legal costs in respect of cases in which the department is or was involved should be disclosed (this does not include the cost of legal advice provided outside of legal proceedings e.g. in context of development of policy or legislation). If the Department is represented in legal proceedings (other than by the Chief State Solicitor's Office), the costs incurred in relation to these cases are included in the table. In cases where cumulative legal costs incurred in the year of account exceed €50,000 (i.e. in situations where legal costs of cases have exceeded €50,000 in total, or where a single case exceeds €50,000), a note is to be provided with a breakdown of the costs into:

- legal costs paid by the department
- legal costs awarded (against the department), and
- compensation awarded.

Late payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations 2012, information is supplied in Note 6 where

- the total of interest and compensation payments due was €10,000 or more, or
- an individual payment was €10,000 or more.

Fraud or suspected fraud

In the case of losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where

- the total of losses during the accounting period were €10,000 or more, or
- an individual loss was €10,000 or more, or
- for losses under €10,000, a serious issue of principle arises, or
- where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a disclosure should be made.

Commissions and special inquiries

Where relevant, Note 6 should include a statement of expenditure on each commission or special inquiry financed from the vote. A distinction is made between permanent commissions, and those established on a temporary basis for a fixed purpose. In the former case, expenditure in the year of account and prior year is shown. In the latter case, the date of establishment and cumulative expenditure from the date of establishment is shown.

Grant funds and miscellaneous accounts

Where relevant, accounts of grant funds financed from the vote and of other miscellaneous accounts are presented in Note 6.

Appropriation Account 2020

Vote 1

President's Establishment

Introduction

As Accounting Officer for Vote 1, 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 2020 for the salaries and expenses of the Office of the Secretary General to the President, for certain other expenses of the President's Establishment and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €658,000 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following:

Heritage assets

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets include furniture and works of art. They have the characteristics of being inalienable, irreplaceable and fragile and consequently there is no useful purpose in capitalising the assets in these statements.

Depreciation

Depreciation policy is that a full year's depreciation is charged in the year of acquisition/ commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

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 President's Establishment.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General of the Department of the Taoiseach. 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.

The Department of Finance provides a payment function and accounting service for the President's Establishment.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the President's Establishment and the National Shared Services Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the President's Establishment.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The internal financial control environment for the Department of Finance is also relevant given that the Department of Finance provides a payment function and accounting service for the President's Establishment.

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 President's Establishment
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

The President's Establishment comes within the remit of the internal audit function provided by the Department of the Taoiseach which has appropriately trained personnel and operates under a written charter which I have approved. The internal audit work is informed by analysis of the financial risks to which the President's Establishment is exposed and aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function and its programme of work are subject to periodic review by me and by the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were four meetings of the Audit Committee in 2020 and the audit work programme agreed in 2019 was implemented in 2020.

Procurement compliance

The President's Establishment ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all

relevant procurement guidelines. There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process.

Risk and control framework

The President's Establishment 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 President's Establishment and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated on a quarterly basis by the Management Board. 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 the Management Board, where relevant, 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

I confirm that the President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2020, monitoring and review of the effectiveness of the system of internal financial control by the President's Establishment was informed by the work of the internal and external auditors and the senior management within the President's Establishment responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the President's Establishment. As a result, the President's Establishment introduced a number of procedural and control changes. Under the President's Establishment risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Martin Fraser
Accounting Officer

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 1 President's Establishment

Opinion on the appropriation account

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2020 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 1 President's Establishment for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the President's Establishment 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 April 2021

Vote 1 President's Establishment

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	President's Establishment	3,030	2,419	2,348
B	Centenarians' Bounty	1,544	1,503	1,307
Gross expenditure		**4,574**	**3,922**	**3,655**
	Deduct			
C	**Appropriations-in-aid**	**74**	**81**	**78**
Net expenditure		**4,500**	**3,841**	**3,577**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**658,321**	**857,977**

Martin Fraser
Accounting Officer

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,452	1,258
Pay		1,884	1,724
Non pay		586	673
Gross expenditure		**3,922**	**3,655**
Deduct			
Appropriations-in-aid		**81**	**78**
Net expenditure		**3,841**	**3,577**
Changes in capital assets			
Purchases cash	(43)		
Depreciation	27	(16)	3
Changes in net current assets			
Increase in closing accruals	(95)	(95)	108
Direct expenditure		**3,730**	**3,688**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,016	4,780
Net programme cost		**7,746**	**8,468**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 1 borne elsewhere.

		2020	2019
		€000	€000
Vote 7	Office of the Minister for Finance	22	13
Vote 12	Superannuation and Retired Allowances	716	784
Vote 13	Office of Public Works	1,686	2,095
Vote 18	National Shared Services Office	3	3
Vote 20	Garda Síochána	195	200
Vote 28	Foreign Affairs	16	364
Vote 36	Defence	432	422
Vote 43	Office of the Government Chief Information Officer	45	—
Central Fund (Emoluments and allowances of President and presidential pensions)		901	899
		4,016	**4,780**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	51	35
Current assets			
Stocks	2.3	29	29
Prepayments		21	21
Other debit balances		6	7
Accrued income		5	3
Net Exchequer funding	2.5	82	109
Total current assets		**144**	**169**
Less current liabilities			
Bank and cash	2.2	30	58
Accrued expenses		47	140
Other credit balances	2.4	58	58
Total current liabilities		**135**	**256**
Net current assets		9	(87)
Net assets		**60**	**(52)**
Represented by:			
State funding account	2.6	**60**	**(52)**

2.1 Capital assets

	IT equipment	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	340	15	355
Additions	43	—	43
Cost or valuation at 31 December 2020	383	15	398
Accumulated depreciation			
Opening balance at 1 January 2020	305	15	320
Depreciation for the year	27	—	27
Cumulative depreciation at 31 December 2020	332	15	347
Net assets at 31 December 2020	**51**	—	**51**
Net assets at 31 December 2019	35	—	35

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	**(30)**	**(58)**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Centenarian medals	8	8
IT consumables and stationery	21	21
	29	**29**

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	28	26
Pay related social insurance	10	9
Additional superannuation contributions	—	6
Universal social charge	6	5
Pension contributions	5	4
	49	50
Payroll deductions held in suspense	9	8
	58	**58**

2.5 Net Exchequer funding

at 31 December	2020 €000	2019 €000
Surplus to be surrendered	658	858
Exchequer grant undrawn	(740)	(967)
Net Exchequer funding	**(82)**	**(109)**
Represented by:		
Debtors		
Debit balances: suspense	6	7
	6	7
Creditors		
Due to the State	(49)	(50)
Bank and cash	(30)	(58)
Credit balances: suspense	(9)	(8)
	(88)	(116)
	(82)	**(109)**

2.6 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			(52)	59
Disbursements from the Vote				
Estimate provision	Account	4,500		
Surplus to be surrendered	Account	(658)		
Net vote			3,842	3,576
Expenditure (cash) borne elsewhere	1.1		4,016	4,780
Other non-cash items			—	1
Net programme cost	1		(7,746)	(8,468)
Balance at 31 December			**60**	**(52)**

2.7 Commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	**228**	**150**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,858	1,884	1,724
ii	Travel and subsistence	310	76	87
iii	Training and development and incidental expenses	340	237	327
iv	Postal and telecommunications services	86	87	64
v	Office machinery and other office supplies and related services	496	187	195
		3,090	**2,471**	**2,397**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €310,000; outturn €76,000

As of March 2020, all domestic and international travel was suspended due to Covid-19 restrictions. As a result, expenditure in the year was significantly less than originally envisaged.

iii Training and development and incidental expenses

Estimate provision €340,000; outturn €237,000

The decrease in expenditure is as a result of the cancellation of in-house events in 2020 due to Covid-19 restrictions.

v Office machinery and other office supplies and related services

Estimate provision €496,000; outturn €187,000

The estimate was provided for once-off investment to replace the current Lotus Notes system. The project commenced in 2020, but was delayed as IT resources were deployed to facilitate the roll out of remote working due to the pandemic. The remainder of the project is due to take place in 2021.

Programme A President's Establishment

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
A.1	Administration − pay	1,813	1,835	1,677
A.2	Administration − non pay	1,217	584	671
		3,030	**2,419**	**2,348**

Programme B Centenarians' Bounty

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
B.1	Administration − pay	45	49	47
B.2	Administration − non pay	15	2	2
B.3	Centenarians' bounty	1,484	1,452	1,258
		1,544	**1,503**	**1,307**

Note 4 Receipts

4.1 Appropriations-in-aid

		2020 Estimated €000	2020 Realised €000	2019 Realised €000
1	Receipts from additional superannuation contributions on public service remuneration	67	78	71
2	Miscellaneous	7	3	7
	Total	**74**	**81**	**78**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**26**	**26**

5.2 Pay

	2020 €000	2019 €000
Pay	1,699	1,532
Higher, special or additional duties allowances	58	57
Overtime	7	21
Employer's PRSI	120	114
Total pay	**1,884**	**1,724**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	5	3	19,174	19,174
Overtime	10	—	2,110	4,342
Extra remuneration in more than one category	—	—	—	2,894

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	—	—	1,650
Recovery plans in place	—	—	1,650

Appropriation Account 2020

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 2020 for the salaries and expenses of the Department of the Taoiseach, for certain services administered by the Department and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €11.831 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Depreciation

Capital assets are depreciated on a straight line basis over their useful life, starting in the month placed in service.

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 Department.

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

Shared services

Processing of financial transactions is provided on a shared services basis by Financial Shared Services Centre (FSS) in Killarney, which is part of the Department of Justice. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department of the Taoiseach and the Financial Shared Services for the provision of this shared service.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department of the Taoiseach and the National Shared Services Office (NSSO) for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department 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 Department is exposed and its annual internal audit plan, approved by me, are based on this analysis. This plan aims 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.

Non-compliance with procurement rules

I confirm that the Department 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 Department complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €93,884 (ex. VAT), for telephony services that was awarded without a competitive process and is included on the circular 40/2002 return. It was deemed non-compliant as it had not been reviewed since 2013. The Department examined options for a drawdown from a new Office of Government Procurement framework for this service. All seven service providers in the framework were invited to tender but none elected to do so. The arrangements with the existing supplier remain in place and will be reviewed on a regular basis.

The Department has provided details of four non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is regularly reviewed and updated in consultation with the Department's senior management. 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 business units.

Risk management is also a standing item on the agenda of the Department's Audit Committee.

The annual National Risk Assessment process, overseen by the Department of the Taoiseach, is also in place and provides an opportunity to identify and debate strategic risks facing Ireland over the short, medium and long term. The National Risk Assessment was not published in 2020 and it is intended to evaluate how best the process can be used and developed with a view to ensuring it can continue to play a valuable role in the future in identifying the risks facing Ireland and how best we can prepare for them.

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 and the Management Advisory Committee, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 did result in some changes to the working environment with remote and virtual working becoming the norm, for a proportion of staff, in the Department of the Taoiseach. An assessment of the impact of Covid-19 on the control environment was carried out and no changes to the control processes were noted. I confirm that the existing controls continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Martin Fraser
Accounting Officer
Department of the Taoiseach

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

Opinion on the appropriation account

I have audited the appropriation account for Vote 2 Department of the Taoiseach for the year ended 31 December 2020 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 2 Department of the Taoiseach for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of the Taoiseach 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

14 June 2021

Vote 2 Department of the Taoiseach

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Supporting the work of the Taoiseach and Government	54,868	42,808	25,188
Gross expenditure		**54,868**	**42,808**	**25,188**
	Deduct			
B	**Appropriations-in-aid**	**855**	**626**	**707**
Net expenditure		**54,013**	**42,182**	**24,481**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**11,831,030**	**9,856,031**

Martin Fraser
Accounting Officer
Department of the Taoiseach

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		23,860	6,694
Pay		15,667	14,635
Non pay		3,281	3,859
Gross expenditure		**42,808**	**25,188**
Deduct			
Appropriations-in-aid		**626**	**707**
Net expenditure		**42,182**	**24,481**
Changes in capital assets			
Purchases cash	(37)		
Depreciation	208	171	(181)
Changes in net current assets			
Increase in closing accruals	1,105		
Decrease in stock	53		
		1,158	1,132
Direct expenditure		**43,511**	**25,432**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,917	4,923
Notional rents		1,517	1,517
Net programme cost		**49,945**	**31,872**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 2 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 12	Superannuation and Retired Allowances	3,490	3,351
Vote 13	Office of Public Works	638	846
Vote 18	National Shared Services Office	25	23
Vote 20	Garda Síochána	205	211
Vote 24	Justice	55	54
Vote 36	Defence	85	82
Central Fund - Taoisigh and Ministerial pensions		411	348
		4,917	**4,923**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	1,039	1,210
Current assets			
Bank and cash	2.2	400	262
Stocks	2.3	72	126
Prepayments		365	296
Other debit balances	2.4	335	99
Total current assets		**1,172**	**783**
Less current liabilities			
Accrued expenses		2,580	1,406
Other credit balances	2.5	675	625
Net Exchequer funding	2.6	59	(263)
Total current liabilities		**3,314**	**1,768**
Net current assets		(2,142)	(985)
Net liabilities		**(1,103)**	**225**
Represented by:			
State funding account	2.7	**(1,103)**	**225**

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	667	1,348	488	2,503
Additions	—	37	—	37
Disposals	(5)	—	—	(5)
Cost or valuation at 31 December 2020	662	1,385	488	2,535
Accumulated depreciation				
Opening balance at 1 January 2020	536	757	—	1,293
Depreciation for the year	22	186	—	208
Depreciation on disposals	(5)	—	—	(5)
Cumulative depreciation at 31 December 2020	553	943	—	1,496
Net assets at 31 December 2020	**109**	**442**	**488**	**1,039**
Net assets at 31 December 2019	131	591	488	1,210

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	399	261
Other bank account balance	1	1
	400	**262**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Official gift items	20	23
Stationery	40	58
Publications	1	41
Consumables	11	4
	72	**126**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	5	—
Recoupable travel pass expenditure	2	89
Other debit suspense items	328	10
	335	**99**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	303	263
Pay related social insurance	134	117
Professional services withholding tax	86	122
Value added tax	26	32
	549	534
Payroll deductions held in suspense	126	85
Other credit suspense items	—	6
	675	**625**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	11,831	9,856
Exchequer grant undrawn	(11,772)	(10,119)
Net Exchequer funding	**59**	**(263)**
Represented by:		
Debtors		
Bank and cash	399	262
Debit balances: suspense	335	99
	734	361
Creditors		
Due to the State	(549)	(533)
Credit balances: suspense	(126)	(91)
	(675)	(624)
	59	**(263)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			225	1,177
Disbursements from the Vote				
Estimate provision	Account	54,013		
Surplus to be surrendered	Account	(11,831)		
Net vote			42,182	24,481
Expenditure (cash) borne elsewhere	1		4,917	4,923
Non cash items – adjustment			1	(1)
Non cash expenditure – notional rent	1		1,517	1,517
Net programme cost	1		(49,945)	(31,872)
Balance at 31 December			**(1,103)**	**225**

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**171**	**30**

2.9 Contingent liabilities

The two High Court cases relating to access to information on the environment requests which were noted as contingent liabilities on the 2019 appropriation account are still ongoing and may generate costs.

The Department is also awaiting costs determination following a High Court case in 2020 relating to constitutional provisions governing meetings of the Seanad.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	16,907	15,667	14,635
ii	Travel and subsistence	730	216	476
iii	Training and development and incidental expenses	2,826	1,074	1,688
iv	Postal and telecommunications services	360	290	224
v	Office equipment and external IT services	1,060	1,060	1,106
vi	Office premises expenses	376	641	365
vii	Consultancy and other services	18	—	—
		22,277	**18,948**	**18,494**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €16.907 million; outturn €15.667 million

The decrease of €1.24 million on expenditure on salaries, wages and allowances was due to delays in the planned filling of vacancies.

ii Travel and subsistence

Estimate provision €730,000; outturn €216,000

The decrease of €514,000 on expenditure on travel and subsistence was due to the significant reduction in travel due to Covid-19.

iii Training and development and incidental expenses

Estimate provision €2.826 million; outturn €1.074 million

The decrease of €1.752 million on expenditure on training and development and incidental expenses was due to less expenditure than anticipated across a range of areas, many linked to the impact of Covid-19. These include State events, training and development, and the gov.ie portal. Savings in this subhead were offset against increased expenditure incurred in subhead vi Office premises expenses.

vi Office premises expenses

Estimate provision €376,000; outturn €641,000

The increase of €265,000 on expenditure on office premises expenses was due to necessary refurbished works undertaken for additional accommodation in Dublin Castle. Virement from subhead iii training and development and incidental expenses was approved to offset against the overspend in this subhead.

Programme A Supporting the work of the Taoiseach and Government

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration - pay	16,907	15,667	14,635
A.2	Administration - non pay	5,370	3,281	3,859
A.3	National Economic and Social Council	2,099	1,761	1,876
A.4	Tribunals of Inquiry	4,209	1,422	929
A.5	Commissions of Investigation	4,424	3,044	3,688
A.6	Citizens' Assembly	1,859	732	201
A.7	Covid-19 public communications	20,000	16,901	—
		54,868	**42,808**	**25,188**

Significant variations

The following outlines the reasons for significant variations in administration expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €12.06 million lower than (originally) provided. €3.329 million of this related to administration expenditure in respect of which significant variations have already been explained. The balance of the variance of €8.731 million was mainly due to the following:

A.3 National Economic and Social Council

Estimate provision €2.099 million; outturn €1.761 million

The shortfall in expenditure of €338,000 relative to the estimate provision was due to the non-filling of two posts and a reduction in staff due to retirement.

A.4 Tribunals of Inquiry

Estimate provision €4.209 million; outturn €1.422 million

The shortfall in expenditure of €2.787 million relative to the estimate provision was due to the number of legal cost claims settled in 2020 being lower than expected. The Department has no control over third party legal costs awarded by the Tribunals of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

A.5 Commissions of Investigation

Estimate provision €4.424 million; outturn €3.044 million

Commissions of investigation are independent of the Department of the Taoiseach and their expenditure levels depend on the needs and requirements of their investigation in the first instance. The underspend of €1.38 million relative to the estimate provision was due to the Commission's difficulty in accurately forecasting the level and timing of their own expenditure needs, including expenditure arising from decisions to award third-party costs.

A.6 Citizens' Assembly

Estimate provision €1.859 million; outturn €732,000

The shortfall in expenditure of €1.127 million was due to the pause of planned in-person meetings arising from Covid-19.

A.7 Covid-19 public communications

Estimate provision €20 million; outturn €16.901 million

The shortfall in expenditure of €3.099 million relative to the estimate provision was due mainly to the presentation for payment in March 2021 of invoices to the value of €2.375 million for a number of campaigns which ran in December 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	58	20	34
2	Receipts from additional superannuation contributions on public service remuneration	797	606	673
	Total	**855**	**626**	**707**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €229,000 less than the estimate.

2 Receipts from additional superannuation contributions on public service remuneration

Estimate provision €797,000; realised €606,000

The decrease in receipts of €191,000 against the estimate was due to the delay in the planned filling of vacancies which led to less than anticipated additional superannuation contributions.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	43	29
Receipts from Office holders' voluntary salary surrender	55	43
Transferred to the Exchequer	(43)	(29)
Balance at 31 December	**55**	**43**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Department	236	232
Agency – National Economic and Social Development Office	14	14
	250	**246**

5.2 Pay - Department

	2020 €000	2019 €000
Pay	14,724	13,675
Redundancy and severance	322	—
Higher, special or additional duties allowances	295	357
Overtime	283	355
Employer's PRSI	1,149	1,032
Total pay [a]	**16,773**	**15,419**

Note [a] The departmental total pay figure includes pay in respect of staff of tribunals and commission of investigation.

5.3 Pay - Agency

	2020 €000	2019 €000
Pay	1,189	1,243
Employer's PRSI	103	101
Total pay	**1,292**	**1,344**

Note Information based on returns made by NESDO.

5.4 Allowances and overtime payments - Department

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	35	13	26,066	88,412
Overtime	83	8	20,678	24,192
Extra remuneration in more than one category	16	9	30,575	25,301

5.5 Other remuneration arrangements

Ex-gratia payment of €29,829 (2019: €29,829) was made in respect of agreed retirement benefits to one former employee.

This account includes expenditure of €108,335 in respect of one officer who was serving outside the Department for all of 2020 and whose salary was paid by the Department.

This account does not include expenditure in respect of seven officers who were serving outside the Department for all or part of 2020 in other government department/offices and whose salaries were paid by those departments/offices.

5.6 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	4	6,405	4,377
Recovery plans in place	2	3,104	99

One overpayment recovery plan to the value of €772 was transferred to another department in 2020.

5.7 Severance/redundancy

During 2020, ten staff members whose employment was terminated were paid severance payments totalling €240,002, and eight of those received redundancy payments totalling €53,160. Ex-gratia payments of €29,185 were also made in respect of payment in lieu of notice for nine employees.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2020	2020	2019
		€000	€000	€000
Tribunal of Inquiry (payments to Messrs Haughey and Lowry) [a]	1997	65,646	1,422	929
Commission of Investigation (Cregan Commission) [b]	2015	9,235	2,190	1,980
Commission of Investigation (Cooke Commission) [c]	2017	3,021	855	935
			4,467	**3,844**

Note [a] There will be further payments associated with the Tribunal Inquiry (payments to Messrs Haughey and Lowry). Final costs cannot be determined at this point.

[b] The Commission of Investigation (Cregan) relates to certain transactions carried out by Irish Bank Resolution Corporation.

[c] The Commission of Investigation (Cooke) relates to the sale by the National Asset Management Agency of its Project Eagle portfolio.

6.2 Compensation and legal costs

There were no compensation or legal costs in the Department in 2020 (2019: €773,000).

6.3 Official gifts

The account includes the sum of €13,079 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2020 (2019: €16,632).

6.4 Write-offs

The following sums were written off in the year	2020	2019
	€000	€000
Publications stock (Tribunal of Inquiry)	**40**	**—**

Appendix A Accounts of bodies and funds under the aegis of the Department of the Taoiseach

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the period on which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
National Economic and Social Development Office	2019	22 Dec 2020	18 Jan 2021	25 Mar 2021

Appropriation Account 2020

Vote 3

Office of the Attorney General

Introduction

As Accounting Officer for Vote 3, 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 2020 for the salaries and expenses of the Office of the Attorney General, including a grant.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.04 million 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account, save as outlined directly below.

Valuation of capital assets

As provided for in circular 21 of 2020 the Office has applied a threshold of €1,000 for the capitalisation of its capital assets.

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/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.

Shared services

Payroll and human resource functions are provided on a shared service basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 information and communications technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines adhered to.

Internal audit and Audit Committee

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company 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.

An internal audit function for the Office was in place during 2020.

Procurement compliance

I confirm that 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 one contract (in excess of €25,000), totalling €152,589 (excluding VAT); details are set out below:

- One contract with a value of €152,589 for parliamentary drafting services was awarded without a competitive process and is included in the 40/02 return. It was deemed non-compliant, as the contract was not subjected to a competitive process in the year, because the Office is satisfied that the work cannot be procured any more economically due to the specialised nature of the work involved.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) 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 which are communicated to those responsible for taking corrective action, to management and the MAC, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment within the Office, with certain aspects of the control environment being adapted to mitigate risks arising from the workplace restrictions imposed as a result of the pandemic. This includes the facilitation of remote working, submission of electronic invoices and digital approval of payments.

The Office has identified additional costs of approximately €250,000 incurred in 2020 that were related to the Office's response to working in a Covid environment. The most material of these costs are highlighted in the variation explanation for subhead A(v) Office equipment and external IT services.

Under the risk and control framework, management carried out a risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Damien Moloney
Accounting Officer
Office of the Attorney General

23 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

Opinion on the appropriation account

I have audited the appropriation account for Vote 3 Office of the Attorney General for the year ended 31 December 2020 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 3 Office of the Attorney General for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Attorney General 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 July 2021

Vote 3 Office of the Attorney General

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of professional legal services to Government, Departments and Offices.	16,885	15,682	15,153
Gross Expenditure		**16,885**	**15,682**	**15,153**
	Deduct			
B	**Appropriations-in-aid**	**705**	**542**	**580**
Net Expenditure		**16,180**	**15,140**	**14,573**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**1,039,697**	**1,019,223**

Damien Moloney
Accounting Officer
Office of the Attorney General

23 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		2,129	2,073
Pay		11,377	10,971
Non pay		2,176	2,109
Gross expenditure		**15,682**	**15,153**
Deduct			
Appropriations-in-aid		**542**	**580**
Net expenditure		**15,140**	**14,573**
Changes in capital assets			
Purchases cash	(368)		
Depreciation	204	(164)	75
Changes in net current assets			
Decrease in closing accruals	(35)		
Increase in stock	(2)	(37)	(79)
Direct expenditure		**14,939**	**14,569**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,821	2,521
Notional rents		791	791
Net programme cost		**18,551**	**17,881**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere.

		2020	2019
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,317	1,996
Vote 13	Office of Public Works	171	214
Vote 18	National Shared Services Office	15	13
Central Fund – pensions in respect of former Attorneys General		318	298
		2,821	**2,521**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	491	327
Current assets			
Bank and cash		212	(62)
Stocks	2.2	42	40
Prepayments		192	159
Other debit balances	2.3	59	84
Accrued income		1	3
Net Exchequer funding	2.5	67	21
Total current assets		**573**	**245**
Less current liabilities			
Accrued expenses		65	69
Other credit balances	2.4	338	43
Total current liabilities		**403**	**112**
Net current assets		170	133
Net assets		**661**	**460**
Represented by:			
State funding account	2.6	**661**	**460**

2.1 Capital assets

	Furniture and fittings	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	1,687	4,800	6,487
Additions	23	345	368
Disposals	(2)	—	(2)
Cost or valuation at 31 December 2020	1,708	5,145	6,853
Accumulated depreciation			
Opening balance at 1 January 2020	1,638	4,522	6,160
Depreciation for the year	21	183	204
Depreciation on disposals	(2)	—	(2)
Cumulative depreciation at 31 December 2020	1,657	4,705	6,362
Net assets at 31 December 2020	**51**	**440**	**491**
Net assets at 31 December 2019	**49**	**278**	**327**

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	19	15
IT consumables	23	25
	42	**40**

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Office of Public Works	38	38
Recoupable travel pass scheme	4	41
Other debit suspense items	17	5
	59	**84**

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	177	—
Income levy	37	—
Pay related social insurance	106	—
Professional services withholding tax	16	8
Value added tax	—	31
Pension contributions	—	4
Other creditors	2	—
	338	**43**

2.5 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	1,040	1,019
Exchequer grant undrawn	(1,107)	(1,040)
Net Exchequer funding	**(67)**	**(21)**
Represented by:		
Debtors		
Debit balances: suspense	59	84
	59	**84**
Creditors		
Due to the State	(338)	(43)
Bank and cash	212	(62)
	(126)	**(105)**
	(67)	**(21)**

2.6 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			460	456
Disbursements from the Vote				
Estimate provision	Account	16,180		
Surplus to be surrendered	Account	(1,040)		
Net vote			15,140	14,573
Expenditure (cash) borne elsewhere	1.1		2,821	2,521
Non cash expenditure – notional rent	1		791	791
Net programme cost	1		(18,551)	(17,881)
Balance at 31 December			**661**	**460**

2.7 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**570**	**559**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,107	11,377	10,971
ii	Travel and subsistence	310	80	271
iii	Training and development and incidental expenses	640	484	646
iv	Postal and telecommunications services	63	75	68
v	Office equipment and external IT services	665	1,026	705
vi	Office premises expenses	160	103	82
vii	Consultancy services and value for money and policy reviews	43	29	5
viii	Contract legal expertise	280	240	180
		14,268	**13,414**	**12,928**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €12.107 million; outturn €11.377 million

The savings of €730,000 arose due to all posts within the Office not being filled at all times during the year. During the early stages of the pandemic, the Office wasn't recruiting staff and only moved to fill existing and further vacancies arising during the second half of 2020.

ii Travel and subsistence

Estimate provision €310,000; outturn €80,000

The savings of €230,000 arose due to the restrictions on travel during the pandemic.

v Office equipment and external IT services

Estimate provision €665,000; outturn €1.026 million

An overspend of €361,000 arose under this subhead with almost €250,000 of this required to purchase IT equipment and supporting services to equip the Office to continue to work in the midst of the Covid-19 pandemic.

Programme A Delivery of professional legal services to Government, Departments and Offices

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	12,107	11,377	10,971
A.2	Administration - non pay	2,161	2,037	1,957
A.3	Contributions to international organisations	45	50	44
A.4	Law Reform Commission	2,439	2,129	2,073
A.5	General law expenses	133	89	108
		16,885	**15,682**	**15,153**

Significant variations

Overall, the expenditure in relation to Programme A was €1.203 million lower than provided. €854,000 of this related to administration expenditure and the balance of the variance of €349,000 was mainly due to the following:

A.4 Law Reform Commission

Estimate provision €2.439 million; outturn €2.129 million

The shortfall of €310,000 arose due to less than full staffing for the full year and lower than anticipated administration and office costs arising due to the impact of Covid-19.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	697	540	577
2	Miscellaneous	8	2	3
	Total	**705**	**542**	**580**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €163,000 less than forecast.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €697,000; realised €540,000

The estimate provision figure for receipts from additional superannuation contributions on public service remuneration is prepared annually on behalf of the Office by the Department of Public Expenditure and Reform. The shortfall of €157,000 for 2020 arose because not all sanctioned posts, both in the Office and in the Law Reform Commission, were filed at all times during 2020. The resultant reduction in salaries paid and the rate of ASC applicable in respect of these positions led to a subsequent reduction in the actual ASC paid.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Office of the Attorney General	138	137
Agencies	18	20
Total	**156**	**157**

5.2 Pay – Office of the Attorney General

	2020	2019
	€000	€000
Pay	10,356	9,967
Higher, special or additional duties allowances	63	90
Other allowances	14	14
Overtime	6	14
Employer's PRSI	938	886
Total pay	**11,377**	**10,971**

5.2 Pay – Agencies

	2020	2019
	€000	€000
Pay	1,202	1,128
Employer's PRSI	104	95
Total pay [a]	**1,306**	**1,223**

Note [a] The Law Reform Commission received a grant of €2.129 million under subhead A.4 Law Reform Commission 2020 (€2.073 million in 2019). The pay figures reported above were provided by the Law Reform Commission.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	13	2	11,050	20,745
Other allowances	9	—	4,533	8,969
Overtime	4	—	5,781	9,391
Extra remuneration in more than one category	3	2	11,912	7,467

5.4 Other remuneration arrangements

This account includes expenditure of €260,774 in respect of the salary costs of three officers who were serving outside the Office for all or part of 2020.
This account does not include expenditure in respect of 34 officers who were serving outside the Office for all or part of 2020 in other Government departments/offices and whose salaries were paid by the host department/office.

5.5 Severance/redundancy

During 2020, three staff from the Attorney General's Private Office, whose employments were terminated following a change of government, received severance payments of €43,441. Two of these staff also received redundancy payments of €18,276. Total payments made during the year amounted to €61,717.

Appendix A Accounts under the aegis of the Office of the Attorney General

The following table lists the bodies under the aegis of the Office of the Attorney General where the Office has an obligation to present financial statements. It indicates, (as at the account signing date), the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Law Reform Commission	2019	4 Nov 2020	23 Nov 2020	3 Dec 2020

Appropriation Account 2020

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 2020 for the salaries and expenses of the Central Statistics Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.18 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Capitalisation of capital assets

As provided for in circular 21 of 2020, the Office has applied a threshold of €1,000 for the capitalisation of its capital assets.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this 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 Director General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of HR and payroll shared services.

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

The position in regard to the financial and control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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.

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.

Non-compliance with procurement rules

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 all relevant guidelines with the exception of five contracts, totalling €406,174 as set out below:

- Three contracts to a total value of €314,574 were non-compliant as they were not independently reviewed by the Internal Audit Unit. Of these, one contract was a Covid-19 related emergency procurement to facilitate immediate remote working for 900 plus staff.
- Two contracts to a total value of €91,600 were non-compliant as they related to short-term rollover of existing contracts required as a result of unavoidable delays with implementation of new competitive contracts.

The Office intends to remedy this situation by increasing the oversight and compliance role of the procurement support section. Enhanced governance policies and procedures include the publication of a new procurement policy in September 2020 and the upcoming roll out of a training and awareness programme for designated procurement areas. A new contract management system went live in January 2021. This is an integrated module of the financial management system and will provide greater visibility on contract expenditure and pending expiry dates.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the management board on a bi-annual 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 and the management board, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out throughout the year; this included impacts on statistical production, financial controls and support area processes, requirements for supporting remote working and staff wellbeing, ensuring physical safety of essential on-site staff, and security of buildings and assets.

The initial focus of the enforced home working for the vast majority of the Office's 900 plus staff was to maintain business continuity while migrating staff to a remote working system. This was done through the repurposing of existing technology hardware and software, combined with the flexibility of staff using their own devices to access newly created portals. Users connect directly to their office desktop facilitating stable, secure remote access to Office systems and no reduction in security controls.

Finance checks and processes continued offsite including checker/reviewer verifications and segregation of duties. A process of electronic signatures has been implemented for the completion of invoice payment authorisation forms. All the pre-existing processes and checks are being maintained before submitting invoices to the Finance section for payment.

The focus for the remainder of 2020 has been to ensure continuity of business as usual delivery and responding to accelerating demands to support the national pandemic response with the provision of real time data outputs to facilitate analysis by epidemiological experts and the Taoiseach's Office. The Office has continued to publish relevant economic and social statistics during the pandemic. The impact of the pandemic has resulted in adaptations to statistical processes such as collection, methodology, processing and dissemination in order to continue to deliver the statistical work programme. The Office has also developed new Covid-19 products and services to support the national response to the pandemic and to fulfil the need for insight into the impact of the crisis on businesses and society.

Due to the Covid-19 pandemic, the Government took the decision in September 2020 to postpone the census due to take place in April 2021, to 3 April 2022. As a result of this decision, alterations had to be made to a number of contracts. The overall cost of these alterations amounts to €3,450,453 for the extended time period.

The results of assessments, and the actions taken during 2020, indicate that there is no significant impact to internal controls.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Pádraig Dalton
Accounting Officer
Central Statistics Office

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2020 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 4 Central Statistics Office for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Central Statistics Office 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 June 2021

Vote 4 Central Statistics Office

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	67,010	64,979	55,192
Gross expenditure		**67,010**	**64,979**	**55,192**
	Deduct			
B	**Appropriations-in-aid**	**1,320**	**1,469**	**2,298**
Net expenditure		**65,690**	**63,510**	**52,894**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**2,179,548**	**1,819,597**

Pádraig Dalton
Accounting Officer
Central Statistics Office

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		45,275	40,779
Non pay		19,704	14,413
Gross expenditure		**64,979**	**55,192**
Deduct			
Appropriations-in-aid		**1,469**	**2,298**
Net expenditure		**63,510**	**52,894**
Changes in capital assets			
Purchases cash	(9,165)		
Depreciation	1,861	(7,304)	(2,476)
Changes in net current assets			
Increase in closing accruals	(536)		
Increase in stock	(40)	(576)	397
Direct expenditure		**55,630**	**50,815**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		8,888	8,941
Notional rents		1,706	1,706
Net programme cost		**66,224**	**61,462**

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.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	1,350	1,779
Vote 12	Superannuation and Retired Allowances	6,198	5,750
Vote 13	Office of Public Works	1,237	1,320
Vote 18	National Shared Services Office	103	92
		8,888	**8,941**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	16,380	9,076
Current assets			
Bank and cash	2.2	1,067	181
Stocks	2.3	98	57
Prepayments		1,495	881
Accrued income		99	93
Other debit balances	2.4	226	475
Net Exchequer funding	2.6	649	679
Total current assets		**3,634**	**2,366**
Less current liabilities			
Accrued expenses		462	377
Other credit balances	2.5	1,942	1,335
Total current liabilities		**2,404**	**1,712**
Net current assets		1,230	654
Net assets		**17,610**	**9,730**
Represented by:			
State funding account	2.7	**17,610**	**9,730**

2.1 Capital assets

	Office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	67,269	3,423	4,103	74,795
Additions	724	—	8,441	9,165
Disposals	(19)	(211)	—	(230)
Brought in to use	2,234	—	(2,234)	—
Cost or valuation at 31 December 2020	70,208	3,212	10,310	83,730
Accumulated depreciation				
Opening balance at 1 January 2020	62,448	3,271	—	65,719
Depreciation for the year	1,833	28	—	1,861
Depreciation on disposals	(19)	(211)	—	(230)
Cumulative depreciation at 31 December 2020	64,262	3,088	—	67,350
Net assets at 31 December 2020	**5,946**	**124**	**10,310**	**16,380**
Net assets at 31 December 2019	4,821	152	4,103	9,076

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	1,065	180
Petty cash	2	1
	1,067	**181**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	87	45
IT consumables	11	12
	98	**57**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	162	157
Recoupable travel expenditure	3	8
Recoupable travel pass expenditure	6	40
OPW suspense balance	38	64
Other debit suspense items	17	206
	226	**475**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	560	490
Pay related social insurance	380	352
Professional services withholding tax	31	22
Value added tax	56	33
Pension contributions	121	111
Universal social charge	113	100
	1,261	1,108
Payroll deductions held in suspense	186	182
Other credit suspense items	495	45
	1,942	**1,335**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,180	1,820
Exchequer grant undrawn	(2,829)	(2,499)
Net Exchequer funding	**(649)**	**(679)**
Represented by:		
Debtors		
Bank and cash	1,067	181
Debit balances: suspense	226	475
	1,293	656
Creditors		
Due to the State	(1,261)	(1,108)
Credit balances: suspense	(681)	(227)
	(1,942)	(1,335)
	(649)	**(679)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			9,730	7,651
Disbursements from the Vote				
Estimate provision	Account	65,690		
Surplus to be surrendered	Account	(2,180)		
Net vote			63,510	52,894
Expenditure (cash) borne elsewhere	1.1		8,888	8,941
Non cash expenditure – notional rent	1		1,706	1,706
Net programme cost	1		(66,224)	(61,462)
Balance at 31 December			**17,610**	**9,730**

2.8 Commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	9,162	13,525
Total of legally enforceable commitments	**9,162**	**13,525**

2.9 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	1	—

2.10 Contingent liabilities

The Office is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 4 Central Statistics Office is classified as administrative expenditure applied towards a single programme: delivery of annual statistical programme.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	47,548	45,275	40,779
ii	Travel and subsistence	1,222	369	1,522
iii	Training and development and incidental expenses	1,315	942	1,234
iv	Postal and telecommunications services	1,623	2,717	832
v	Office equipment and external IT services	11,922	13,462	7,835
vi	Office premises expenses	1,009	1,177	1,507
vii	Consultancy services and value for money and policy reviews	55	9	82
viii	Collection of statistics	2,316	1,028	1,401
		67,010	**64,979**	**55,192**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €1.222 million; outturn €369,000

The decrease of €853,000 on expenditure on travel and subsistence is due to a sharp decrease in travel from March onwards due to the Covid-19 pandemic.

iii Training and development and incidental expenses

Estimate provision €1.315 million; outturn €942,000

The decrease of €373,000 on expenditure on training and development and incidental expenses is mainly due to a deferral of the Census of Population due to the Covid-19 pandemic.

iv Postal and telecommunications services

Estimate provision €1.623 million; outturn €2.717 million

The increase of €1.094 million on expenditure on postal and telecommunication services is due to the decision to secure the mobile devices already procured by the vendor for the Census of Population. The case management system has been set up to work specifically on these mobile devices and it was deemed important to avoid any risk of having to switch to a different device model at a later stage.

v Office equipment and external IT services

Estimate provision €11.922 million; outturn €13.462 million

The increase of €1.54 million on expenditure on office equipment and external IT services is due to the decision to defer the Census of Population to 2022, requiring a revision of the census processing system contract. Additionally, critical IT projects on increased digital data collection and the use of alternative (big) data sources were progressed. There were also increased hardware requirements and licensing costs to support staff continuing to work remotely and delivering regular and new statistical outputs.

viii Collection of statistics

Estimate provision €2.316 million; outturn €1.028 million

The decrease of €1.288 million on expenditure on collection of statistics arose due to the Covid-19 pandemic. The office was obliged to postpone a number of projects including the Census of Population and the Household Budget Survey.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	European Union receipts	130	157	1,016
2	Miscellaneous	70	66	46
3	Receipts from additional superannuation contributions on public service remuneration	1,120	1,246	1,236
	Total	**1,320**	**1,469**	**2,298**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations in aid were €149,000 more than the original estimate. Explanations for variances are set out below:

3 **Receipts from additional superannuation contributions on public service remuneration**

Estimate €1.12 million; realised €1.246 million

The increase in additional superannuation contributions arose due to increased staff numbers and payroll expenditure.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**853**	**832**

5.2 Pay

	2020 €000	2019 €000
Pay	41,620	37,559
Higher, special or additional duties allowances	104	110
Other allowances	124	99
Overtime	66	80
Employer's PRSI	3,361	2,931
Total pay [a]	**45,275**	**40,779**

Note [a] The total pay figure is that of subhead A(i).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	49	2	13,206	10,336
Overtime and extra attendance	15	2	11,232	14,124
Other allowances	18	2	12,333	10,263
Extra remuneration in more than one category	18	4	18,676	21,430

5.4 Other remuneration arrangements

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €2,700 during 2020. The payments made were consistent with the principles of the Public Services (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €32,655 in respect of two officers who were serving outside the Office for all or part of 2020 and whose salaries were paid by the Office.

This account does not include expenditure in respect of 29 officers who were serving outside the Office for all or part of 2020 in other government department/offices.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	48	114,143	146,461
Recovery plans in place	20	30,346	36,922

Six overpayment recovery plans in respect of five individuals to the value of €2,678 were transferred to other Departments in the year. The NSSO revised its overpayments reporting methodology in 2020 year and revised the 2019 figures downwards by €10,012 to reflect this new methodology.

Note 6 Miscellaneous

6.1 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2020, the CSO received EU income of €157,000 on foot of two contracts. Both contracts were for data collection to facilitate purchasing power parity comparisons between capital city prices. This funding has been recognised as appropriations-in-aid in 2020.

6.2 Compensation and legal costs

					2020	2019
	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees	2	7	—	7	14	9
Claims by members of the public	—	—	—	—	—	—
		7	—	7	14	9

Appropriation Account 2020

Vote 5

Office of the Director of Public Prosecutions

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 2020 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €421,000 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exceptions below.

Accrued general law expenses

Accrued general law expenses are calculated using one of the following criteria:

- Bills of cost received before 28 February of the following year are fully accrued regardless of whether or not they have been agreed and settled.
- Costs which have been awarded where the bill of costs has not been received by 28 February are accrued based on an estimate from the costs officer taking into account the complexity of proceedings and the duration of the case.

Accrued fees to counsel

Accrued fees to counsel expenses include a general provision for hearings that have not been reported to the Office within two months of the year end. The calculation is based on the average level of such fees that arose in the previous three years.

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.

Shared services

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

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office 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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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.

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.

Non-compliance with procurement rules

I confirm that 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 one contract (in excess of €25,000), totalling €96,795 (excluding VAT); details are set out below:

The contract in respect of cleaning services, had been awarded under a competitive process, but was extended beyond its original contract date. Following a new competitive process, a new contract was put in place in 2020.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a twice yearly 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 assigns 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 and the Management Board, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote and virtual working playing a major role in how the Office continued to discharge its functions. As a result, the Office introduced a number of procedural and control changes. Management assessed the risks posed by Covid-19 to the control environment and to the Office in general. The changes introduced have been reviewed by the Office's Audit Committee and are monitored by the Management Board on a regular basis. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Barry Donoghue
Accounting Officer
Office of the Director of Public Prosecutions

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 5 Office of the Director of Public Prosecutions

Opinion on the appropriation account

I have audited the appropriation account for Vote 5 Office of the Director of Public Prosecutions for the year ended 31 December 2020 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 5 Office of the Director of Public Prosecutions for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Director of Public Prosecutions 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

24 June 2021

Vote 5 Office of the Director of Public Prosecutions

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of prosecution service	44,813	44,248	43,090
Gross Expenditure		**44,813**	**44,248**	**43,090**
	Deduct			
B	**Appropriations-in-aid**	**845**	**701**	**895**
Net Expenditure		**43,968**	**43,547**	**42,195**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**421,070**	**613,809**

Barry Donoghue
Accounting Officer
Office of the Director of Public Prosecutions

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		25,098	25,152
Pay		16,029	15,211
Non pay		3,121	2,727
Gross expenditure		**44,248**	**43,090**
Deduct			
Appropriations-in-aid		**701**	**895**
Net expenditure		**43,547**	**42,195**
Changes in capital assets			
Purchases cash	(39)		
Depreciation	189	150	5
Changes in net current assets			
Decrease in closing accruals	(1,488)		
Decrease in stock	9		
		(1,479)	753
Direct expenditure		**42,218**	**42,953**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,069	2,638
Notional rents		2,025	2,025
Net programme cost		**46,312**	**47,616**

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.

		2020	2019
		€000	€000
Vote 12	Superannuation and Retired Allowances	1,257	1,904
Vote 13	Office of Public Works	587	508
Vote 18	National Shared Services Office	20	20
Vote 20	Garda Síochána	205	206
		2,069	**2,638**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	398	549
Current assets			
Bank and cash	2.2	307	889
Stocks	2.3	153	162
Prepayments		213	161
Other debit balances	2.4	382	405
Total current assets		1,055	1,617
Less current liabilities			
Accrued expenses	2.5	2,001	3,437
Other credit balances	2.6	1,099	1,217
Net Exchequer funding	2.7	(410)	77
Total current liabilities		2,690	4,731
Net current liabilities		(1,635)	(3,114)
Net liabilities		(1,237)	(2,565)
Represented by:			
State funding account	2.8	**(1,237)**	**(2,565)**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	3,575	582	4,157
Additions	39	—	39
Adjustments [a]	—	(35)	(35)
Disposals	(56)	(3)	(59)
Cost or valuation at 31 December 2020	3,558	544	4,102
Accumulated depreciation			
Opening balance at 1 January 2020	3,093	515	3,608
Depreciation for the year	181	8	189
Adjustments [a]	—	(34)	(34)
Depreciation on disposals	(56)	(3)	(59)
Cumulative depreciation at 31 December 2020	3,218	486	3,704
Net assets at 31 December 2020	**340**	**58**	**398**
Net assets at 31 December 2019	482	67	549

Note [a] The net adjustment of €1,000 relates to the correction of additions and disposals in previous years. This is reflected in the state funding account (see Note 2.8).

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balance	283	888
Other bank account balance	24	1
	307	**889**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	40	23
IT consumables	113	139
	153	**162**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Other debit balances	**382**	**405**

2.5 Accrued expenses

at 31 December	2020	2019
	€000	€000
Counsel fees	1,095	2,035
General law expenses	829	1,313
Other expenses	77	89
	2,001	**3,437**

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	537	585
Pay related social insurance	169	165
Professional services withholding tax	370	346
Value added tax	21	13
	1,097	1,109
Payroll deductions held in suspense	—	103
Other credit suspense items	2	5
	1,099	**1,217**

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	421	614
Exchequer grant undrawn	(831)	(537)
Net Exchequer funding	**(410)**	**77**
Represented by:		
Debtors		
Bank and cash	307	889
Debit balances: suspense	382	405
	689	1,294
Creditors		
Due to the State	(1,097)	(1,109)
Credit balances: suspense	(2)	(108)
	(1,099)	(1,217)
	(410)	**77**

2.8 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			(2,565)	(1,807)
Disbursements from the Vote				
Estimate provision	Account	43,968		
Surplus to be surrendered	Account	(421)		
Net vote			43,547	42,195
Expenditure (cash) borne elsewhere	1		2,069	2,638
Other (non-cash) items	2.1		(1)	—
Non cash expenditure – notional rent	1		2,025	2,025
Net programme cost	1		(46,312)	(47,616)
Balance at 31 December			**(1,237)**	**(2,565)**

2.9 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**50**	**328**

In addition to the above, the Office had commitments in respect of legal fees at the end of the year, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases.

2.10 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	**27**	**13**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	16,132	16,029	15,211
ii	Travel and subsistence	186	131	205
iii	Training and development and incidental expenses	1,165	1,026	1,077
iv	Postal and telecommunications services	210	190	227
v	Office equipment and external IT services	831	1,010	828
vi	Office premises expenses	908	740	359
vii	Consultancy services and value for money and policy reviews	37	24	31
		19,469	**19,150**	**17,938**

Programme A Provision of a Prosecution Service

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	16,132	16,029	15,211
A.2	Administration − non pay	3,337	3,121	2,727
A.3	Fees to counsel	16,528	15,785	16,814
A.4	General law expenses	1,446	2,130	1,102
A.5	Local state solicitor service	7,370	7,183	7,236
		44,813	**44,248**	**43,090**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). The only variation over 5% recorded in 2020 relates to an increase in general law expenses and is explained below:

A.4 General law expenses

Estimate provision €1.446 million; outturn €2.13 million

The 2020 provision for general law expenses was based on expenditure levels incurred in the preceding two years. However, because of the pandemic, some solicitor firms had greater time to devote to processing old cost cases. This resulted in more cost cases being finalised in 2020 than in the preceding two years.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions deductions on public service remuneration	717	666	708
2	Miscellaneous	128	35	187
	Total	**845**	**701**	**895**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**209**	**205** [a]

Note [a] Following a review, the number of staff at year end 2019 has been revised.

5.2 Pay

	2020 €000	2019 €000
Pay	14,623	13,863
Higher, special or additional duties allowances	113	156
Overtime	1	6
Employer's PRSI	1,292	1,186
Total pay	**16,029**	**15,211**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	39	4	41,592	41,592
Overtime and extra attendance	2	—	506	1,537
Extra remuneration in more than one category	—	—	—	—

5.4 Other remuneration arrangements

This account includes expenditure of €153,201 (2019: €151,382) in respect of one officer who was serving outside the Office in 2020 and whose salary was paid from Subhead A.1.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	11	15,020	21,885
Recovery plans in place	4	1,562	5,385

Appropriation Account 2020

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 2020 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €235,000 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following:

Valuation of capital assets

As provided for in Circular 21 of 2020, the Office has applied a threshold of €1,000 for the capitalisation of its capital assets.

Accrued income

Accrued income represents taxed costs due to the State not yet recovered. It is the policy of the Office to pursue the recovery of all taxed costs awarded in favour of the State.

Accrued counsel fees

Fee notes received from counsel are subject to an evaluation and assessment process to determine the level of fees due. The end-of-year accrual in respect of counsel fee liabilities is determined by applying an estimated mark-down rate (based on the mark-down rate achieved during the evaluation and assessment process in the year of account) to counsel fee notes on hand at the year end. This represents a change in accounting policy in the 2020 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 are 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.

Shared services

The National Shared Services Office provides human resource and payroll services to the Office of the Chief State Solicitor.

I rely on the letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of the 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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 are adhered to.

Internal audit and Audit Committee

I confirm that, since 2015, the Office retains an internal audit function through a contract agreement with a professional auditing company 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.

An internal audit function for the Office was in place during 2020.

Non-compliance with procurement rules

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 in 2020 with the exception of two contacts (in excess of €25,000), totalling €141,936 (excluding VAT). Details are set out below.

- One contract with a value of €104,947 (excluding VAT) in respect of outdoor legal services continued without a competitive process in 2020, having been extended beyond its original contract dates. The Office intends to regularise this matter in 2021.

- One contract with a value of €36,989 (excluding VAT) in respect of a document exchange service was awarded without a competitive process as the supplier is widely used by legal offices in the State.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

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 Management Board and the Audit Committee regularly review controls. All internal audit reports are considered by the Audit Committee.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a semi-annual 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 assigns responsibility for operation of controls 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 and the Management Board, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in changes to the working environment with remote working being introduced where possible. As a result, the Office introduced a number of minor procedural and control changes. A Business Continuity Crisis Management Team (BCCMT), which included the full Management Board, was established to manage matters arising in relation to Covid-19 and met on a weekly basis to discuss, assess and manage risk and control matters that were arising. The BCCMT was replaced by a Response Management Team headed by a member of the Management Board which has continued the weekly meetings. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

The Office has identified additional costs of €588,000 incurred in 2020 that were directly related to the Office's response to working in a Covid-19 environment. The most material of these additional costs are highlighted in the variation explanations for subhead A(v) office equipment and external IT services. There will be further Covid-19 related costs to be incurred in 2021.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 6 Office of the Chief State Solicitor

Opinion on the appropriation account

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2020 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 6 Office of the Chief State Solicitor for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Chief State Solicitor 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 June 2021

Vote 6 Office of the Chief State Solicitor

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of legal services	38,191	38,050	40,437
Gross Expenditure		**38,191**	**38,050**	**40,437**
	Deduct			
B	**Appropriations-in-aid**	810	904	988
Net expenditure		**37,381**	**37,146**	**39,449**

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

	2020	2019
	€	€
Surplus to be surrendered	**234,806**	**166,519**

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		16,088	20,333
Pay		19,183	17,735
Non-pay		2,779	2,369
Gross expenditure		**38,050**	**40,437**
Deduct			
Appropriations-in-aid		**904**	**988**
Net expenditure		**37,146**	**39,449**
Changes in capital assets			
Purchases cash	(567)		
Depreciation	340	(227)	85
Changes in net current assets			
Increase in closing accruals	3,315		
Decrease in stock	18	3,333	174
Direct expenditure		**40,252**	**39,708**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,612	3,398
Notional rents		865	865
Net programme cost		**44,729**	**43,971**

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.

		2020	2019
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,091	1,904
Vote 13	Office of Public Works	1,493	1,464
Vote 18	National Shared Services Office	28	30
		3,612	**3,398**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	738	511
Current assets			
Bank and cash	2.2	1,381	1,982
Stocks	2.3	33	51
Prepayments		330	192
Accrued income	2.4	9,818	9,829
Other debit balances	2.5	117	175
Total current assets		**11,679**	**12,229**
Less current liabilities			
Accrued expenses	2.6	6,400	2,958
Other credit balances	2.7	1,455	2,133
Net Exchequer funding	2.8	43	24
Total current liabilities		**7,898**	**5,115**
Net current assets		3,781	7,114
Net assets		**4,519**	**7,625**
Represented by:			
State funding account	2.9	**4,519**	**7,625**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	4,638	1,707	6,345
Additions	526	41	567
Disposals	(13)	—	(13)
Cost or valuation at 31 December 2020	5,151	1,748	6,899
Accumulated depreciation			
Opening balance at 1 January 2020	4,244	1,590	5,834
Depreciation for the year	306	34	340
Depreciation on disposals	(13)	—	(13)
Cumulative depreciation at 31 December 2020	4,537	1,624	6,161
Net assets at 31 December 2020	**614**	**124**	**738**
Net assets at 31 December 2019	394	117	511

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	1,378	1,980
Commercial bank account balance	3	2
	1,381	**1,982**

Non-vote bank accounts

The CSSO maintains a number of bank accounts held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No moneys due to or paid from the CSSO Vote are transmitted through these bank accounts. The amount held in such accounts at the end of 2020 was €7.67 million (2019: €7.25 million) and this is not included in the appropriation account.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	**33**	**51**

2.4 Accrued income

at 31 December	2020	2019
	€000	€000
Opening balance 1 January 2020	9,829	9,806
Cash receipts	(21)	(71)
Settlements	(54)	(98)
Additions	64	192
Closing balance 31 December 2020	**9,818**	**9,829**

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	26	23
Recoupable travel pass scheme	13	59
Recoupable cycle to work scheme	9	8
State solicitors	69	69
	117	**159**

2.6 Accrued expenses

at 31 December	2020	2019
	€000	€000
Counsel fees [a]	6,206	2,645
General law expenses	75	107
Incidental expenses	61	61
Office machinery	17	56
Post and telecommunications	13	38
Other expenses	28	51
	6,400	**2,958**

Note [a] The increase in the amount recorded is primarily due to a change in the accounting policy for counsel fee accruals (see Statement of Accounting Policies and Principles).

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	364	351
Pay related social insurance	194	189
Professional services withholding tax	395	1,146
Pension contributions	78	79
Value added tax	2	30
Local property tax	1	1
	1,034	1,796
State property: escheated estates [a]	421	337
	1,455	**2,133**

Note [a] This balance is also payable to the State. It is shown separately in the table above because all of the other amounts due to the State arise from the on-going operations of CSSO while the escheated estates figure relates to cash collected from external third parties where the CSSO is awaiting disposition instructions.

2.8 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	235	167
Exchequer grant undrawn	(192)	(143)
Net Exchequer funding	**43**	**24**
Represented by:		
Debtors		
Bank and cash	1,381	1,982
Debit balances: suspense	117	175
	1,498	2,157
Creditors		
Due to the State	(956)	(1,796)
Credit balances: suspense	(499)	(337)
	(1,455)	(2,133)
	43	**24**

2.9 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			7,625	7,884
Disbursements from the Vote				
Estimate provision	Account	37,381		
Surplus to be surrendered	Account	(235)		
Net vote			37,146	39,449
Expenditure (cash) borne elsewhere	1.1		3,612	3,398
Non cash expenditure – notional rent	1		865	865
Net programme cost	1		(44,729)	(43,971)
Balance at 31 December			**4,519**	**7,625**

2.10 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**832**	**807**

2.11 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	**69**	**128**

Vote 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	19,233	19,183	17,735
ii	Travel and subsistence	90	35	101
iii	Training and development and incidental expenses	1,038	954	974
iv	Postal and telecommunications services	310	341	284
v	Office equipment and external IT services	750	1,225	784
vi	Office premises expenses	250	161	166
vii	Consultancy services and value for money and policy reviews	100	63	60
		21,771	**21,962**	**20,104**

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

v Office equipment and external IT services

Estimate provision €750,000; outturn €1.225 million

The excess of €475,000 in this subhead was due to the requirement to purchase the necessary hardware and software assets to facilitate remote working in the Covid-19 environment.

Programme A Provision of legal services

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	19,233	19,183	17,735
A.2	Administration − non pay	2,538	2,779	2,369
A.3	External legal services	220	142	156
A.4	Fees to counsel	15,000	15,246	19,237
A.5	General law expenses	1,200	700	940
		38,191	**38,050**	**40,437**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €141,000 lower than originally provided. This comprised the aggregate of (a) an excess of €191,000 relating to administration expenditure that has already been explained and (b) a net saving of €332,000 in non-administrative expenditure, which was mainly due to the following:

A.5 General law expenses

Estimate provision €1.2 million; outturn €700,000

The saving in expenditure of €500,000 relative to the estimate provision was due to the unpredictability of how legal cases progress through the courts, together with the impact of Covid-19, which resulted in significantly less legal activity in 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Costs and fees received by the Office of the Chief State Solicitor	200	221	257
2	Receipts from additional superannuation contributions on public service remuneration	610	683	731
	Total	**810**	**904**	**988**

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Receipts under Section 10 of the State Property Act 1954	899	10,715
Transferred to the Exchequer	(899)	(10,715)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
CSSO staff focused on core activities	271	273
CSSO staff working on projects for other departments/offices	13	12
	284	**285**

5.2 Pay

	2020 €000	2019 €000
Pay	18,413	16,881
Higher, special or additional duties allowances	101	98
Other allowances	8	7
Overtime	21	72
Employer's PRSI	1,726	1,540
Total gross pay	20,269	18,598
Recoveries from other departments/offices	(1,086)	(863)
Total net pay	**19,183**	**17,735**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties	33	1	11,047	11,011
Other allowances	4	—	1,870	1,848
Overtime	15	1	10,137	30,923
Extra remuneration in more than one category	5	1	13,112	35,118

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	14	23,104	21,310
Recovery plans in place	9	12,497	—

Appropriation Account 2020

Vote 7

Office of the Minister for Finance

Introduction

As Accounting Officer for Vote 7, 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 2020 for the salaries and expenses of the Office of the Minister for Finance, including the Paymaster-General's Office, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.349 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account, with the following exceptions.

Stocks

The Department of Finance (Vote 7) and the Department of Public Expenditure and Reform (Vote 11) share IT consumable stocks and stationery stocks. They are allocated on the basis of staff numbers in the respective votes. For efficiency and convenience reasons, spend on stationery stocks is recorded under Vote 7 and spend on IT consumable stocks is recorded under Vote 11. However, as both stocks are deemed to be shared, they are included in the operating cost notes to the accounts of Vote 7 and Vote 11.

Depreciation

Depreciation calculated annually is charged in full in the year of acquisition/commission. No depreciation is charged in the year of disposal.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of HR and payroll shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- 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 Department 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 and Audit Committee

I confirm that the Department uses the services of the Department of Public Expenditure and Reform internal audit function under the terms of the service level agreement between the two Departments. The Department of Public Expenditure and Reform's internal audit unit operates under a written charter which has been approved by the Secretary General of the Department of Public Expenditure and Reform. Its work is informed by analysis of the financial risks to which the Department of Finance is exposed and its annual internal audit plans (which are prepared in consultation with the Audit Committee and 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.

Procurement compliance

The Department 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 Department complied with the relevant guidelines with the exception of 4 contracts (in excess of €25,000), totalling €185,576 (ex. VAT) as set out below.

- One contract with a value of €78,754, related to a specialist translation service to assist in the preparation of a State aid case. The actual expenditure in 2020 was €2,907. A new supplier was appointed under a competitive tendering process via eTenders in Q2 2020.
- A competitive tendering process was not undertaken for the provision of eDiscovery services as the ongoing renewal of the software licence was critical in connection with the document searches required for a commission of inquiry. The value of this contract is €26,665. The actual expenditure in 2020 was €17,929.
- Legal advice was urgently required in relation to an aspect of the Fifth Anti Money Laundering Directive (AML Directive 5) during 2020. The legal advisors appointed were on the Department of Finance's panel of legal advisers – this panel was constituted following a competitive tendering process. In order to engage a legal advisor from this panel, a further tender process known as a 'mini-competition' is required. However, in this case, a mini-competition was not undertaken as the Department required legal advice as a matter of urgency in relation to the AML Directive. The contract value was €49,661, all of which was incurred in 2020.
- A mobile phone service provider was sourced to provide handsets and international mobile services to the Department during Q4 2018. The total value of the contract was €30,496. The actual expenditure in 2020 was €13,136. A competitive tendering process was not undertaken as the Department urgently required specific international mobile services for those users with critical international business needs. A competitive procurement process was undertaken in 2020 using an Office of Government Procurement/Office of the Government Chief Information Officer Framework and a new contract is now in place.

Prior to 2020 the Department had interpreted circular 40/2002 to require returns for only those procurements which were not compliant with public procurement rules and regulations. Consequently, procurements which did not require a competitive tendering process were excluded. Officials are liaising with the Office of the Comptroller and Auditor General to provide amended returns for preceding years to include non-competitive contracts which were previously excluded.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Executive Board 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 so that control deficiencies are communicated to those responsible for taking corrective action, to management and the Executive Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

In March 2020, in response to the Covid-19 pandemic, business continuity measures were put into effect to deal with the impact of Covid-19. This facilitated the Department in remaining fully operational during 2020 while becoming a predominantly remote working organisation.

Given the duration of the organisation-wide remote working, an emphasis has been placed on maintaining an effective control environment, through measures such as updated policies and guidelines (e.g. data protection, ICT, records management), additional cybersecurity including relevant training, management communications and a focus on staff engagement and well-being. There was also engagement with civil service sectoral groups and wider public sector organisations on targeted Covid-19 management/prevention measures.

Specific risks arising from the remote-working environment and appropriate mitigation have been considered at Executive Board and risk committee meetings and by the Department's Covid Response Management Group and subgroup.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Derek Moran
Accounting Officer
Office for the Minister for Finance

30 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 7 Office of the Minister for Finance

Opinion on the appropriation account

I have audited the appropriation account for Vote 7 Office of the Minister for Finance for the year ended 31 December 2020 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 7 Office of the Minister for Finance for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Minister for Finance 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

8 September 2021

Vote 7 Office of the Minister for Finance

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Economic and fiscal policy	25,069	23,573	47,542
B	Banking and financial services policy	14,814	12,404	12,624
Gross expenditure		**39,883**	**35,977**	**60,166**
	Deduct			
C	**Appropriations-in-aid**	**1,310**	**753**	**1,333**
Net expenditure		**38,573**	**35,224**	**58,833**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**3,348,805**	**2,083,438**

Derek Moran
Accounting Officer
Office of the Minister for Finance

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		13,070	37,284
Pay		19,649	18,957
Non pay		3,258	3,925
Gross expenditure		**35,977**	**60,166**
Deduct			
Appropriations-in-aid		**753**	**1,333**
Net expenditure		**35,224**	**58,833**
Changes in capital assets			
Purchases cash	(—)		
Depreciation	42	42	6
Changes in net current assets			
Increase in closing accruals	178		
Decrease in stock	3	181	44
Direct expenditure		**35,447**	**58,883**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		13,590	14,495
Notional rents		1,065	1,065
Net programme cost		**50,102**	**74,443**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 7 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 11	Public Expenditure and Reform	—	330
Vote 12	Superannuation and Retired Allowances	12,941	13,007
Vote 13	Office of Public Works [a]	1,342	1,959
Vote 18	National Shared Services Office	33	29
Vote 43	Office of Government Chief Information Officer [a]	365	—
Central Fund - ministerial pensions		245	200
		14,926	15,525
Costs of shared services provided to other Votes [a]		(1,336)	(1,030)
		13,590	**14,495**

Note [a] These amounts include costs which are estimated with the actual cost being apportioned based on headcount.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	21	303
Current assets			
Bank and cash	2.2	1,659	825
Stocks	2.3	15	18
Prepayments		371	420
Other debit balances	2.4	28	226
Accrued income		29	15
Total current assets		**2,102**	**1,504**
Less current liabilities			
Accrued expenses		397	254
Other credit balances	2.5	1,501	680
Net Exchequer funding	2.6	186	371
Total current liabilities		**2,084**	**1,305**
Net current assets		18	199
Net assets		**39**	**502**
Represented by:			
State funding account	2.7	**39**	**502**

2.1 Capital assets

	IT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	385	404	317	1,106
Additions	—	—	—	—
Disposals	—	—	—	—
Adjustment [a]	(163)	(404)	(94)	(661)
Cost or valuation at 31 December 2020	222	—	223	445
Accumulated depreciation				
Opening balance at 1 January 2020	262	268	273	803
Depreciation for the year	12	—	30	42
Adjustment [a]	(70)	(268)	(83)	(421)
Cumulative depreciation at 31 December 2020	204	—	220	424
Net assets at 31 December 2020	**18**	—	**3**	**21**
Net assets at 31 December 2019	123	136	44	303

Note [a] These adjustments relate to the removal from the asset register of individual items with values at acquisition of under €10,000 each, as per circular 21/2020: *Increase in the Value Threshold for Inclusion of Assets in Asset Register.*

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	**1,659**	**825**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	8	8
IT consumables	7	10
	15	**18**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable travel expenditure	15	45
Recoupable travel pass expenditure	1	143
Other debit suspense items	12	38
	28	**226**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	285	238
Pay related social insurance	192	155
Professional services withholding tax	54	64
Value added tax	29	33
Pension contributions	89	57
Local property tax	1	1
Universal social charge	57	49
	707	597
Payroll deductions held in suspense	85	66
Recoupable salaries	15	15
Other credit suspense items	694	2
	1,501	**680**

2.6 Net Exchequer funding

at 31 December	2020 €000	2019 €000
Surplus to be surrendered	3,349	2,083
Exchequer grant undrawn	(3,163)	(1,712)
Net Exchequer funding	**186**	**371**
Represented by:		
Debtors		
Bank and cash	1,659	825
Debit balances: suspense	28	226
	1,687	1,051
Creditors		
Due to the State	(707)	(597)
Credit balances: suspense	(794)	(83)
	(1,501)	(680)
	186	**371**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			502	724
Disbursements from the Vote				
Estimate provision	Account	38,573		
Surplus to be surrendered	Account	(3,349)		
Net vote			35,224	58,833
Expenditure (cash) borne elsewhere	1.1		13,590	14,495
Non cash items – capital asset adjustment	2.1		(240)	(172)
Non cash expenditure – notional rent	1		1,065	1,065
Net programme cost	1		(50,102)	(74,443)
Balance at 31 December			**39**	**502**

2.8 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**1**	**17**

2.9 Contingent liabilities

There is litigation in progress regarding Irish Bank Resolution Corporation (IBRC) and Permanent TSB (PTSB). These actions are being defended and no estimate of the potential liability has been made.

Certain third party protections (in the form of warranties and indemnities) have been provided in connection with the sale of Irish Life Limited, the disposal of the Bank of Ireland contingent capital notes, the disposal of the preference shares in Bank of Ireland and the liquidation of IBRC.

These do not represent a complete list of litigation or third party protections. These particular items have been included as at the time they were instigated or provided they were of particular significance to the Minister and the State.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,610	19,649	18,957
ii	Travel and subsistence	901	282	816
iii	Training and development and incidental expenses	1,700	1,510	1,609
iv	Postal and telecommunications services	292	228	275
v	Office equipment and external IT services	975	835	793
vi	Office premises expenses	1,082	403	432
vii	Consultancy and other services	20	—	—
		25,580	**22,907**	**22,882**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €901,000; outturn €282,000

The variance arises largely due to travel restrictions implemented to limit the spread of Covid-19.

vi Office premises expenses

Estimate provision €1.082 million; outturn €403,000

The variance of €679,000 was due to planned capital projects which were budgeted for, not taking place during the year as a result of the public health measures introduced in response to the Covid-19 pandemic.

Programme A Economic and Fiscal Policy

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
A.1	Administration − pay	10,820	10,238	9,995
A.2	Administration − non pay	2,759	2,043	1,946
A.3	Committee and commissions	370	289	318
A.4	Consultancy services and other services	620	1,033	24,963
A.5	Fuel grant	10,500	9,970	10,320
		25,069	**23,573**	**47,542**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €1.496 million lower than originally provided. €1.298 million of this related to administration expenditure and has already been explained and the balance of the variance of €198,000 was mainly due to the following:

A.3 Committee and commissions

Estimate provision €370,000; outturn €289,000

Expenditure on this subhead relates to the Disabled Drivers Medical Board of Appeal. As a result of Covid-19 there was a reduction in the number of appeal hearings.

A.4 Consultancy services and other services

Estimate provision €620,000; outturn €1.033 million

This variance arises as a result of a payment to the State Claims Agency in relation to legal costs awarded to the plaintiffs in a case taken against the Disabled Drivers Medical Board of Appeal. Sanctioned virement was granted for this variance.

A.5 Fuel grant

Estimate provision €10.5 million; outturn €9.97 million

This scheme is a demand led scheme and it is difficult to predict the outturn with certainty.

Programme B Banking and Financial Services Policy

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration - pay	9,790	9,411	8,962
B.2	Administration - non pay	2,211	1,215	1,979
B.3	Committees and commissions	30	20	27
B.4	Consultancy and other services	2,015	990	964
B.5	Office of the Financial Services Ombudsman	768	768	692
		14,814	**12,404**	**12,624**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €2.41 million lower than originally provided. €1.375 million of this related to administration expenditure and has already been explained and the balance of the variance of €1.035 million was mainly due to the following:

B.4 Consultancy services and other services

Estimate provision €2.015 million; outturn €990,000

Due to the nature of this subhead, the work programme cannot be predicted with certainty and budgets must be set at a prudent level to allow the units to address issues as they arise.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Recoupment of certain expenses in relation to the stabilisation of the banking sector	150	61	523
2	Miscellaneous	160	79	114
3	Receipts from additional superannuation contributions on public service remuneration	1,000	613	696
	Total	**1,310**	**753**	**1,333**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €557,000 less than the estimate as forecast.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €1 million; realised €613,000

The variance of €387,000 was a result of timing of recruitment and also changes to the calculation of pension related deductions made as a result of the Public Service Stability agreement.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Collected	2	42
Transferred to the Exchequer	(2)	(42)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**313**	**301**

5.2 Pay

	2020 €000	2019 €000
Pay	17,461	16,836
Higher, special or additional duties allowances	108	114
Other allowances	477	462
Overtime	115	179
Employer's PRSI	1,488	1,366
Total pay	**19,649**	**18,957**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	14	6	35,516	30,682
Other allowances	92	—	6,597	4,693
Overtime	48	2	17,246	25,149
Extra remuneration in more than one category	16	4	20,704	28,673

5.4 Other remuneration arrangements

This account includes expenditure of €493,497 in respect of seven officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	25	35,136	43,664
Recovery plans in place	19	25,958	29,495

5.6 Severance/redundancy

During 2020, two staff members whose employment was terminated, received redundancy payments of €8,448 and severance payments of €15,021. Additionally one staff member whose employment was terminated received severance payments of €12,496. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms have been granted.

Note 6 Miscellaneous

6.1 Banking system functions

The Minister for Finance delegated a number of banking system functions to the National Treasury Management Agency (NTMA) under Statutory Instrument (SI) 115 of 2010. This delegation was revoked with effect from 5 August 2011 under SI 395 of 2011 and the NTMA Banking Unit has since been seconded to the Department of Finance. At the direction of the Minister, the costs of the unit, comprising staff costs and certain consultancy costs, continue to be met by the NTMA.

6.2 Committees and commissions

	2020	2019
	€000	€000
Permanent commission		
Credit Union Advisory Committee [a]	20	27
Disabled Drivers Medical Board of Appeal [b]	289	318
	309	**345**

Note [a] The Committee's statutory function (under section 180 of the Credit Union Act 1997) is to advise regarding

- improvement of the management of credit unions
- protection of the interest of members and creditors of credit unions and
- other matters relating to credit unions upon which the Minister, the Central Bank or such other persons may be specified by the Minister, may from time to time seek by way of advice from the Committee.

[b] The Disabled Drivers Medical Board of Appeal acts as an appeal body for those applicants refused a primary medical certificate by a senior medical officer in respect of the Disabled Drivers and Disabled Passengers (Tax Concessions) Scheme. The Board was established in 1989.

6.3 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Legal cases	5	510	439	—	949	315
Legal settlement	—	—	—	—	—	24,000
		510	**439**	**—**	**949**	**24,315**

Appendix A Accounts of bodies and funds under the aegis of the Department of Finance

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Central Bank	2019	19 Mar 2020	25 Mar 2020	26 May 2020
Credit Institutions (Eligible Liabilities Guarantee) Scheme	2018	20 Sep 2019	23 Sep 2019	23 Sep 2019
Credit Union Fund	2019	30 Jun 2020	30 Jun 2020	3 Jul 2020
Credit Union Restructuring Board [a]	2016	28 Jul 2017	1 Aug 2017	16 Aug 2017
Finance Accounts	2019	30 Jun 2020	30 Jun 2020	21 Jul 2020
Financial Services and Pensions Ombudsman	2019	12 Nov 2020	30 Nov 2020	17 Dec 2020
Intestate Estates Fund Account	2019	21 Dec 2020	21 Dec 2020	22 Dec 2020
Irish Financial Services Appeals Tribunal	2019	28 Mar 2020	30 Mar 2020	26 May 2020
Irish Fiscal Advisory Council	2019	22 Sep 2020	23 Sep 2020	20 Oct 2020
Home Building Finance Ireland & one subsidiary	2019	5 Jun 2020	6 Jun 2020	27 Jun 2020
Hepatitis C & HIV Compensation Tribunal Special Account	2019	22 Sep 2020	23 Sep 2020	30 Sep 2020
Hepatitis C & HIV Compensation Tribunal Reparation Fund	2019	22 Sep 2020	23 Sep 2020	30 Sep 2020
Land Bond (Winding Up) Account	2019	2 Dec 2020	3 Dec 2020	22 Dec 2020
Local Loans Accounts	2019	15 Dec 2020	15 Dec 2020	22 Dec 2020
National Asset Management Agency	2019	27 Apr 2020	15 May 2020	1 Jul 2020
National Asset Management Agency Subsidiaries (13)	2019	23 Jun 2020	14 Jul 2020	22 Jul 2020
National Treasury Management Agency	2019	13 May 2020	19 May 2020	15 Jun 2020
Strategic Banking Corporation of Ireland	2019	23 Apr 2020	18 May 2020	25 Jun 2020
Sundry Moneys Deposit Account	2019	22 Dec 2020	23 Dec 2020	23 Dec 2020

Note [a] The Credit Union Restructuring Board (ReBo) was operationally wound down on 31 July 2017. A caretaker board was in place until ReBo was dissolved by the Credit Union Restructuring Board (Dissolution) Bill 2019 which was enacted on 6 December 2020.

Appropriation Account 2020

Vote 8

Office of the

Comptroller and Auditor General

Introduction

As Accounting Officer for Vote 8, 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 2020 for the salaries and expenses of the Office of the Comptroller and Auditor General.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.431 million 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account. In line with advanced notice of Circular 27 of 2019 Requirements for Appropriation Account 2019 to accommodate the transition to the Financial Management Shared Services system (FMSS), depreciation was calculated on a monthly basis and the threshold for including assets was increased to €10,000. In addition, the following accounting policies have been adopted.

Accrued audit fee income

Accrued audit fee income represents audits where an opinion had been reported at the year-end but the fee had not yet been invoiced.

Work in progress

Work in progress represents the estimated recoverable value associated with work undertaken on audits where a fee is chargeable but where the audit had not been completed at year end. The value of work in progress is calculated as a percentage of the agreed audit fee, based on the status of the audit at year end.

The percentage used is as follows

- account cleared for certification 90%
- audit review stage 75%
- fieldwork complete 60%
- final audit in progress 30%
- interim audit completed 15%
- interim audit in progress 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 maintained and operated by the Office.

This responsibility is exercised in the context of the resources available to me as Accounting Officer. 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 control is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll processing shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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
- 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. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €2.38 million in 2020.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function provided by a private firm 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.

Risk and control framework

The Office 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 Management Committee (RMC) comprising the three Directors of Audit oversees the risk management process.

A risk register is in place which records the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the RMC 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 results of risk management activities are reported to the Audit Committee.

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, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

In March 2020, in response to the Covid-19 pandemic, the Office activated its business continuity plan. This resulted in the Office becoming a predominantly remote-working organisation, without any significant immediate disruption to its operations. Given the duration of the organisation-wide remote working, an emphasis has been placed on maintaining an effective control environment, through measures such as updated policies and procedures, additional cybersecurity including data-protection training, management communications and a focus on staff engagement and well-being. Robust information management policies and procedures were in place to mitigate against the increased risk arising from continued access during remote working to the records of government departments and public bodies which is required to deliver on the Office's mandate. Specific risks arising from the remote-working environment and appropriate mitigation have been considered at both Risk Management Committee and Audit Committee meetings. In addition, an assessment of the impact of the changed working environment on financial controls was carried out by internal audit. This found that controls were operating satisfactorily.

Significant financial risk

Audit fees are charged for certain financial audits, as provided for in the Comptroller and Auditor General (Amendment) Act 1993. The fees form a significant proportion of the resources of the Office and a number of procedures have been put in place to ensure that costs are recovered for relevant audits. These measures include

- an annual review of the basis on which fees are charged, including a review of the recovery of costs on individual audits over time
- systems which record audit costs, audit progress and billing information
- the monitoring of financial information including audit costs and fee recovery.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

19 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 8 Office of the Comptroller and Auditor General

Opinion on the appropriation account

The appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2020 has been audited on my behalf by Mazars, Chartered Accountants and Statutory Auditors under section 13 of the Comptroller and Auditor General (Amendment) Act 1993.

On the basis of their audit and report, in my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together 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 *Preface to the Appropriation Accounts.*

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

23 April 2021

Opinion to the Comptroller and Auditor General in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993

Report on the audit of the appropriation account

Opinion

As the auditor appointed under Section 13 of the Comptroller and Auditor General (Amendment) Act 1993, we have audited the appropriation account for Vote 8 Office of the Comptroller and Auditor General for the year ended 31 December 2020.

In our opinion, the appropriation account of the Vote for the Office of the Comptroller and Auditor General properly presents the receipts and expenditure of the Vote for the year ended 31 December 2020 and there are no matters on which we need to report, pursuant to Section 3(10) of the Comptroller and Auditor General (Amendment) Act 1993.

Basis of Opinion

We conducted our audit of the appropriation account of the Office of the Comptroller and Auditor General in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), applicable law and Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the appropriation account section of our report. We are independent of the entity in accordance with ethical requirements that are relevant to audits in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper accounting records have been kept by the Office of the Comptroller and Auditor General. The appropriation account is in agreement with the accounting records.

Statement on Internal Financial Control

We have reviewed the information contained in the Statement on Internal Financial Control. We have nothing to report in this regard.

Responsibilities of the Accounting Officer

Under Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is responsible for the preparation of the appropriation account. She is also responsible, inter alia, for the safeguarding of public funds and for the regularity and propriety of all transactions in the appropriation account.

Auditor’s responsibilities for the audit of the Appropriation Account

It is our responsibility to audit the appropriation account in accordance with relevant legal and regulatory requirements and the ISAs. Our objective is to obtain reasonable assurance about whether the appropriation account is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the appropriation account, of whether the transactions recorded in the account conform with the authority under which they purport to have been carried out, and of whether the accounting provisions of *Public Financial Procedures* have been complied with. A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f- a98202dc9c3a/Description of auditors responsibilities for audit.pdf . This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Comptroller and Auditor General, in accordance with Section 13 of the Comptroller and Auditor General (Amendment) Act 1993. Our audit work has been undertaken so that we can state to the Comptroller and Auditor General those matters we are required to state to him in our opinion and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Comptroller and Auditor General, for the audit work, for this report, or for the opinions we have formed.

Bernard Barron

For and on behalf of

Mazars
Chartered Accountants and Registered Auditors
Dublin 2

22 April 2021

Vote 8 Office of the Comptroller and Auditor General

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Audit and reporting	15,147	14,301	13,799
Gross expenditure		**15,147**	**14,301**	**13,799**
	Deduct			
B	**Appropriations-in-aid**	**6,031**	**6,616**	**7,764**
Net expenditure		**9,116**	**7,685**	**6,035**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**1,430,614**	**2,622,325**

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

19 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		11,759	10,871
Non pay		2,542	2,928
Gross expenditure		**14,301**	**13,799**
Deduct			
Appropriations-in-aid		**6,616**	**7,764**
Net expenditure		**7,685**	**6,035**
Changes in capital assets			
Purchases cash	(82)		
Depreciation	170	88	203
Changes in net current assets			
Decrease in closing accruals	(550)		
Increase in stock	(5)	(555)	559
Direct expenditure		**7,218**	**6,797**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,576	3,255
Notional rents		11	22
Net programme cost		**10,805**	**10,074**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 8 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	30
Vote 12	Superannuation and Retired Allowances	1,890	1,523
Vote 13	Office of Public Works	997	1,056
Vote 18	National Shared Services Office	19	17
Vote 43	Office of the Government Chief Information Officer	220	175
Central Fund		420	454
		3,576	**3,255**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	741	877
Current assets			
Bank and cash	2.2	375	68
Stocks		7	2
Prepayments		360	202
Other debit balances	2.3	34	145
Audit fees recoverable	2.4	2,316	1,841
Net Exchequer funding	2.6	—	189
Total current assets		**3,092**	**2,447**
Less current liabilities			
Accrued expenses		112	29
Other credit balances	2.5	408	402
Net Exchequer funding	2.6	1	—
Total current liabilities		**521**	**431**
Net current assets		2,571	2,016
Net assets		**3,312**	**2,893**
Represented by:			
State funding account	2.7	**3,312**	**2,893**

2.1 Capital assets

	Furniture and fittings	Office equipment	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	1,682	1,119	2,801
Additions	—	82	82
Disposals	—	(206)	(206)
Adjustments [a]	(27)	(555)	(582)
Cost or valuation at 31 December 2020	1,655	440	2,095
Accumulated depreciation			
Opening balance at 1 January 2020	841	1,083	1,924
Depreciation for the year	166	4	170
Depreciation on disposals	—	(206)	(206)
Adjustments [a]	(13)	(521)	(534)
Cumulative depreciation at 31 December 2020	994	360	1,354
Net assets at 31 December 2020	**661**	**80**	**741**
Net assets at 31 December 2019	841	36	877

Note [a] These adjustments relate to the removal of individual items with values of under €10,000 from the asset register as per Circular 21/2020: *Increase in the Value Threshold for Inclusion of Assets in Asset Register*.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	375	(121)
Commercial bank account balance	—	189
	375	**68**

All PMG accounts transferred to the commercial bank 'Danske Bank' from 1 October 2018.

Other commercial bank accounts

The Office held one commercial bank account at year end 2019 which was closed in January 2020.

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable travel expenditure and travel pass scheme	31	125
Recoupable expenditure from co-tenants	—	20
Salary suspense	3	—
	34	**145**

2.4 Audit fees recoverable

at 31 December	2020	2019
	€000	€000
Audit fee debtors	89	611
Accrued audit fee income	1,988	694
Work in progress	239	536
	2,316	**1,841**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	148	136
Pay related social insurance	105	101
Professional services withholding tax	12	21
Value added tax	53	51
Local property tax	—	1
Universal social charge	29	28
	347	338
Payroll deductions held in suspense	61	64
	408	**402**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	1,431	2,622
Exchequer grant undrawn	(1,430)	(2,811)
Net Exchequer funding	**1**	**(189)**
Represented by:		
Debtors		
Bank and cash	375	68
Debit balances: suspense	34	145
	409	213
Creditors		
Due to the State	347	338
Credit balances: suspense	61	64
	408	402
	1	**(189)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			2,893	3,956
Disbursements from the Vote				
Estimate provision	Account	9,116		
Surplus to be surrendered	Account	(1,431)		
Net Vote			7,685	6,035
Expenditure (cash) borne elsewhere	1.1		3,576	3,255
Non cash items – capital asset adjustments	2.1		(48)	(301)
Non cash expenditure – notional rent	1		11	22
Net programme cost	1		(10,805)	(10,074)
Balance at 31 December			**3,312**	**2,893**

2.8 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**—**	**20**

2.9 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	**28**	**—**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 8 Office of the Comptroller and Auditor General is classified as administration expenditure applied towards a single programme: audit and reporting.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,156	11,759	10,871
ii	Travel and subsistence	546	156	611
iii	Training and development and incidental expenses	365	467	491
iv	Postal and telecommunications services	100	55	50
v	Office equipment and external IT services	473	703	438
vi	Office premises expenses	217	130	178
vii	Consultancy services and value for money and policy reviews	125	170	30
viii	Legal fees	45	37	42
ix	Contract audit services	1,120	824	1,088
		15,147	**14,301**	**13,799**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% or more and €100,000 or more).

ii Travel and subsistence

Estimate provision €546,000; outturn €156,000

The decrease of €390,000 is due to the public health emergency which significantly decreased business travel.

iii Training and development and incidental expenses

Estimate provision €365,000; outturn €467,000

The increase of €102,000 is mainly due to higher than anticipated learning and development costs and public health emergency costs. The latter were incurred in relation to implementation of safety measures, provision of personal protective equipment and safety training to staff.

v Office equipment and external IT services

Estimate provision €473,000; outturn €703,000

The increase of €230,000 is due to the costs of additional equipment purchased as a result of prolonged remote working arrangements, additional equipment purchased to accommodate social distanced teleconferencing and additional licence costs.

ix Contract audit services

Estimate provision €1.12 million; outturn €824,000

The decrease of €296,000 on this subhead is mainly due to the lower than anticipated engagement of external consulting during 2020. This subhead covers the costs of work outsourced to audit firms and the costs of external consultants or advisors required to assist in the carrying out of examinations and audits. External consultancy is used in Value for Money reports and other studies where the scope requires expertise not available in-house.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Audit fees	5,519	6,277	7,390
2	Receipts from additional superannuation contributions on public service remuneration	512	339	374
		6,031	**6,616**	**7,764**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €584,000 more than the estimate. Explanations for variances are set out below:

1 Audit fees

Estimate €5.519 million; realised €6.277 million

The increase of €758,000 was due to more audits being completed and billed during the period than estimated.

2 Receipts from additional pension contributions from public service remuneration

Estimate €512,000; realised €339,000

The shortfall of €173,000 was due to an over estimation. This over estimation was rectified during the 2021 estimate process.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**180**	**185**

5.2 Pay

	2020 €000	2019 €000
Pay	10,760	9,966
Higher, special or additional duties allowances	20	19
Overtime	2	2
Employer's PRSI	977	884
Total pay	**11,759**	**10,871**

5.3 Allowances and overtime payments

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	4	—	9,801	10,703
Overtime	1	—	1,633	2,431

No member of staff received additional payments in more than one category.

5.4 Other remuneration arrangements

Two retired civil servants in receipt of civil service pensions were re-engaged in 2020 on a fee basis at a total cost of €18,200. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account does not include expenditure in respect of five officers who were serving outside the Office for all or part of 2020 in other government departments/offices and whose salaries were not paid by the Office during their secondments.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	5	11,656	15,381
Recovery plans in place	3	1,705	1,405

Recovery plans are not currently in place for the remaining two recipients as both employees are off pay.

5.6 Remuneration of senior management

Comptroller and Auditor General

The salary of the Comptroller and Auditor General is paid directly out of the Central Fund of the Exchequer, as provided for in Section 14 of the Comptroller and Auditor General (Amendment) Act 1993. The charge on the Central Fund in 2020 in relation to the remuneration of the Comptroller and Auditor General was €197,448 (2019: €193,066). As provided for in Article 33 of the Constitution, the Comptroller and Auditor General may not hold any other office or position of emolument.

Accounting Officer

The charge to the Vote in 2020 in relation to the remuneration of the Accounting Officer was €159,918 (2019: €156,429).

Appropriation Account 2020

Vote 9

Office of the Revenue Commissioners

Introduction

As Accounting Officer for Vote 9, 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 2020 for the salaries and expenses of the Office of the Revenue Commissioners, including certain other services administered by that Office.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.841 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exceptions listed here.

Valuation and depreciation of capital assets

As provided for in Circular 21 of 2020, Revenue has applied a capitalisation threshold of €500 for IT assets and €1,000 for all other assets.

Depreciation is charged on assets on a full-year basis.

Seized vehicles that have been appropriated by Revenue are included in the capital assets at open market value at the time of appropriation and are depreciated at a rate of 20% per annum on a straight line basis.

A customs cutter is depreciated at a rate of 5% per annum on a straight line basis.

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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resource and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office in relation to the provision of human resources and payroll shared services.

Control environment

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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
- there are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks
- there are appropriate capital investment control guidelines and formal project management disciplines.

A risk management system operates within the Office of the Revenue Commissioners. Mitigations used to manage risk include

- Revenue's governance structures
- environmental scanning to ensure Revenue is aware of influences that affect risk
- integrated strategic/business planning and risk management system that regularly reviews risks at organisational, divisional and branch level
- project management methodologies for all significant projects.

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 formal written internal audit charter. 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.

Non-compliance with procurement rules

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. The Office complied with the guidelines with the exception of nine contracts (in excess of €25,000), totalling €3,105,844 as set out below:

- Three contracts for merchant acquiring services, waste management service and office supplies, with a combined value of €1,294,167 had previously been awarded under a competitive process but were extended while revised arrangements were being put in place. New contracts are now in place for these items.
- Three contracts for the supply of uniforms, cleaning services and call handling services, with a combined value of €1,577,616 had previously been awarded under a competitive process but were extended while revised arrangements are being put in place. A procurement competition for call handling services has been completed with the contract due to be concluded during August 2021. Specification setting and drafting of tender documentation for the uniforms and cleaning services contracts are currently being developed with a view to going to market during Q3 of 2021.
- One contract for stenography services with a value of €118,983 was deemed non-compliant and will be replaced using an OGP framework agreement in Q3 of 2021.
- Two further contracts for mobile voice and data services and rental of storage space, with a combined value of €115,078 were deemed non-compliant and are currently undergoing a review which is expected to be completed in Q3 2021.

It is the policy of my Office to avail of all centrally available frameworks as soon as is practicable and engage with the Office of Government Procurement (OGP) where we have more specific requirements. Controls will remain in place to ensure compliance with this strategy.

The Office has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

As required by DPER circular 40/2002, I have submitted a report on procurements in 2020 without competitive tendering process to the value of €5,993,496. In addition Revenue also maintain a list of long running contracts which in 2020 had a total value of €12.8 million. The list is made up of 39 contracts for annual support and maintenance of Revenue’s ICT systems to a value of €10,390,573; five contracts underpinning Revenue's telecommunications infrastructure to a value of €2,285,995; and three additional contracts to a value of €143,986.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the 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 this Office and these have been identified, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated in to Revenue's strategic and business planning process. The register is reviewed and updated on a quarterly basis by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from divisional management when determining whether there should be changes to the priority or ranking of a risk. The Committee reports annually to the Board of the Revenue Commissioners on its oversight of risks.

A Data Protection Unit is in place which has responsibility for the overall management and administration of data protection in Revenue. A Data Protection Officer, whose primary role is to ensure compliance with the General Data Protection Regulation (GDPR) and with Revenue data protection policies, is also in place.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and how control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 this Office are responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The Covid-19 pandemic has presented very significant challenges for citizens, businesses and Revenue. Revenue utilised its advanced technology infrastructure, in particular its recently modernised PAYE system, and its strong operational and project management capabilities to develop and implement the series of subsidy schemes introduced by the Government to support tax compliant businesses and their employees during this difficult time. The COVID Employer Refund Scheme (ERS), the Temporary Wage Subsidy Scheme (TWSS), the Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS) were quickly rolled out by Revenue in an agile manner to ensure that employers, employees and businesses promptly received critical support payments.

The administration of the Department of Social Protection funded schemes entailed the management of significant sums for the ERS (now closed), TWSS and EWSS amounting to a total of €4.1 billion in 2020. The balance owing to the Department of Social Protection at the year end is disclosed in Note 2.5 of the account. CRSS is funded through income tax or corporation tax and is paid as an advanced tax credit.

Revenue has also continued to provide a range of measures to support businesses that are suffering cashflow or trading difficulties, including warehousing of debt, suspension of interest on late payments, and suspension of collection enforcement activity.

In June 2021, the Government announced the extension of the EWSS until the end of 2021 and continuation of the CRSS for those businesses that are still directly affected by public health restrictions that may remain in place, with enhanced 'restart' payments offered as businesses re-open. As the economy seeks to re-open, a new Business Resumption Support Scheme (BRSS) administered by Revenue will be introduced aimed at businesses which have had reduced turnover as a result of public health restrictions. The extension of the tax debt warehousing scheme was also announced.

A significant impact of the Covid-19 pandemic was the move to remote and virtual working for approximately of 4,500 of Revenue's 7,000 staff. Revenue's ICT division responded very effectively to the challenge of enabling these staff to work productively in remote locations. With the commitment and engagement of Revenue's staff, this has resulted in Revenue successfully maintaining delivery of our core business programmes as well as taking on the additional role of administering the support schemes.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

2 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 9 Office of the Revenue Commissioners

Opinion on the appropriation account

I have audited the appropriation account for Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2020 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 9 Office of the Revenue Commissioners for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Revenue Commissioners 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

6 September 2021

Vote 9 Office of the Revenue Commissioners

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Administration and collection of taxes and duties, and frontier management				
	Original	470,462			
	Supplementary	719			
			471,181	467,231	449,066
Gross expenditure			**471,181**	**467,231**	**449,066**
	Deduct				
B	**Appropriations-in-aid**				
	Original	66,487			
	Supplementary	(7,100)			
			59,387	**60,278**	**70,541**
Net expenditure					
	Original	403,975			
	Supplementary	7,819			
			411,794	**406,953**	**378,525**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**4,840,658**	**4,159,413**

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		329,118	319,115
Non pay		138,113	129,951
Gross expenditure		**467,231**	**449,066**
Deduct			
Appropriations-in-aid		**60,278**	**70,541**
Net expenditure		**406,953**	**378,525**
Changes in capital assets			
Purchases cash	(27,736)		
Depreciation	21,989		
Disposals cash	11		
Gain on disposals	(1)	(5,737)	(6,188)
Changes in net current assets			
Decrease in closing accruals	(3,603)		
Increase in stock	(1,067)	(4,670)	3,613
Direct expenditure		**396,546**	**375,950**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		137,719	127,516
Notional rents (non-cash)		12,043	11,819
Net programme cost		**546,308**	**515,285**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 9 borne elsewhere, net of costs of shared services provided to other Votes.

		2020 €000	2019 €000
Vote 12	Superannuation and Retired Allowances	119,549	112,003
Vote 13	Office of Public Works	21,050	19,038
Vote 18	National Shared Services Office	688	657
		141,287	131,698
Costs of shared services provided to other Votes			
Services rendered by Revenue without charge [a]		(3,568)	(4,182)
		137,719	**127,516**

Note [a] In addition to services rendered without charge to other Votes shown here (€3.568 million), services to the value of approximately €1.285 million were also provided without charge to other non-voted bodies. While the majority of the allied service costs are actual costs, approximated costs have been applied where actual costs are not available.

The costs incurred by Revenue on the administration of the Department of Social Protection funded schemes (Employer Covid-19 Refund Scheme, Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme) have not been included as the operation of these schemes was fully integrated within Revenue's systems.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	97,535	90,238
Current assets			
Bank and cash	2.2	32,324	9,656
Stocks	2.3	2,181	1,114
Prepayments		12,734	9,677
Accrued income		1,404	1,821
Other debit balances	2.4	3,555	4,346
Total current assets		**52,198**	**26,614**
Less current liabilities			
Accrued expenses		5,686	5,802
Deferred income		801	88
Other credit balances	2.5	34,061	11,897
Net Exchequer funding	2.6	1,818	2,105
Total current liabilities		**42,366**	**19,892**
Net current assets		9,832	6,722
Net assets		**107,367**	**96,960**
Represented by:			
State funding account	2.7	**107,367**	**96,960**

2.1 Capital assets

	Vehicles and equipment	Office/IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	18,408	446,657	69,950	7,007	542,022
Additions	2,629	5,628	10,801	10,238	29,296
Assets under development brought into use	—	14,452	—	(14,452)	—
Disposals	(187)	(13,951)	(1,103)	—	(15,241)
Cost or valuation at 31 December 2020	20,850	452,786	79,648	2,793	556,077
Accumulated depreciation					
Opening balance at 1 January 2020	14,565	380,520	56,699	—	451,784
Depreciation for the year	1,924	16,961	3,104	—	21,989
Depreciation on disposals	(178)	(13,950)	(1,103)	—	(15,231)
Cumulative depreciation at 31 December 2020	16,311	383,531	58,700	—	458,542
Net assets at 31 December 2020	**4,539**	**69,255**	**20,948**	**2,793**	**97,535**
Net assets at 31 December 2019	3,843	66,137	13,251	7,007	90,238

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	11,768	9,600
Commercial bank account balance	65	56
TWSS bank account balance	20,372	—
EWSS bank account balance	119	—
	32,324	**9,656**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery and small stores	648	644
Equipment/clothing/miscellaneous	1,530	466
IT consumables	3	4
	2,181	**1,114**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Shared building advances	261	253
Travel imprests	—	6
Recoupable travel expenditure	4	26
Advances to OPW for building works, etc.	1,275	2,616
Vote 10 Tax Appeals Commission	510	195
Recoupable salaries	2	202
Recoupable travel pass scheme expenditure	126	963
Other debit suspense items	1,377	85
	3,555	**4,346**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	3,756	3,490
Universal social charge	764	729
Pay related social insurance	2,508	2,304
Professional services withholding tax	1,431	843
Value added tax	835	974
Pension contributions	847	781
Local property tax	42	43
Extra Exchequer receipts	415	—
	10,598	**9,164**
Payroll deductions held in suspense	2,524	2,469
Recoupable expenditure in advance	224	125
Due to DSP in respect of		
• TWSS	19,522	—
• EWSS	914	—
Due to the Account of the Receipt of Revenue of the State in respect of		
• TWSS	55	—
Other credit suspense items	224	139
	34,061	**11,897**

Note: Revenue opened a number of suspense accounts during the year to facilitate payments under the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS), funded by the Vote of the Department of Social Protection. In 2020, payments (net of refunds and unpaid claims) administered under each of the schemes are as follows

- TWSS €2.707 billion
- EWSS €1.371 billion

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	4,841	4,159
Exchequer grant undrawn	(3,023)	(2,054)
Net Exchequer funding	**1,818**	**2,105**
Represented by:		
Debtors		
Bank and cash	32,324	9,656
Other debit balances	3,555	4,346
	35,879	**14,002**
Creditors		
Due to the State	(10,598)	(9,164)
Other credit balances	(23,463)	(2,733)
	(34,061)	**(11,897)**
	1,818	**2,105**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			96,960	94,376
Disbursements from the Vote				
Estimate provision	Account	411,794		
Surplus to be surrendered	Account	(4,841)		
Net vote			406,953	378,525
Expenditure (cash) borne elsewhere	1.1		137,719	127,516
Non cash expenditure – notional rent	1		12,043	11,819
Other non-cash items – seized vehicles			—	9
Net programme cost	1		(546,308)	(515,285)
Balance at 31 December			**107,367**	**96,960**

2.8 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**20,772**	**22,045**

2.9 Contingent liabilities

Revenue has contingent liabilities estimated at €5.183 million (2019: €3.457 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	339,862			
	Supplementary	(8,000)			
			331,862	329,118	319,115
ii	Travel and subsistence				
	Original	6,100			
	Supplementary	(4,100)			
			2,000	1,788	6,041
iii	Training and development and other day-to-day expenses		25,900	26,286	24,976
iv	Postal and telecommunication services				
	Original	10,600			
	Supplementary	(1,200)			
			9,400	8,178	9,735
v	Office equipment and external IT services		63,000	66,157	60,120
vi	Office premises expenses				
	Original	7,890			
	Supplementary	12,469			
			20,359	16,049	11,133
vii	Consultancy services and value for money and policy reviews		60	55	61
viii	Motor vehicles and equipment maintenance				
	Original	3,950			
	Supplementary	1,350			
			5,300	6,332	3,688
ix	Law charges		12,300	12,110	12,962
x	Compensation and losses				
	Original	800			
	Supplementary	200			
			1,000	1,158	1,235
			471,181	**467,231**	**449,066**

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €6.1 million; outturn €1.788 million

The decrease of €4.312 million in expenditure on travel and subsistence is due to the impact of Covid-19 restrictions on business travel.

vi Office premises expenses

Estimate provision €7.89 million; outturn €16.049 million

An excess of €8.159 million in expenditure on office premises expenses arises due to Brexit infrastructure costs at Dublin Port and Rosslare Europort. The majority of the supplementary estimate for the office premises excess was funded by salary savings generated by the Covid-19 pandemic.

viii Motor vehicles and equipment maintenance

Estimate provision €3.95 million; outturn €6.332 million

Expenditure was €2.382 million higher relative to the estimate provision due to delayed invoicing in respect of maintenance undertaken on Revenue's mobile container scanners, and due to additional Covid-19 personal protective equipment (PPE) costs. Virement was required to cover the excess.

x Compensation and losses

Estimate provision €800,000; outturn €1.158 million

The increase of €358,000 in expenditure on compensation and losses is due to large costs awarded against Revenue. Legal cost awards can be difficult to estimate accurately considering the long lead in times and the negotiation of costs. Virement was required to cover the excess.

Note 4 Receipts

4.1 Appropriations-in-aid

				2020	2019
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Receipts for services relating to Pay Related Social Insurance Scheme		37,437	37,437	37,437
2	Fines, forfeitures, law costs recovered				
	Original	2,700			
	Supplementary	(1,218)			
			1,482	1,406	2,811
3	Cherished numbers				
	Original	150			
	Supplementary	(10)			
			140	186	193
4	Receipts in respect of Environmental Levy collection		400	—	405
5	Share of SASP (Single Authorisation for Simplified Procedures) collection cost				
	Original	15,900			
	Supplementary	(4,942)			
			10,958	11,434	18,033
6	Miscellaneous				
	Original	1,787			
	Supplementary	(587)			
			1,200	1,872	2,836
7	Receipts from additional superannuation contributions on public service receipts in respect of civil service staff				
	Original	8,113			
	Supplementary	(343)			
			7,770	7,943	8,826
			59,387	**60,278**	**70,541**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.209 million lower than the original estimate. Explanations for variances are set out below.

2 Fines, forfeitures, law costs recovered

Estimate €2.7 million; realised €1.406 million

The deficit of €1.294 million arises due to the impact of Covid-19 restrictions on the application and collection of fines and forfeitures since March 2020.

4 Receipts in respect of Environmental Levy collection

Estimate €400,000; realised €nil

The variance arises due to the timing of the payment. €407,147 was received in February 2021 in respect of the 2020 Environmental Levy collection charge, which has been recorded in the 2021 accounts.

5 Share of SASP (Single Authorisation for Simplified Procedures) collection cost

Estimate €15.9 million; realised €11.434 million

Centralised clearance (currently known as Single Authorisation for Simplified Procedures (SASP) allows economic operators to declare goods in one EU member state while the goods are physically imported or exported in a different member state. The deficit of €4.466 million arises due to the impact of Covid-19 restrictions, in other EU Members States, on the trading activities of private retail companies, thus reducing the volume of imports and the apportionment of customs collection costs (SASP) in respect of such imports.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	441
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	1,258	801
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/anti-contraband agreement with global cigarette manufacturers	811	787
Transferred to the Exchequer	(1,654)	(2,029)
Balance at 31 December	**415**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**6,680**	**6,708**

5.2 Pay

	2020 €000	2019 €000
Pay	299,610	290,881
Higher, special or additional duties allowances	6,563	5,971
Overtime	1,174	2,446
Employer's PRSI	21,771	19,817
Total pay	**329,118**	**319,115**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	128	18	19,808	19,568
Overtime and extra attendance	1,398	78	16,015	18,440
Shift and roster allowances	577	111	26,115	26,601
Miscellaneous	164	4	18,856	43,330
Extra remuneration in more than one category	263	94	26,084	29,307

5.4 Performance awards

A total of €102,000 was spent on staff recognition schemes. There were 1,927 individual awards, ranging from €25 to €250.

5.5 Other remuneration arrangements

A total of €5,000 was paid to one Revenue employee in 2020 in compensation for loss of earnings in accordance with Department of Public Expenditure and Reform guidelines (2019: €126,621 in respect of six employees).

A total of €53,000 was paid to 29 retired civil servants by Revenue in 2020 in respect of interview board payments, training interventions and witness expenses (2019: €82,157 was paid to 33 retired civil servants and one external member). These payments were made in accordance with the appropriate Department of Public Expenditure and Reform rates.

This account includes expenditure of €411,000 in respect of 13 officers who were serving outside Revenue for all or part of 2020 and whose salaries were paid by Revenue (2019: €522,000 in respect of 19 officers). 139 Revenue staff were loaned under the Temporary Assignment Scheme to other Government departments and offices for varying periods. This exercise has not been costed by Revenue.

This account does not include expenditure in respect of 26 officers who were serving outside Revenue for all or part of 2020 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.6 Payroll overpayments

	Number of recipients	2020 €000	2019 €000
Overpayments	928	1,884	1,914
Recovery plans in place	526	839	760

27 overpayment recovery plans, in respect of 23 individuals to the value of €19,500 were transferred to 12 various departments during the year.

5.7 Severance/redundancy

Revenue had no expenditure in 2020 relating to severance/redundancy payments.

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year:

	2020 €000	2019 €000
Obsolete stock	1	70
Payroll overpayments	5	—
	6	**70**

6.2 Law charges (subhead A (ix))

	2020 €000	2019 €000
Legal costs paid during the year are categorised as follows:		
External solicitors	3,400	5,149
Counsel fees	4,892	3,543
Other fees and costs:		
Bankruptcy/liquidation costs	3,098	3,007
Court fees	13	151
Miscellaneous costs and rewards	707	1,112
	12,110	**12,962**

6.3 Compensation and legal costs (subhead A(x))

	Number of cases	Legal costs paid by Office	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees of the office						
Legal action including claims pursued via the State Claims Agency	12	4	9	56	69	122
Miscellaneous expenses arising from work-related incidents	4	—	—	4	4	9
Claims by members of the public	27	40	1,039	6	1,085	1,104
		44	**1,048**	**66**	**1,158**	**1,235**

6.4 EU funding

Under a grant agreement with the EU Commission European Anti-Fraud Office (OLAF), the Office of the Revenue Commissioners were entitled to a grant to a maximum of €1.44 million, or 80% of the eligible cost for the purchase of a mobile back scatter x-ray scanning van which is used by Customs to scan trucks and containers. The first instalment of €720,000 was received in 2020 and is included in category 6 ‘miscellaneous’ in appropriations-in-aid.

Under a grant agreement with OLAF, Revenue are entitled to a grant to a maximum of €1.735 million or 80% of the eligible cost for the purchase of a second mobile back scatter x-ray scanning van which is used by Customs to scan trucks and containers. The scanner was ordered in 2019 and the first instalment of €867,000 was received in 2019 and reported in the 2019 appropriation account**.** The scanner was delivered in September 2020. The scanner was in use at year end and included in note 2.1 of this account. The second grant instalment of €405,000 will be claimed by Revenue in Q3 2021.

Appendix A Accounts under the aegis of the Office of the Revenue Commissioners

The following table lists other accounts under the aegis of the Office where the Office has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Name of Account	Last accounting period	Date of audit report	Date presented to the Oireachtas
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners	2019	17 Apr 2020	27 Apr 2020

Appropriation Account 2020

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 2020 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €278,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Legislative change

The Finance (Tax Appeals and Prospectus Regulation) Act 2019 enabled the appointment by the Minister for Finance of a Chairperson to the Commission. The Act entrusts the Chairperson with the overall responsibility for the management and business of the Commission. The Chairperson acts as the Accounting Officer. The Chairperson was appointed and commenced her role at the Commission on 1 July 2020.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

Valuation of capital assets

As provided for in Circular 21 of 2020, the Commission has applied a threshold of €1,000 for the capitalisation of its capital assets.

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.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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. A service level agreement (SLA) between the Commission and the Office of the Revenue Commissioners setting out the responsibilities of the parties was signed in 2016. This agreement covered accounts/finance, IT services and internal audit. A review took place at the end of 2019 and proposed improvements and amendments were suggested by the Commission. The revised SLA was agreed and signed on 12 February 2021.

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 National Shared Services 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 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

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 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 2021, the Internal Auditor reported on the review of the effectiveness of internal financial controls in 2020 which provided reasonable assurance regarding the internal control environment in operation. The work of the internal audit function is informed by analysis of the financial 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 noted in their annual report that the significant issues that they dealt with during 2020 were as follows

- briefings at each meeting on the impact of the Covid-19 pandemic on the organisation
- quarterly risk management reports from the Chief Operations Officer/Chief Risk Officer
- quarterly presentation of the Commission's management accounts
- review draft appropriation accounts and related statement of internal financial controls
- presentation from the Commission Chairperson on her strategic priorities on joining the organisation
- case management updates from the Chairperson
- review of the output from the Comptroller and Auditor General annual audit, including management letter and the Commission's management responses
- meeting with the Internal Auditor in private, scrutinising their review of the effectiveness of internal financial controls 2019, agreeing the Internal Audit Plan for 2020
- tracking open Comptroller and Auditor General and internal audit findings and advising the Commission thereon
- review of the financial policies and procedures manual and other governance documentation
- regular ICT updates.

Non-compliance with procurement rules

I confirm that 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.

In 2020, the Commission complied with procurement guidelines with the exception of one contract (in excess of €25,000), totalling €28,864 (ex. VAT) details are set out below.

- €28,864 (ex. Vat) relating to the work of a business analyst in the development of the future case management system and processing procedures at the Commission. The Commission advertised for a business analyst at a cost under €25,000 but received no applications. At the same time the Commission engaged a supplier on a different project in a related field where there was considerable cross over between this project and the business analyst's project. The Commission subsequently engaged the same supplier to act as the business analyst for an amount of €28,864.

The Commission has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure 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

I confirm that 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.

Covid-19 pandemic

Assessments of the impact of Covid-19 on the Commission's financial control environment were carried out and the controls and procedures set out in the Commission's Financial Procedures Manual were implemented in 2020.

The outbreak of the Covid-19 pandemic has created major challenges for the operation of the Tax Appeals Commission and the provision of its services, in particular the holding of hearings and case management conferences. From March 2020, all hearings were postponed and in accordance with Government guidelines all staff were working remotely. The relevant staff attended the office when required to ensure the continued provision of services during the lockdown.

On 4 August 2020, the Commission commenced its return to the office. The Commission resumed the scheduling of hearings and recommenced both physical and remote hearings in mid-August. Strict protocols, that are in compliance with HSE guidelines are in place in respect of the conduct of these hearings. Parties are being offered the option to attend a physical hearing in the Commission's offices, where the restrictions allow, or to attend by way of remote access using video conference facilities.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

31 August 2021

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 2020 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 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

3 September 2021

Vote 10 Tax Appeals Commission

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Facilitation of hearing tax appeals	3,308	3,018	1,772
Gross expenditure		**3,308**	**3,018**	**1,772**
	Deduct			
B	**Appropriations-in-aid**	**75**	**63**	**49**
Net expenditure		**3,233**	**2,955**	**1,723**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**278,210**	**1,484,735**

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost			
Pay		2,249	1,408
Non pay		769	364
Gross expenditure		**3,018**	**1,772**
Deduct			
Appropriations-in-aid		**63**	**49**
Net expenditure		**2,955**	**1,723**
Changes in capital assets			
Purchases cash	(198)		
Depreciation	43		
Write down	7		
Disposals cash	5	(143)	(8)
Changes in net current assets			
Increase in closing accruals	29		
Increase in stock	(15)	14	(20)
Direct expenditure		**2,826**	**1,695**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		595	536
Net programme cost		**3,421**	**2,231**

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.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	28	28
Vote 13	Office of Public Works	567	508
		595	**536**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	217	74
Current assets			
Bank and cash		669	253
Stocks	2.2	22	7
Prepayments		58	50
Total current assets		**749**	**310**
Less current liabilities			
Accrued expenses		73	36
Vote 9 Revenue Commissioners		510	195
Net Exchequer funding	2.3	159	58
Total current liabilities		**742**	**289**
Net current assets		7	21
Net assets		**224**	**95**
Represented by:			
State funding account	2.4	**224**	**95**

2.1 Capital assets

	Furniture and fittings	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	—	182	—	182
Additions	7	72	119	198
Disposals	—	(5)	—	(5)
Write down	—	(12)	—	(12)
Cost or valuation at 31 December 2020	7	237	119	363
Accumulated depreciation				
Opening balance at 1 January 2020	—	108	—	108
Depreciation for the year	1	42		43
Depreciation on disposals	—	—	—	—
Depreciation on write down	—	(5)		(5)
Cumulative depreciation at 31 December 2020	1	145	—	146
Net assets at 31 December 2020	**6**	**92**	**119**	**217**
Net assets at 31 December 2019	—	74	—	74

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery and small stores	4	6
Equipment/miscellaneous	2	—
IT consumables	16	1
	22	**7**

2.3 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	278	1,485
Exchequer grant undrawn	(119)	(1,427)
Net Exchequer funding	**159**	**58**
Represented by:		
Debtors		
Bank and cash	669	253
	669	253
Creditors		
Vote 9 Revenue Commissioners	(510)	(195)
	159	**58**

2.4 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			95	67
Disbursements from the Vote				
Estimate provision	Account	3,233		
Surplus to be surrendered	Account	(278)		
Net vote			2,955	1,723
Expenditure (cash) borne elsewhere	1.1		595	536
Net programme cost	1		(3,421)	(2,231)
Balance at 31 December			**224**	**95**

2.5 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	43	115
Total of legally enforceable commitments	**43**	**115**

Note 3 Vote Expenditure

Analysis of administration expenditure

All the programme expenditure is classified as administrative expenditure.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,541	2,249	1,408
ii	Travel and subsistence	20	1	2
iii	Training and development and incidental expenses	104	205	72
iv	Postal and telecommunications services	14	26	23
v	Office equipment and external IT services	384	315	161
vi	Office premises expenses	35	26	13
vii	Consultancy and other services	210	196	93
		3,308	**3,018**	**1,772**

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision €104,000; outturn €205,000

The additional spend of €101,000 on training and development and incidental expenses occurred due to the settlement of legal proceedings.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	75	63	49
	Total	**75**	**63**	**49**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**34**	**29**

5.2 Pay

	2020 €000	2019 €000
Pay	2,046	1,276
Higher, special or additional duties allowances	—	1
Overtime	5	5
Employer's PRSI	198	126
Total pay	**2,249**	**1,408**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	—	—	—	1,016
Overtime	11	—	1,074	4,612

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by Commission	Compensation awarded	Legal costs awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees of the Commission	1	—	100	—	100	—
Claims by members of the public	9	77	—	11	88	7
		77	**100**	**11**	**188**	**7**

Appropriation Account 2020

Vote 11

Office of the Minister for Public Expenditure and Reform

Introduction

As Accounting Officer for Vote 11, 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 2020 for the salaries and expenses of the Office of the Minister for Public Expenditure and Reform, for certain services administered by the Office of the Minister and for payment of certain grants.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.233 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Transfer of responsibilities

The delivery and development of IT services was transferred to Vote 43 Office of the Government Chief Information Officer on 1 January 2020. Prior to the creation of Vote 43, the Office's assets, liabilities and expenditure were accounted for under Vote 11 Office of the Minister for Public Expenditure and Reform. All relevant assets and liabilities were transferred to Vote 43.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the following exceptions:

Stocks

The Department of Finance (Vote 7) and the Department of Public Expenditure and Reform (Vote 11) share IT consumable stocks. Stock valuations are allocated on the basis of staff numbers in the respective Votes.

For efficiency and convenience reasons, spend on stationery stocks is recorded under Vote 7. However, as the stocks are deemed to be shared, they are included in the operating cost notes to the accounts of Vote 7 and Vote 11 and are allocated on the basis of staff numbers in the respective departments.

Capital assets

The OGCIO is an office of the Department and as it specialises in the delivery and development of IT services, it remains responsible for the Department's investment in IT and for its IT assets. In general, IT equipment assets are now recorded on the asset register of the OGCIO. However, the Department of Public Expenditure and Reform has retained and has purchased certain IT assets such as bespoke systems which are for its exclusive use.

Depreciation

From 1 January 2020, the method of depreciation changed from annual to monthly. Depreciation is charged on a straight line basis.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of HR and payroll shared service.

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

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.
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 11.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department.
- 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 Department 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 and Audit Committee

I confirm that the Department 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 Department 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.

Procurement compliance

The Department 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 Department has compiled with all relevant guidelines. The Department has provided details of one non-competitive contract in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 assigns 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Business continuity measures were put in to effect to deal with the impact of Covid-19 and this facilitated the Department in remaining fully operational during 2020.

Due to the devolved nature of budgeting within the Department itself, the outsourcing of operational accounting to the Department of Finance, payroll to the National Shared Services Office and IT systems that allowed the Department to work fully remotely from late March 2020, the pandemic-related measures had little effect on the Department's financial control environment.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

David Moloney
Accounting Officer
Department of Public Expenditure and Reform

24 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 11 Office of the Minister for Public Expenditure and Reform

Opinion on the appropriation account

I have audited the appropriation account for Vote 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2020 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 11 Office of the Minister for Public Expenditure and Reform for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Public Expenditure and Reform 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

25 August 2021

Vote 11 Office of the Minister for Public Expenditure and Reform

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Public expenditure and sectoral policy		20,355	19,618	18,640
B	Public service management and reform				
	Current year provision	24,574			
	Deferred surrender	146			
			24,720	22,102	40,905
Gross expenditure					
	Current year provision	44,929			
	Deferred surrender	146			
			45,075	**41,720**	**59,545**
	Deduct				
C	**Appropriations-in-aid**		**2,184**	**3,062**	**2,676**
	Current year provision	42,745			
	Deferred surrender	146			
Net expenditure			**42,891**	**38,658**	**56,869**

Surplus

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

	2020	2019
	€	€
Surplus	4,232,708	2,124,445
Deferred surrender	—	(146,000)
Surplus to be surrendered	**4,232,708**	**1,978,445**

David Moloney
Accounting Officer
Department of Public Expenditure and Reform

24 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		16,023	28,585
Pay		24,226	27,460
Non pay		1,471	3,500
Gross expenditure		**41,720**	**59,545**
Deduct			
Appropriations-in-aid		**3,062**	**2,676**
Net expenditure		**38,658**	**56,869**
Changes in capital assets			
Purchases cash	(203)		
Depreciation	34	(169)	615
Changes in net current assets			
Increase in closing accruals	3,393		
Decrease in closing stock	6	3,399	(899)
Direct expenditure		**41,888**	**56,585**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		7,368	5,332
Notional rents		2,449	2,449
Net programme cost		**51,705**	**64,366**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 11 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 7	Finance	995	815
Vote 9	Office of the Revenue Commissioners	—	375
Vote 12	Superannuation and Retired Allowances	4,065	3,653
Vote 13	Office of Public Works	1,643	2,157
Vote 18	National Shared Services Office	48	42
Vote 43	Office of the Government Chief Information Officer	617	—
Cost of shared services provided to other Votes		—	(1,710)
		7,368	**5,332**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	2,308	9,683
Current assets			
Bank and cash		1,385	1,009
Stocks	2.2	17	23
Other debit balances	2.3	67	316
Prepayments		448	3,659
Accrued income	2.4	65	369
Total current assets		**1,982**	**5,376**
Less current liabilities			
Accrued expenses		186	308
Other credit balances	2.5	1,270	1,339
Net Exchequer funding	2.6	182	(14)
Total current liabilities		**1,638**	**1,633**
Net current assets		344	3,743
Net assets		**2,652**	**13,426**
Represented by:			
State funding account	2.7	**2,652**	**13,426**

2.1 Capital assets

	IT equipment	Furniture and fittings	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	24,693	141	2	1,460	26,296
Transfer to Office of the Government Chief Information Officer	(21,472)	(126)	—	—	(21,598)
Additions	—	—	—	203	203
Disposals	(1)	—	—	—	(1)
Capital assets under development brought into service	1,563	—	—	(1,563)	—
Cost or valuation at 31 December 2020	4,783	15	2	100	4,900
Accumulated depreciation					
Opening balance at 1 January 2020	16,550	61	2	—	16,613
Transfer to Office of the Government Chief Information Officer	(13,997)	(57)	—	—	(14,054)
Depreciation method adjustment	(76)	(1)	—	—	(77)
Depreciation for the year	110	1	—	—	111
Depreciation on disposals	(1)	—	—	—	(1)
Cumulative depreciation at 31 December 2020	2,586	4	2	—	2,592
Net assets at 31 December 2020	**2,197**	**11**	—	**100**	**2,308**
Net assets at 31 December 2019	8,143	80	—	1,460	9,683

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	9	13
IT consumables	8	10
	17	**23**

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	—	32
Recoupable travel expenditure	—	3
Recoupable travel pass expenditure	35	174
Other debit suspense items	32	107
	67	**316**

2.4 Accrued income

at 31 December	2020	2019
	€000	€000
National Lottery Regulator pension contributions	9	333
Institute of Public administration – additional superannuation contributions	56	36
	65	**369**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	486	491
Pay related social insurance	217	227
Professional services withholding tax	26	148
Value added tax	24	250
Pension contributions	80	89
Local property tax	2	3
	835	1,208
Payroll deductions held in suspense	104	107
Other credit suspense items	331	24
	1,270	**1,339**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	4,233	1,978
Deferred surrender	—	146
Exchequer grant undrawn	(4,051)	(2,138)
Net Exchequer funding	**182**	**(14)**
Represented by:		
Debtors		
Bank and cash	1,385	1,009
Debit balances: suspense	67	316
	1,452	1,325
Creditors		
Due to the State	(835)	(1,208)
Credit balances: suspense	(435)	(131)
	(1,270)	(1,339)
	182	**(14)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			13,426	13,142
Disbursements from the Vote				
Estimate provision	Account	42,745		
Deferred surrender	Account	146		
Surplus to be surrendered	Account	(4,233)		
Net vote			38,658	56,869
Expenditure (cash) borne elsewhere			7,368	5,332
Non-cash items — capital assets transfer			(7,544)	—
Non-cash expenditure – notional rent			2,449	2,449
Net programme cost			(51,705)	(64,366)
Balance at 31 December			**2,652**	**13,426**

2.8 Commitments

Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	—	643
Capital projects	—	107
Total of legally enforceable commitments	—	**750**

2.9 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**7**	**6**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	24,551	24,227	27,460
ii	Travel and subsistence	308	104	320
iii	Training and development and incidental expenses	950	842	1,161
iv	Postal and telecommunications services	22	14	214
v	Office equipment and external IT services	93	190	1,446
vi	Office premises expenses	377	321	355
vii	Consultancy and other services	30	—	4
		26,331	**25,698**	**30,960**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €308,000; outturn €104,000

The decrease of €204,000 on expenditure on travel and subsistence was due to travel restrictions during the Covid-19 pandemic.

iii Training and development and incidental expenses

Estimate provision €950,000; outturn €842,000

The decrease of €108,000 on expenditure on training and development and incidental expenses was due to a reduction in training and physical meetings with external stakeholders.

Programme A Public Expenditure and Sectoral Policy

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	10,583	10,745	9,648
A.2	Administration − non pay	738	592	981
A.3	Economic and Social Research Institute – administration and general expenses	2,775	2,775	2,775
A.4	Structural funds technical assistance and other costs	1,295	1,115	1,104
A.5	Technical assistance costs of Regional Assemblies	650	650	650
A.6	Special EU Programmes Body and North/South programmes	2,380	2,112	2,300
A.7	Ireland/Wales and Transnational INTERREG	195	149	79
A.8	Consultancy and other services	421	140	277
A.9	Funding for pensions for bodies under the aegis of the Department	450	1,168	542
A.10	Irish Government Economic and Evaluation Service	368	172	284
A.11	Construction innovation support	500	—	—
		20,355	**19,618**	**18,640**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €737,000 lower than the sum provided.

A.4 Structural funds technical assistance and other costs

Estimate provision €1.295 million; outturn €1.115 million

The savings in expenditure of €180,000 relative to the estimate provision was due to less external audit expertise being required than had been planned.

A.6 Special EU Programmes Body and north/south programmes

Estimate provision €2.38 million; outturn €2.112 million

The saving in expenditure of €268,000 relative to the estimate provision was due to the timing of SEUPB activities in relation to programme expenditure.

A.8 Consultancy and other services

Estimate provision €421,000; outturn €140,000

The shortfall in expenditure of €281,000 relative to the estimate provision was due to the timing of reviews of OPW flood relief environment impact schemes for Ministerial confirmation and the National Investment Office delaying some aspects of work due to the Covid-19 pandemic.

A.9 Funding for pension for bodies under the aegis of the Department.

Estimate provision €450,000; outturn €1.168 million.

The excess in expenditure of €718,000 relative to the estimate provision was due to a number of retirements that had not been forecast at the time of the revised estimates in late 2019.

A.10 Irish Government Economic Evaluation Services

Estimate provision €368,000; outturn €172,000

The saving in expenditure of €196,000 relative to the estimate provision was due to a reprioritisation of work, including the postponement of events as a result of the Covid-19 pandemic.

A.11 Construction innovation support

Estimate provision €500,000; outturn: €nil

The saving in expenditure of €500,000 relative to the estimate provision was due to the required programme of work not being advanced sufficiently in 2020 to allow for funds to be granted to an appropriate applicant through open competition.

Programme B Public Service Management and Reform

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	13,968	13,482	17,812
B.2	Administration − non pay	1,042	879	2,519
B.3	Institute of Public Administration	2,725	2,725	2,725
B.4	Civil service arbitration and appeals procedure	42	33	32
B.5	Consultancy and other services	506	137	367
B.6	Public Service Innovation Fund	1,000	933	—
B.7	Reform agenda	1,190	923	1,314
B.8	Employee assistance officer shared service	1,451	1,346	1,376
B.9	Public pay determination support	190	17	226
B.10	Civil service learning and development programme	1,000	448	675
B.11	Single public service pension administration project	290	9	244
B.12	Implementation of Protected Disclosures Act	220	220	220
B.13	Non-profit sector data project	950	950	950
	Office of the Government Chief Information Officer	—	—	12,445
		24,574	**22,102**	**40,905**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €2.472 million lower than provided. Savings in administration expenditure totalled €650,000. The balance of the variance was mainly due to the following:

B.5 Consultancy and other services

Estimate provision €506,000; outturn €137,000

The saving in expenditure of €369,000 relative to the estimate provision was due to lower than expected legal advice costs required by civil service HR as well as the postponement of public service consultancy expenditure across business units in Programme B.

B.7 Reform agenda

Estimate provision €1.19 million; outturn €923,000

The saving in expenditure of €267,000 relative to the estimate provision was due to a combination of smaller savings over a number of policy and programme areas, particularly in civil service HR resourcing, policy and capacity.

B.8 Employee assistance officer shared service

Estimate provision €1.451 million; outturn €1.346 million

The saving in expenditure of €105,000 relative to the estimate provision was due to savings in programme pay as well as reduced travel costs as employee assistance officers were largely unable to physically meet clients across the State during the pandemic.

B.9 Public Pay determination support

Estimate provision €190,000; outturn €17,000

The saving in expenditure of €173,000 relative to the estimate provision was due to anticipated external support not being required.

B.10 Civil service learning and development programme

Estimate provision €1 million; outturn €448,000

The saving in expenditure of €552,000 relative to the estimate provision was due, in the main, to delays in the project to fit out alternative classroom facilities to replace OneLearning's TUD Mountjoy Square classrooms. The lease on the TUD premises expired on 31 December 2020.

B.11 Single public service pension administration project

Estimate provision €290,000; outturn €9,000

The saving in expenditure of €281,000 relative to the estimate provision was, in the main, due to a delay as a result of Covid-19 in the planned design and development work for a future central ICT system to support the administration of the Single Pension Scheme across the public service. Savings also arose due to classroom based training being suspended due to Covid-19 restrictions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	EU programmes	708	1,075	667
2	Pension cash flow surpluses	56	483	85
3	Miscellaneous	60	74	120
4	Receipts from additional superannuation contributions on public service remuneration	1,360	1,430	1,804
	Total	**2,184**	**3,062**	**2,676**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €878,000 more than the original estimate. Explanations for variances are set out below:

1 EU programmes

Estimate €708,000; realised €1.075 million

The increase of €367,000 was due to the difficulty in estimating the timing as well as the value of reimbursements pertaining to EU programmes.

2 Pension cash flow surpluses

Estimate €56,000; realised €483,000

The increase of €427,000 was due, in the main, to payments by the National Lottery Regulator of accumulated employee and employer contributions on the resolution of a number of pension matters.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Voluntary surrender of ministerial salaries	28	19
EU receipt – Open Data Project	95	—
EU receipt – Road Project	36	—
EU receipt – TII Atlantic Project	254	—
Miscellaneous receipts	3	—
Return of 2020 public service innovation grants	44	—
Transferred to the Exchequer	(460)	(19)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**377**	**430**

5.2 Pay

	2020 €000	2019 €000
Pay	24,175	26,947
Higher, special or additional duties allowances	241	275
Other allowances	23	53
Overtime	26	80
Employer's PRSI	1,889	2,039
Total pay [a]	**26,354**	**29,394**

Note [a] The total pay figure is distributed across subheads A.1, A.4, B.1 and B.8. The Department does not directly fund the pay costs of any of the bodies under its aegis.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	32	6	33,016	34,389
Other allowances	3	1	13,590	8,984
Overtime	18	—	7,306	11,350
Extra remuneration in more than one category	1	1	14,915	28,469

5.4 Other remuneration arrangements

This account includes expenditure of €291,417 (2019: €159,582) in respect of four officers (2019: three officers) who were serving outside the Department for all or part of 2020 and whose salary was paid by the Department.

Under the terms of the AHCPS 1% Programme for Competitiveness and Work (PCW) restructuring agreement, 46 officers (2019: 42) received a total of €110,137 (2019: €106,218) in respect of PCW/seniority allowances.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	24	75,535	49,043
Recovery plans in place	4	7,172	12,487

Three individuals with recovery plans in place to a value of €1,060 transferred to other departments in the year.

Note 6 Miscellaneous

6.1 EU funding

The outturn shown in Subheads A.4, A.5 and A.6 includes the following payments in respect of activities which are co-financed by the EU. Estimates of expenditure and actual outturns were as follows:

Heading	Description	2020 Estimated €000	2020 Outturn €000	2019 Outturn €000
A.4	Structural funds and technical assistance and other costs	735	726	857
A.5	Technical assistance costs of Regional Assemblies	650	650	650
A.6	Peace Programme/Northern Ireland INTERREG	1,175	1,120	1,339
		2,560	**2,496**	**2,846**

6.2 Committees, commissions and special inquiries

	Year established	2020 €000	2019 €000
Civil Service Arbitration Board [a]	1950/51	17	32
Top Level Appointments Committee [b]	1984	50	51
		67	**83**

Note [a] The Civil Service Arbitration Board provides means acceptable both to the State and to its employees for dealing with claims and proposals relating to the conditions of service of civil servants and to secure the fullest co-operation between the State, as employer, and civil servants, as employees, for the better discharge of public business.

[b] The Top Level Appointments Committee (TLAC) was established in 1984. The Committee's function is to recommend candidates to Ministers and Government for the most senior positions in the civil service – at Assistant Secretary level and upwards. By carrying out this function in an independent manner and by making its decisions strictly on the basis of the relative merit of the candidates for the positions concerned, TLAC aims to strengthen the management structure of the civil service, and to provide a means by which the best candidates can aspire to fulfilling their potential.

Note 7 Contingency Fund

	2020 €000	2019 €000
Balance at 1 January	1,200	1,200
Receipts	—	—
Payments	—	—
Balance at 31 December	**1,200**	**1,200**

The Contingency Fund is a non-statutory fund formed in 1923. The fund is available for use to facilitate the defraying of urgent or unforeseen expenditure which is not covered by the ordinary Votes and for which it may be impracticable to seek the immediate approval of Dáil Éireann e.g. during recess.

The procedures in relation to the operation of the Fund are set out in *Public Financial Procedures* (Sections C.1.5 to C.1.12).

The size of the Fund is reviewed every five years. Following a review in 2020, it was decided that the fund should remain at its existing level.

Appendix A Accounts of bodies and funds under the aegis of the Department of Public Expenditure and Reform

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Economic and Social Research Institute	2019	3 Jul 2020	31 Jul 2020	13 Oct 2020
Institute of Public Administration	2019	3 Dec 2020	9 Dec 2020	21 Jan 2021
Ireland-United States Educational Fund	2019	10 Dec 2020	11 Dec 2020	14 Dec 2020
Regulator of the National Lottery	2019	21 Dec 2020	24 Feb 2021	25 Feb 2021
Special EU Programmes Body	2019	3 Feb 2021	8 Feb 2021	17 Feb 2021
State Property Miscellaneous Deposit Account	2019	10 Dec 2020	11 Dec 2020	14 Dec 2020
Traveller's Protection Fund	2019	20 Apr 2020	20 Apr 2020	21 Apr 2020

Appropriation Account 2020

Vote 12

Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 12, 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 2020 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform; fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Authority, and other professional fees, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €113.209 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, 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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, all 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of HR and payroll shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

I confirm that the Department 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 Department 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.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out and measures put in place allowing nearly all staff to be fully operational through remote access by the end of March 2020 thereby minimising losses in labour productivity due to Covid related disruption.

Due to the arrangements outlined above and the availability of shared IT platforms, Vote 12 was working remotely from late March 2020, and the pandemic had little effect on the financial control environment.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

David Moloney
Accounting Officer
Superannuation and Retired Allowances

24 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 12 Superannuation and Retired Allowances

Opinion on the appropriation account

I have audited the appropriation account for Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2020 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 12 Superannuation and Retired Allowances for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Public Expenditure and Reform 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 September 2021

Vote 12 Superannuation and Retired Allowances

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Superannuation and retired allowances	640,117	628,412	598,656
Gross expenditure		**640,117**	**628,412**	**598,656**
B	**Appropriations-in-aid**	**264,600**	**366,104**	**337,680**
Net expenditure		**375,517**	**262,308**	**260,976**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**113,209,239**	**110,322,479**

David Moloney
Accounting Officer
Superannuation and Retired Allowances

24 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		628,140	598,419
Pay		—	—
Non pay		272	237
Gross expenditure		**628,412**	**598,656**
Deduct			
Appropriations-in-aid		**366,104**	**337,680**
Net expenditure		**262,308**	**260,976**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,803	3,546
Net programme cost		**266,111**	**264,522**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 12 borne elsewhere.

		2020	2019
		€000	€000
Vote 7	Finance	44	40
Vote 18	National Shared Services Office	2,674	2,575
Central Fund		1,085	931
		3,803	**3,546**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Current assets			
Bank and cash	2.1	18,454	16,080
Other debit balances	2.2	267	751
Total current assets		**18,721**	**16,831**
Less current liabilities			
Other credit balances	2.3	11,439	14,737
Net Exchequer funding	2.4	7,282	2,094
Total current liabilities		**18,721**	**16,831**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.5	**—**	**—**

2.1 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	17,755	16,052
Commercial bank account balance	699	28
	18,454	**16,080**

2.2 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable pensions owed by other departments	267	269
National Shared Services Office		482
	267	**751**

2.3 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	7,656	7,336
Universal social charge	1,258	1,264
Local property tax	141	138
	9,055	8,738
Voluntary pension deductions held in suspense	17	4,142
Other credit suspense items	2,367	1,857
	11,439	**14,737**

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	113,209	110,322
Exchequer grant undrawn	(105,927)	(108,228)
Net Exchequer funding	**7,282**	**2,094**
Represented by:		
Debtors		
Bank and cash	18,454	16,080
Debit balances: suspense	267	751
	18,721	16,831
Creditors		
Due to the State	(9,055)	(8,738)
Credit balances: suspense	(2,384)	(5,999)
	(11,439)	(14,737)
	7,282	**2,094**

2.5 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	375,517		
Surplus to be surrendered	Account	(113,209)		
Net vote			262,308	260,976
Expenditure (cash) borne elsewhere			3,803	3,546
Net programme cost			(266,111)	(264,522)
Balance at 31 December			**—**	**—**

Note 3 Vote Expenditure

Programme A Superannuation and Retired Allowances

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	466,144	456,298	429,927
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	42,679	43,011	42,912
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	325	253	303
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	107,233	106,065	103,406
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	22,500	21,883	21,297
A.6	Injury grants and medical fees	387	328	375
A.7	Pension related fees and other expenses	394	272	237
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997	400	248	145
A.9	Pension liabilities of former public service bodies payable under statute	55	54	54
		640,117	**628,412**	**598,656**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000).

A.7 Pension related fees and other expenses

Estimate provision €394,000; outturn €272,000

A provision for legal fees remained unused at the 2020 year end resulting in a lower than expected 2020 outturn.

A.8 Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Estimate provision €400,000; outturn €248,000

This act provides that individuals who became liable for 'chargeable excess' income tax can choose to repay any chargeable excess over a post retirement period of up to 20 years, but the full amount owing must be paid by the pension administrator to the Collector General within three months of the person's retirement. Where this occurs, it is shown as a charge under subhead A8.

The shortfall in expenditure of €152,000 relative to the estimate provision of €400,000 was due to fewer people exercising their right to create a charge to the Vote than expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff	28,000	25,400	28,000
2	Receipts in respect of pension liability of staff on loan, etc.	1,300	1,009	933
3	Contribution to spouses' and children's pension scheme for civil servants and others	18,200	17,055	17,239
4	Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)	31,200	36,854	33,074
5	Repayments of gratuities, etc.	800	112	640
6	Purchase of notional service	5,000	6,405	5,244
7	Single scheme contributions	180,000	279,269	252,550
8	Miscellaneous	100	—	—
	Total	**264,600**	**366,104**	**337,680**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €101.504 million more than the estimate. Explanations for variances are set out below.

1 Receipts from the Social Welfare Consolidation Act 1993 (No. 38 of 1993) in respect of pension liability of staff

Estimate €28 million; realised €25.4 million

The receipts due under this legislation were reviewed. The outcome of this review was that the receipts due were to be reduced to €25.4 million from €28 million and these receipts were lodged accordingly.

2 Receipts in respect of pension liability of staff on loan, etc.

Estimate €1.3 million; realised €1.009 million

The decrease of approximately €300,000 was due to a decrease in the number of staff on loan, which is difficult to predict year to year.

3 Contribution to spouses' and children's pension scheme for civil servants and others

Estimate €18.2 million; realised €17.055 million

The decrease of €1.1 million was due to lower than expected contributions to spouses' and children's pension scheme for civil servants and others. This can fluctuate from year to year.

4 Receipts in respect of the contributory scheme introduced for established civil servants who were appointed on and after 6 April 1995 (Circular 6/95)

Estimate €31.2 million; realised €36.854 million

The increase of approximately €5.7 million was due to an underestimation of the level of receipts from the cohort of civil servants appointed on or after 6 April 1995 and before 1 Jan 2013 and who are members of the established scheme. The number in this cohort is decreasing as retirements occur, but the level of contributions is affected by changes in the salary levels of this cohort which may increase in line with career progression.

5 Repayments of gratuities, etc.

Estimate €800,000; realised €112,000

This subhead varies year on year as it is dependent on the occurrence of civil servants repaying gratuities. As a result, the estimate can be difficult to predict.

6 Purchase of notional service

Estimate €5 million; realised €6.405 million

Purchase of notional service is at the discretion of officers, and therefore it is difficult to accurately forecast receipts on this subhead.

7 Single scheme contributions

Estimate €180 million; realised €279.269 million

The amount credited to the Vote in respect to the Single Public Service Pension Scheme represents contributions made by all new public servants who commence employment after 1 January 2013. While there is central oversight of total public service employee numbers, the number of new entrants, the timing of their engagement and the grade and pay level at which they are engaged in individual sectors in any year is managed in those sectors and is subject to wide variation. Due to the nature of recruitment and retirement processes across the public service, a level of variation in estimates versus receipts will remain.

Note 5 Staffing and Remuneration

5.1 Staff

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 18 – National Shared Services Office. Staff engaged on the formulation of superannuation policy are charged to Vote 11 – Office of the Minister for Public Expenditure and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

		2020	2019
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	19,961	18,858
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	2,986	2,940
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	18	20
A.5	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	4,438	4,546
A.9	Pension liabilities of former public service bodies payable under statute	3	3
		27,406	**26,367**

5.3 Pension payment agency services

The Department (Vote 12) makes pension payments, on an agency basis, to former staff of the bodies detailed below.

Name of body	Number of pensioners	Gross value (per annum)
		€million
Vocational Education Committee/Institute of Technology/Education Training Board pensions	11,689	299
FÀS/SOLAS pensions	1,554	30

The amounts paid are charged to Vote 26 Education and Vote 45 Further and Higher Education, Research, Innovation and Science.

5.4 Overpayment of pensions

Overpayments at year end were €190,642 (48 cases) (2019: €161,410 (37 cases)). All of these cases have recoupment plans in place.

Note 6 Miscellaneous

6.1 Abatement of pensions

The Pensions (Abatement) Act 1965 and the Public Service (Single Scheme and other Provisions) Act 2012 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The legislation also provides that such abatements may be waived at the discretion of the Minister for Public Expenditure and Reform.

In 2020, the pensions of 17 retired civil servants were fully or partially abated. The total amount abated in 2020 was €91,828.

Appropriation Account 2020

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 2020 for the salaries and expenses of the Office of Public Works, for services administered by that Office and for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.233 million is liable for surrender to the Exchequer.

The Office of Public Works (the Office) incurs expenditure on behalf of other Government departments and agencies. The expenditure incurred on their behalf is set out in Note 2.10. In addition, the Office provides client services on behalf of the State. This expenditure is set out in Note 1.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exceptions below.

Valuation of capital assets

The Office recognises the value of land and buildings as follows.

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value.

Capital expenditure in a number of areas is not recognised in Note 2.1 (Capital assets) as follows.

- Expenditure on improvements on certain buildings is not included. The change in value will be reflected at the next valuation date.
- Expenditure on improvements to leased buildings is not capitalised.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading fixtures and fittings at historical cost and is not revalued. Artwork acquired prior to 1 January 2008 has not been capitalised.

Depreciation

Depreciation is calculated on an annual basis. The depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, to a projected residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

Capital assets under development

Expenditure on works on existing properties owned by the Office carried out under Subhead B6 (New works alterations and additions) is capitalised under its relevant asset category in the year the expenditure is incurred save for the exceptions outlined above where capital expenditure is not recognised as a capital asset. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

Property lease payments

The Office recognises payment for goods and services when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements once the lease commences, and the rent is due and payable, then the Office is satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments, the Office charges the payment to the Vote and transfers the funds to suspense.

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 Chairman. 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll and travel shared services for civil service grades.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for key business processes have been documented.
- There are systems in place to safeguard the assets.

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
- a corporate governance framework for the Office is in place.

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 recommendations arising from reports of the internal audit function are implemented.

Non-compliance with procurement rules

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.

In 2020, the Office complied with the guidelines with the exception of 21 instances totalling €3.079 million.

- €185,570 related to payments to three suppliers where there was no contract in place.
- €592,456 related to payments to ten suppliers where there was no procurement method employed.
- €2,163,222 related to payments to six suppliers where a contract was extended as the new procurement process was not complete.
- €137,827 related to payments to two suppliers where the contract value was in excess of the advertising threshold but was awarded by way of requests for tenders sent to preferred bidders.

The Office has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on an annual 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 assigns 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 and the Management Board, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working environment with remote becoming normal for most office-based staff from March 2020. The control environment itself remains largely unchanged. Under the Office's business continuity framework, a risk assessment of the Covid-19 impact on the control environment was carried out. I confirm that both existing controls and those introduced as a result of Covid-19 continue to be effective.

The Office has identified additional costs of €2.4 million incurred in 2020 that were directly related to the Office's response to working in a Covid-19 environment. In the main, additional costs relate to construction costs, health and safety equipment and ICT requirements.

The Office has also experienced a shortfall in receipts due to the pandemic. Concession fees and rental income of €239,000 were written off.

Internal financial control issues

The following internal financial control issue was identified in 2020:

Expenditure on measured term maintenance contract

A measured term maintenance contract entered into in 2014 had an anticipated value estimated at €12 million over four years. The contract term ended in October 2018. In 2020, the OPW incurred expenditure of €1.5 million on works placed under the contract prior to the term end. This brought the total expenditure under this contract to €48.3 million at year end 31 December 2020.

A replacement measured term maintenance contract entered into in October 2018 had an anticipated value estimated at €15 million. In 2020, the OPW incurred expenditure of €13.8 million on building works under the contract. A further €24.1 million related to urgent Brexit Infrastructure works under the contract. This brought the total expenditure under this contract to €26.5 million on building works and €46.1 million on urgent Brexit Infrastructure works.

Maurice Buckley
Accounting Officer
Office of Public Works

22 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

Opinion on the appropriation account

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2020 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 13 Office of Public Works for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of Public Works 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2020.

Expenditure under a maintenance contract

Chapter 6 of my report on the accounts of the public services for 2018 examined excess expenditure by the Office of Public Works under a maintenance contract in the period 2015 to 2018. The Accounting Officer has disclosed in the statement on internal financial control that further excess expenditure occurred in 2020 on a replacement maintenance contract.

Seamus McCarthy
Comptroller and Auditor General

24 September 2021

Vote 13 Office of Public Works

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Flood risk management		126,219	107,664	99,296
B	Estate management				
	Estimate provision	379,208			
	Deferred surrender	8,000			
			387,208	380,643	355,835
Gross expenditure					
	Estimate provision	505,427			
	Deferred surrender	8,000			
			513,427	**488,307**	**455,131**
	Deduct				
C	**Appropriations-in-aid**		**15,000**	**12,113**	**24,314**
Net expenditure					
	Estimate provision	490,427			
	Deferred surrender	8,000			
			498,427	**476,194**	**430,817**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €20 million of unspent allocations in respect of the capital elements of Subhead A.5 and B.5 was carried forward to 2021.

	2020	2019
	€	€
Surplus	22,232,890	8,921,440
Deferred surrender	(20,000,000)	(8,000,000)
Surplus to be surrendered	**2,232,890**	**921,440**

Maurice Buckley
Accounting Officer
Office of Public Works

22 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		428,088	399,146
Administration - pay		47,785	43,487
Administration - non pay		12,434	12,498
Gross expenditure		**488,307**	**455,131**
Deduct			
Appropriations-in-aid		**12,113**	**24,314**
Net expenditure		**476,194**	**430,817**
Changes in capital assets			
Purchases cash	(11,234)		
Depreciation	5,033		
Disposals cash	2,876		
Gain on disposal	(195)	(3,520)	(470)
Changes in net current assets			
Decrease in closing accruals	(6,309)		
Increase in stock	(283)	(6,592)	(6,434)
Direct expenditure		**466,082**	**423,913**
Expenditure on services where OPW acts as client		(111,390)	(106,998)
Direct expenditure (excluding services where OPW acts as client)		**354,692**	**316,915**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(175,607)	(171,059)
Net programme cost [a]		**179,085**	**145,856**

Note [a] The net programme cost does not include the following.

- Notional rents receivable by the OPW on State owned properties are estimated at some €89.8 million. Notional rents payable by OPW are estimated at €3.6 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 13 borne elsewhere and costs borne by Vote 13 in respect of other Votes.

		2020 €000	2019 €000
Vote 9	Office of the Revenue Commissioners	53	8
Vote 12	Superannuation and Retired Allowances	22,882	22,446
Vote 18	National Shared Services Office	82	76
Apportioned cost of shared services for other Votes		(198,624)	(193,589)
		(175,607)	**(171,059)**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	3,429,835	3,349,956
Current assets			
Bank and cash	2.2	71,030	40,667
Stocks	2.3	1,995	1,712
Prepayments	2.4	29,881	21,646
Accrued income		3,570	3,444
Other debit balances	2.5	5,512	13,846
Total current assets		**111,988**	**81,315**
Less current liabilities			
Accrued expenses		9,567	7,345
Deferred income		173	343
Other credit balances	2.6	48,310	45,592
Net Exchequer funding	2.7	28,232	8,921
Total current liabilities		**86,282**	**62,201**
Net current assets		25,706	19,114
Net assets		**3,455,541**	**3,369,070**
Represented by:			
State funding account	2.8	**3,455,541**	**3,369,070**

2.1 Capital assets

	Land and buildings [a]	Plant and machinery	Office equipment	Furniture and fittings	Assets under development [b]	Total [c]
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	3,322,506	49,227	24,813	22,707	2,228	3,421,481
Adjustments [d]	3,155	—	—	—	—	3,155
Additions	13,865	8,561	693	75	2,029	25,223
Disposals	(2,550)	(2,246)	(415)	(33)	—	(5,244)
Brought in to use	—	—	—	—	(25)	(25)
Revaluation on disposal	(6,725)	—	—	—	—	(6,725)
Revaluations [e]	65,974	—	—	—	—	65,974
Cost or valuation at 31 December 2020	3,396,225	55,542	25,091	22,749	4,232	3,503,839
Accumulated depreciation						
Opening balance at 1 January 2020	—	34,875	21,520	15,130	—	71,525
Adjustment	—	—	10	—	—	10
Depreciation for the year	—	3,328	1,419	286	—	5,033
Depreciation on disposals	—	(2,117)	(415)	(32)	—	(2,564)
Cumulative depreciation at 31 December 2020	—	36,086	22,534	15,384	—	74,004
Net assets at 31 December 2020	**3,396,225**	**19,456**	**2,557**	**7,365**	**4,232**	**3,429,835**
Net assets at 31 December 2019	3,322,506	14,352	3,293	7,577	2,228	3,349,956

Notes
[a] An analysis of the valuations of land and buildings is given below.
[b] Capital assets under development does not include construction projects carried out under Subhead B6 New works, alterations and additions.
[c] Expenditure on leased buildings is not capitalised.
[d] The adjustment figure relates to assets identified in the year and added to the Capital Assets Register.
[e] The revaluation figure principally relates to the change in value on 36 assets subject to revaluation by the OPW in 2020.

Valuation of land and buildings

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation bases. The number of buildings and the related value under each valuation basis used is set out below.

Valuation bases	2020		2019	
	Number of buildings	€000	Number of buildings	€000
Market value	291	894,778	286	830,109
Building cost norms	538	716,682	544	718,711
Cost	145	856,859	140	845,780
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
Miscellaneous properties [a]	228	—	235	—
	1,940	**3,396,225**	**1,943**	**3,322,506**

Note [a] Miscellaneous properties have been added to the valuation of land and building table in 2020. These assets were excluded in previous years as they have a nil valuation. The assets are various categories of land and buildings including secondary properties or land where the overall valuation for the full site is included on the primary asset in the table above.

2.2 Bank and cash

at 31 December	2020 €000	2019 €000
PMG balances	71,030	40,660
Petty cash	5	7
Orders outstanding	(5)	—
	71,030	**40,667**

2.3 Stocks

at 31 December	2020 €000	2019 €000
Engineering stocks	974	825
Heritage depot stocks	919	801
Building materials	42	30
Stationery	33	32
Miscellaneous stocks	27	24
	1,995	**1,712**

2.4 Prepayments

at 31 December	2020	2019
	€000	€000
Administration	1,136	943
Flood risk management	15	1,142
Estate management	28,730	19,561
	29,881	**21,646**

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Agency balances (note 2.10)	5,456	12,348
Other debit balances	56	1,498
	5,512	**13,846**

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,329	1,063
Universal social charge	268	224
Pay related social insurance	1,157	941
Professional services withholding tax	904	713
Value added tax	8,439	5,970
Pension contributions	305	260
Local property tax	9	10
	12,411	9,181
Agency balances (note 2.10)	16,738	23,522
Sundry works account	116	17
Property management [a]	16,824	10,923
Percent for art scheme	2,013	1,047
Miscellaneous heritage	45	802
Payroll deductions held in suspense	87	—
Other credit balances	76	100
	48,310	**45,592**

Note [a] As at 31 December 2020, the value of lease payments charged to the vote and transferred to suspense was €13.2 million. Of this €7.3 million was charged to subhead B8, €135,000 was charged to subhead B9 and €5.8 million was charged to subhead B6.

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,233	921
Deferred surrender	20,000	8,000
Exchequer grant undrawn	5,999	—
Net Exchequer funding	**28,232**	**8,921**
Represented by:		
Debtors		
Bank and cash	71,030	40,667
Debit balances: suspense	5,512	13,846
	76,542	54,513
Creditors		
Due to the State	(12,411)	(9,181)
Credit balances: suspense	(35,899)	(36,411)
	(48,310)	(45,592)
	28,232	**8,921**

2.8 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			3,369,070	3,351,458
Disbursements from the Vote				
Estimate provision	Account	498,427		
Deferred surrender	Account	(20,000)		
Surplus to be surrendered	Account	(2,233)		
Net vote			476,194	430,817
Expenditure (cash) borne elsewhere	1.1		23,017	22,530
Allied services	1.1		(198,624)	(193,589)
Client services	1		(111,390)	(106,998)
Net programme cost	1		(179,085)	(145,856)
Asset adjustments			76,359	10,708
Balance at 31 December			**3,455,541**	**3,369,070**

2.9 Commitments

a) Global commitments at 31 December	2020 €000	2019 €000
Procurement of goods and services	6,243	13,259
Non-capital grant programmes	1,000	1,250
Capital grant programmes	12,768	13,199
Capital projects	62,100	38,996
Public private partnership projects	365,978	391,587
Total of legally enforceable commitments	**448,089**	**458,291**

In addition, there were commitments outstanding at the end of 2020 in respect of rental of leased properties and associated service charges. Figures have not been included for such commitments above but they are estimated to be €114.9 million in 2021 (2020: €113.6 million).

b) Non-capital grant programmes	2020 €000	2019 €000
Opening balance	1,250	1,500
Grants paid in the year	(250)	(250)
Closing balance	**1,000**	**1,250**

c) Capital grant programmes	2020 €000	2019 €000
Opening balance	13,199	12,720
Adjustment [a]	24	769
New grant commitments	16	258
Grants paid in the year	(449)	(548)
Grants cancelled	(22)	—
Closing balance	**12,768**	**13,199**

Note [a] This adjustment is required to account for prior-year grant commitments omitted from the opening balance.

d) Major capital projects

Major ongoing projects during 2020 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows.

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years [a]	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Flood risk management					
River Dodder Fluvial Scheme	15,818	2,049	1,650	19,517	17,818
Ennis Lower	18,173	267	733	19,173	19,173
Bray	42,327	197	130	42,654	42,577
Waterford	16,004	45	51	16,100	16,100
Bandon	24,964	4,886	1,500	31,350	28,432
Skibbereen	32,189	805	1,506	34,500	34,500
Clonakilty	20,003	5,912	3,900	29,815	25,900
Ennis South	5,408	9,958	4,240	19,606	17,400
Douglas	4,204	7,176	8,420	19,800	19,500
Athlone	4,822	3,790	6,000	14,612	10,750
Clare Galway	10,184	783	250	11,217	11,000
Lower Morell FRS	620	805	9,384	10,809	—
Total	**194,716**	**36,673**	**37,764**	**269,153**	**243,150**
Estate Management					
Miesian Plaza	21,290	28	2,123	23,441	23,441
Leinster House	16,264	1,577	159	18,000	16,641
Total	**37,554**	**1,605**	**2,282**	**41,441**	**40,082**

Note [a] Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2019 to 2020.

Flood risk management

River Dodder (fluvial scheme)

Increase in expected total spend: €1.699 million

The revised estimated total project cost is as a result of a necessary change to the piling solution in order to progress the scheme in a timely manner.

Bandon

Increase in expected total spend: €2.918 million

The revised estimated total project cost is as a result of the completion of a conciliation process and the payment of a final account settlement agreement.

Clonakilty

Increase in expected total spend: €3.915 million

The revised estimated total project cost is as a result of changes to the scope of the project that were necessary due to the vulnerability of buildings adjacent to the works in Clonakilty town centre and their poor structural condition.

Ennis South

Increase in expected total spend: €2.206 million

The revised estimated total project cost is as a result of a major re-design of defences necessitated due to poorer than anticipated ground conditions.

Athlone

Increase in expected total spend: €3.862 million

The revised estimated total project cost is as a result of inclusion of additional works not anticipated in the original design. In addition, enhancements to the original design were made including cladding and paving works and the widening of embankments to facilitate a future cycleway.

Estate management

Leinster House

Increase in expected total spend: €1.359 million

The revised estimate arose due to additional necessary works identified during the course of the project that were not foreseen.

e) Unitary payments of Public Private Partnership projects

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Legally enforceable commitments to be met in subsequent years	Expected project total 2020	Expected project total 2019
	€000	€000	€000	€000	€000
Convention Centre Dublin	374,823	23,879	365,978	764,680	766,410

2.10 Provision of agency services

In addition to expenditure on Vote 13, the Office also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the Office by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2020 was €138 million which included major capital works (€114 million); leasing of accommodation (€19.2 million); maintenance works (€2.9 million) and schools programme (€1.9 million).

Agency services account

at 31 December	**2020**	**2019**
	€000	**€000**
Opening balance at 1 January	(11,175)	(3,363)
Payments	137,956	112,520
Receipts	(138,063)	(120,332)
Closing balance [a]	(11,282)[a]	(11,175)

Note [a] The closing credit balance of €11.282 million is made up of debit agency balances (note 2.5) €5.456 million and credit agency balances (note 2.6) €16.738 million.

2.11 Contingent liabilities

The Office is involved in a number of pending legal proceedings and contractual conciliations, which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	44,840	47,785	43,487
ii	Travel and subsistence	2,310	1,534	2,332
iii	Training and development and incidental expenses	1,300	1,207	1,229
iv	Postal and telecommunications services	1,800	1,675	1,727
v	Office equipment and external IT services	6,382	6,704	6,095
vi	Office premises expenses	1,279	1,077	975
vii	Consultancy services and value for money and policy reviews	266	117	57
viii	Government Publication Services	170	120	83
		58,347	**60,219**	**55,985**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €44.84 million; outturn €47.785 million

The increase of €2.945 million is due to increased recruitment in 2019 and 2020 to meet the staff requirement to deliver the increased programme of works primarily on flood risk management.

ii Travel and subsistence

Estimate provision €2.31 million; outturn €1.534 million

The saving of €776,000 is a result of travel restrictions imposed to combat Covid-19 and the increased usage of virtual meetings.

vii Consultancy services and value for money and policy reviews

Estimate provision €266,000; outturn €117,000

The saving of €149,000 is a result of planned work in three areas being carried over into 2021.

Programme A Flood risk management

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	11,796	12,888	11,567
A.2	Administration − non pay	2,725	3,141	3,430
A.3	Purchase of plant and machinery	6,470	9,107	6,896
A.4	Hydrometric and hydrological investigation and monitoring	1,264	1,343	1,132
A.5	Flood risk management	85,866	63,152	58,289
A.6	Drainage maintenance	18,098	18,033	17,982
		126,219	**107,664**	**99,296**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €18.555 million lower than originally provided. There was an increase of €1.508 million in administration expenditure for the programme. Non-administration programme expenditure overall was €20.063 million less than originally provided, mainly due to the following.

A.3 Purchase of plant and machinery

Estimate provision €6.47 million; outturn: €9.107 million

The increase of €2.637 million is as a result of the OPW's investment in excavators used for flood defence schemes, and investment in road vehicles and machinery used in the management of the State property and heritage portfolio. The investment was necessary to deal with the high level of obsolete vehicles, to reduce emissions and to adhere to safety standards.

A.5 Flood risk management

Estimate provision €85.866 million; outturn €63.152 million

The saving of €22.714 million materialised in the main due to delays in obtaining planning consent, at schemes in Glashaboy and Blackpool, and objections from special interest groups, at Lower Morrell and Morrison’s Island Project. Other factors that attributed to savings were the impact of Covid-19, unforeseen issues at site level, lower than expected uptake by homeowners under the Voluntary Home Relocation Scheme and funding constraints under the Minor Flood Mitigation Works and Coastal Protection Scheme.

Programme B Estate management

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		33,044	34,897	31,920
B.2	Administration − non pay		10,782	9,293	9,068
B.3	President's household staff		975	802	797
B.4	Grants for certain refurbishment works and services		500	500	500
B.5	Purchase of sites and buildings				
	Estimate provision	4,480			
	Deferred surrender	8,000			
			12,480	9,338	2,561
B.6	New works, alterations and additions		82,981	85,222	74,635
B.7	Property maintenance and supplies		62,478	64,677	64,675
B.8	Rents		102,520	98,474	91,016
B.9	Service charges and utilities		11,043	11,447	12,319
B.10	Unitary payments		25,000	23,879	24,123
B.11	Heritage services		45,405	42,114	44,221
			387,208	**380,643**	**355,835**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €6.565 million lower than provided. There was an overspend of €364,000 in administration expenditure for the programme (see above). Non-administration programme expenditure overall was €6.929 million less than originally provided, mainly due to the following.

B.3 President's household staff

Estimate provision €975,000; outturn €802,000

The saving of €173,000 occurred, in the main, due to staff vacancies and restricted working hours during Covid-19.

B.5 Purchase of sites and buildings

Estimate provision €12.48 million; outturn €9.338 million

The saving of €3.142 million relates to acquisitions of property the OPW elected not to proceed with and a number which had not completed by the end of 2020.

B.11 Heritage services

Estimate provision €45.405 million; outturn €42.114 million

The saving of €3.291 million is as a result of postponed works and reduced staff numbers in the year due to Covid-19 restrictions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Rents, licence fees, etc	3,150	3,161	3,882
2	Events and facilities management	2,500	938	5,045
3	Receipts for Government publication services	630	634	697
4	Sales at national monuments and historic properties	1,100	599	1,631
5	Admission charges at national monuments and historic properties	4,633	893	8,223
6	Miscellaneous, including fees, interest and disposals etc.	600	4,108	2,837
7	Receipts from additional superannuation contributions on public service remuneration	2,387	1,780	1,999
	Total	**15,000**	**12,113**	**24,314**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.887 million less than the estimate. Explanations for variances are set out below:

2 Events and facilities management

Estimate €2.5 million; realised €938,000

The decrease of €1.562 million was due to facilities closures due to Covid-19 restrictions.

4 Sales at national monuments and historic properties

Estimate €1.1 million; realised €599,000

The decrease of €501,000 was due to restricted numbers and site closures due to Covid-19 restrictions.

5 Admission charges at national monuments and historic properties

Estimate €4.633 million; realised €893,000

The decrease of €3.74 million was due to restricted numbers, site closures and admissions waiver due to Covid-19 restrictions.

6 Miscellaneous, including fees, interest and disposals etc.

Estimate €600,000; realised €4.108 million

The increase of €3.508 million is due to the proceeds from the sales of State property and an increase in agency fees.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.387 million; realised €1.78 million

The decrease of €607,000 relates to variables on the additional superannuation contributions (ASC). The ASC which replaced pension related deductions only applies to pensionable remunerations rather than all remuneration and has variable contribution threshold bands. This impacted on the amount collected in 2020.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Share of saving from refinancing of the National Convention Centre PPP company	12,042	—
Transferred to the Exchequer	(12,042)	—
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Civil service grades	845	803
OPW specific grades	1,235	1,270
	2,080	**2,073**

5.2 Pay

	2020 €000	2019 €000
Pay		
Civil service grades	44,037	40,167
OPW specific grades	49,251	47,143
Higher, special or additional duties allowances		
Civil service grades	195	228
OPW specific grades	1,981	2,137
Overtime		
Civil service grades	38	86
OPW specific grades	2,698	3,225
Extra attendance, shift and roster		
OPW specific grades	1,634	2,497
Employer's PRSI		
Civil service grades	3,515	3,005
OPW specific grades	5,885	5,827
Total pay [a]	**109,234**	**104,315**

Note [a] The total pay figure includes pay for 439 temporary and seasonal staff in 2020 (2019: 563 staff).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances				
Civil service grades	50	4	20,614	20,614
OPW specific grades	935	—	9,318	9,795
Overtime				
Civil service grades	32	—	3,454	8,957
OPW specific grades	890	54	31,337	38,016
Extra attendance, shift and roster				
OPW specific grades	706	3	10,599	13,994
Extra remuneration in more than one category				
Civil service grades	5	—	5,679	10,175
OPW specific grades	898	199	37,453	38,691

5.4 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €30,825. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	24	31,344	35,802 [a]
Recovery plans in place	10	11,625	15,998 [a]

Note [a] The 2019 figures disclosed in this note for overpayments and recovery plans in place are lower than those disclosed in the 2019 appropriation account. This is as a result of more accurate information becoming available in 2020.

5.6 Severance/redundancy

The pay figure includes €49,173 paid out in respect of severance payments to three staff members who were formerly employed as Ministerial Staff. €60,876 was paid to eight officers in severance payments, four of which exceed €10,000.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees						
Personal Injury claims						
- settled in 2020	3	7	24	262	293	2,077
- settled in a previous year or ongoing	8	180	559	—	739	14
Claims by members of the public						
Personal injury claims						
- settled in 2020	6	14	31	72	117	288
- settled in a previous year or ongoing	17	102	145	—	247	113
Loss or damage claims settled in 2020	17	—	—	954	954	360
		303	**759**	**1,288**	**2,350**	**2,852**

6.2 Arbitration and conciliation costs

Voted expenditure in 2020 includes payments of €411,257 (2019: €6.001 million) made to contractors and others as a result of conciliation and arbitration proceedings. There were seven cases in 2020 (2019: six). Figures include VAT, legal and professional fees.

6.3 Interest and compensation

Penalty interest and compensation payments amounting to €91,525 were made by the OPW in 2020 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2019: €69,798) of which €23,880 related to delays caused by Covid-19 restrictions. The total value of payments made by the OPW in 2020 amounted to €451 million and the total number of reckonable payments was 90,170.

6.4 Write offs

The following sums were written off in the year

	2020 €000	2019 €000
Unpaid fees from companies no longer trading	—	2
Write offs due to Covid-19 restrictions	239	—
	239	**2**

6.5 Ex-gratia payments

Ex-gratia payments to the value of €257,217 were paid in the year.

Appropriation Account 2020

Vote 14

State Laboratory

Introduction

As Accounting Officer for Vote 14, 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 2020 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €238,000 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

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 State Laboratory.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the State Laboratory and the National Shared Services Office for the provision of payroll shared services and human resource shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the State Laboratory.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 State Laboratory
- 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 State Laboratory 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 and Audit Committee

I confirm that the State Laboratory 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 State Laboratory 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.

Non-compliance with procurement rules

I confirm that the State Laboratory 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 State Laboratory complied with the guidelines. The State Laboratory has provided details of three non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The State Laboratory 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 State Laboratory and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual 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 and the Management Board, where relevant, 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

I confirm that the State Laboratory has procedures to monitor the effectiveness of its risk management and control procedures. The State Laboratory'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 State Laboratory responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out and the results confirmed that all controls continued to operate during the Covid-19 restrictions as the State Laboratory remained open throughout the pandemic.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Ita Kinahan
Accounting Officer
State Laboratory

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 14 State Laboratory

Opinion on the appropriation account

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2020 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 14 State Laboratory for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the State Laboratory 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 June 2021

Vote 14 State Laboratory

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Government analytical laboratory and advisory service	11,317	11,061	10,831
Gross expenditure		**11,317**	**11,061**	**10,831**
	Deduct			
B	**Appropriations-in-aid**	**1,046**	**1,028**	**1,623**
Net expenditure		**10,271**	**10,033**	**9,208**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**238,248**	**586,865**

Ita Kinahan
Accounting Officer
State Laboratory

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		6,030	5,646
Non pay		5,031	5,185
Gross expenditure		**11,061**	**10,831**
Deduct			
Appropriations-in-aid		**1,028**	**1,623**
Net expenditure		**10,033**	**9,208**
Changes in capital assets			
Purchases cash	(638)		
Depreciation	906		
Loss on disposals	—	268	(301)
Changes in net current assets			
Decrease in closing accruals	(824)		
Increase in stock	(11)	(835)	397
Direct expenditure		**9,466**	**9,304**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,488	1,369
Notional rents		1,688	1,688
Net programme cost		**12,642**	**12,361**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 14 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 12	Superannuation and Retired Allowances	1,447	1,320
Vote 13	Office of Public Works	22	32
Vote 18	National Shared Services Office	11	9
		1,488	**1,369**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	1,930	2,198
Current assets			
Bank and cash	2.2	237	85
Stocks	2.3	233	222
Prepayments		933	493
Other debit balances	2.4	8	11
Accrued income		93	58
Net Exchequer funding	2.6	—	112
Total current assets		**1,504**	**981**
Less current liabilities			
Accrued expenses		120	469
Other credit balances	2.5	221	208
Net Exchequer funding	2.6	24	—
Total current liabilities		**365**	**677**
Net current assets		1,139	304
Net assets		**3,069**	**2,502**
Represented by:			
State funding account	2.7	**3,069**	**2,502**

2.1 Capital assets

	Equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	12,873	559	13,432
Additions	638	—	638
Disposals	(143)	—	(143)
Cost or valuation at 31 December 2020	13,368	559	13,927
Accumulated depreciation			
Opening balance at 1 January 2020	10,690	544	11,234
Depreciation for the year	904	2	906
Depreciation on disposals	(143)	—	(143)
Cumulative depreciation at 31 December 2020	11,451	546	11,997
Net assets at 31 December 2020	**1,917**	**13**	**1,930**
Net assets at 31 December 2019	2,183	15	2,198

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	237	82
Commercial bank account balance	—	2
Petty cash	—	1
	237	**85**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Chemicals and laboratory consumables	196	187
Stationery and IT consumables	37	35
	233	**222**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	4	—
Recoupable travel expenditure	—	1
Recoupable travel pass expenditure	2	8
Recoupable cycle to work scheme	2	2
	8	**11**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	83	74
Pay related social insurance	54	50
Universal social charge	16	15
Local property tax	1	1
Value added tax on intra-EU acquisitions	21	23
	175	163
Payroll deductions held in suspense	46	45
	221	**208**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	238	587
Exchequer grant undrawn	(214)	(699)
Net Exchequer funding	**24**	**(112)**
Represented by:		
Debtors		
Bank and cash	237	85
Debit balances: suspense	8	11
	245	96
Creditors		
Due to the State	(175)	(163)
Credit balances: suspense	(46)	(45)
	(221)	(208)
	24	**(112)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			2,502	2,598
Disbursements from the Vote				
Estimate provision	Account	10,271		
Surplus to be surrendered	Account	(238)		
Net vote			10,033	9,208
Expenditure (cash) borne elsewhere	1.1		1,488	1,369
Non cash expenditure – notional rent	1		1,688	1,688
Net programme cost	1		(12,642)	(12,361)
Balance at 31 December			**3,069**	**2,502**

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Goods and services	485	631
Total of legally enforceable commitments	**485**	**631**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 14 State Laboratory is classified as administration expenditure applied towards a single programme: Government analytical laboratory and advisory service.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	6,237	6,030	5,646
ii	Travel and subsistence	45	8	39
iii	Training and development and incidental expenses	325	278	288
iv	Postal and telecommunications services	60	52	49
v	Office equipment and external IT services	3,127	2,997	3,239
vi	Office premises expenses	1,458	1,671	1,507
vii	Consultancy and other services	65	25	63
		11,317	**11,061**	**10,831**

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts for various analyses, examinations, tests etc.	850	834	965
2	Receipts from additional superannuation contributions on public service remuneration	196	193	195
3	Miscellaneous receipts	—	1	463
	Total	**1,046**	**1,028**	**1,623**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**101**	**98**

5.2 Pay

	2020 €000	2019 €000
Pay	5,536	5,194
Higher, special or additional duties allowances	24	22
Employer's PRSI	470	430
Total pay	**6,030**	**5,646**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	1	1	21,538	19,902
Other allowances	3	—	1,154	1,154

Under the terms of the AHCPS 1% PCW restructuring agreement, 11 officers received PCW allowances. The total amount paid was €33,485 (2019 €28,833).

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	4	3,662	2,172
Recovery plans in place	—	1	2

Appropriation Account 2020

Vote 15

Secret Service

Introduction

As Accounting Officer for Vote 15, 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 2020 for Secret Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020.

A surplus of €932,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 3 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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

Statement on Internal Financial Control

Prescribed arrangements are in place with the Department of Justice and the Department of Defence for the drawdown of moneys from the Secret Service Vote and for the annual certification by the respective Ministers of moneys actually expended during the year, as well as balances held at year end.

For security reasons, restrictions are in place regarding operations and information about the individual transactions. This places a limitation on the normal direct controls available to me as Accounting Officer of a Vote. In the circumstances, I rely on annual certified statements signed by the Ministers to whom moneys have been issued, which are underpinned by operational controls put in place by their Departments.

David Moloney
Accounting Officer
Secret Service

24 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 15 Secret Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 15 Secret Service for the year ended 31 December 2020 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 15 Secret Service for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Public Expenditure and Reform and have fulfilled my other ethical responsibilities in accordance with the standards.

For the purposes of this audit, I have been furnished with certificates from the Minister for Justice and the Minister for Defence which support the expenditure from the Vote. 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

4 June 2021

Vote 15 Secret Service

Appropriation Account 2020

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Secret service	2,000	1,068	984
	2,000	**1,068**	**984**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**932,379**	**266,307**

David Moloney
Accounting Officer
Secret Service

24 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

This note is not applicable in the case of the Secret Service Vote.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Current assets			
Sub-account balances		594	262
PMG balance		88	(116)
Total current assets		**682**	**146**
Less current liabilities			
Net Exchequer funding	2.1	682	146
Total current liabilities		**682**	**146**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.2	**—**	**—**

2.1 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	932	266
Exchequer grant undrawn	(250)	(120)
Net Exchequer funding	**682**	**146**
Represented by:		
Debtors		
Sub-account balance	594	262
PMG balance	88	(116)
	682	146
	682	**146**

2.2 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	2,000		
Surplus to be surrendered	Account	(932)		
Net vote			1,068	984
Net programme cost			(1,068)	(984)
Balance at 31 December			—	—

Note 3 Vote Expenditure

The expenditure outturn was €932,000 (47%) lower than the amount provided. The estimate is necessarily conjectural.

Appropriation Account 2020

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2020 for the salaries and expenses of the Valuation Office and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.967 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account.

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of (e.g. HR) shared service.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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 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

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.

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

Non-compliance with procurement rules

I confirm that 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 has compiled with all relevant guidelines. The Office has provided details of two 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 and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated, and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) 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 and the MAC, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

At the request of senior management, a review of the impact of Covid-19 on the office's systems of internal controls was carried out. This confirmed no effective diminution such would give arise to an adverse risk assessment indicating the requirement for compensating measures.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

John O'Sullivan
Accounting Officer
Valuation Office

26 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2020 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 16 Valuation Office for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Valuation Office 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

25 June 2021

Vote 16 Valuation Office

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of a State Valuation service	16,288	9,654	10,099
B	Administration service for the Valuation Tribunal	1,349	628	711
		17,637	**10,282**	**10,810**
Gross expenditure				
	Deduct			
C	**Appropriations-in-aid**	**1,283**	**895**	**1,486**
Net expenditure		**16,354**	**9,387**	**9,324**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**6,966,869**	**3,406,216**

John O'Sullivan
Accounting Officer
Valuation Office

26 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		736	1,094
Pay		7,843	7,400
Non pay		1,703	2,316
Gross expenditure		**10,282**	**10,810**
Deduct			
Appropriations-in-aid		**895**	**1,486**
Net expenditure		**9,387**	**9,324**
Changes in capital assets			
Depreciation		28	32
Changes in net current assets			
Decrease in closing accruals	(154)		
Increase in stock	(1)	(155)	(237)
Direct expenditure		**9,260**	**9,119**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,504	5,644
Net programme cost		**14,764**	**14,763**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 16 borne elsewhere.

		2020	2019
		€000	€000
Vote 12	Superannuation and Retired Allowances	4,076	4,199
Vote 13	Office of Public Works	1,411	1,431
Vote 18	National Shared Services Office	17	14
		5,504	**5,644**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	40	217
Current assets			
Bank and cash	2.2	238	271
Stocks		21	20
Prepayments		159	115
Other debit balances	2.3	23	93
Accrued income		303	191
Net Exchequer funding	2.5	51	—
Total current assets		**795**	**690**
Less current liabilities			
Accrued expenses		94	128
Other credit balances	2.4	312	363
Deferred income		186	150
Net Exchequer funding	2.5	—	1
Total current liabilities		**592**	**642**
Net current assets		203	48
Net assets		**243**	**265**
Represented by:			
State funding account	2.6	**243**	**265**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 31 December 2019	1,704	1,134	2,838
Prior year adjustment [a]	191	—	191
Cost or valuation at 1 January 2020	1,895	1,134	3,029
Additions	—	—	—
Disposals	(196)	—	(196)
Adjustments [b]	(708)	(704)	(1,412)
Cost or valuation at 31 December 2020	991	430	1,421
Accumulated depreciation			
Cost or valuation at 31 December 2019	1,543	1,078	2,621
Prior year adjustment [a]	161	—	161
Opening balance at 1 January 2020	1,704	1,078	2,782
Depreciation for the year	28	—	28
Depreciation on disposals	(196)	—	(196)
Adjustments [b]	(585)	(648)	(1,233)
Cumulative depreciation at 31 December 2020	951	430	1,381
Net assets at 31 December 2020	**40**	**—**	**40**
Net assets at 31 December 2019	161	56	217

Note [a] A comprehensive review of all assets identified a number of software assets that were not previously capitalised.

[b] The adjustments arise from the implementation of circular 22/2020 in respect of the threshold for inclusion as a capital asset.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balance	126	(156)
Commercial bank account balance	112	427
	238	**271**

Note [a] The breakdown of the 2019 balance has been reanalysed between the commercial and PMG accounts.

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable travel pass expenditure	9	82
Other debit suspense items	14	11
	23	**93**

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	121	131
Pay related social insurance	73	73
Professional services withholding tax	69	114
Value added tax	—	—
Pension contributions	23	20
	286	338
Payroll deductions held in suspense	26	25
	312	**363**

2.5 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	6,967	3,406
Exchequer grant undrawn	(7,018)	(3,405)
Net Exchequer funding	**(51)**	**1**
Represented by:		
Debtors		
Bank and cash	238	271
Debit balances: suspense	23	93
	261	364
Creditors		
Due to the State	(286)	(338)
Credit balances: suspense	(26)	(25)
	(312)	(363)
	(51)	**1**

2.6 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			265	60
Disbursements from the Vote				
Estimate provision	Account	16,354		
Surplus to be surrendered	Account	(6,967)		
Net vote			9,387	9,324
Expenditure (cash) borne elsewhere	1.1		5,504	5,644
Non-cash items – capital assets adjustment			(149)	—
Net programme cost	1		(14,764)	(14,763)
Balance at 31 December			**243**	**265**

2.7 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Total of legally enforceable commitments	**1,161**	**981**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	8,740	7,843	7,400
ii	Travel and subsistence	271	101	292
iii	Training and development and incidental expenses	885	433	842
iv	Postal and telecommunications services	105	70	176
v	Office equipment and external IT services	3,242	931	835
vi	Office premises expenses	161	70	98
vii	Consultancy services and other services	60	99	73
		13,464	**9,547**	**9,716**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €271,000; outturn €101,000

The decrease of €170,000 on expenditure on travel and subsistence was due to staff being prohibited from travelling for the inspection of properties during the course of the pandemic restrictions. It also reflects a reduction in travelling by members of the Valuation Tribunal for oral hearings which were kept to a minimum.

iii Training and development and incidental expenses

Estimate provision €885,000; outturn €433,000

The decrease of €452,000 on expenditure on training and development and incidental expenses was due to the cancellation of many of the Valuation Tribunal hearings and reflects a reduction in the payment of the Tribunal member fees during 2020.

v Office equipment and external IT services

Estimate provision €3.242 million; outturn €931,000

The decrease of €2.311 million on expenditure on office equipment and external IT services expenses was due to the underspend of the capital element included in it. This had an allocation €2.615 million, of which only €310,000 was disbursed due to the delay in putting in place a contract for Project AXIA. This project, which involves the replacement of the core valuation ICT system for the Valuation Office was subject to a procurement competition in December 2020. It is envisaged that a contract will be awarded in May/June 2021.

Programme A Provision of a State valuation service

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	8,351	7,535	7,198
A.2	Administration − non pay	3,764	1,383	1,807
A.3	Fees to counsel and other legal expenses	73	84	112
A.4	National revaluation projects	4,100	652	982
		16,288	**9,654**	**10,099**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €6.634 million lower than (originally) provided. €3.197 million of this related to administration expenditure and has already been explained and the balance of the variance was mainly due to the following:

A.4 National revaluation projects

Estimate provision €4.1 million; outturn €652,000

The shortfall in expenditure of €3.448 million relative to the estimate provision was due to the allocation of €3.1 million to pay a contracted external service provider to carry out revision work on behalf of the Commissioner. The contractor was subject to the restrictions of the pandemic and was unable to advance the work allocated. It is expected that this work will recommence as soon as the pandemic restrictions are lifted.

Programme B Administration service for the Valuation Tribunal

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	389	309	202
B.2	Administration − non pay	960	319	509
		1,349	**628**	**711**

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Valuation Tribunal appeal fees	40	45	431
2	Valuation certificates	120	86	110
3	Valuation revision fees	800	528	671
4	Miscellaneous receipts	65	7	25
5	Receipts from additional superannuation contributions on public service remuneration	258	229	249
	Total	**1,283**	**895**	**1,486**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €388,000 more than the estimate. Explanations for variances are set out below:

3 Valuation revision fees

Estimate €800,000; realised €528,000

The shortfall of €272,000 was due to the reduction in completion rates of revision cases due to our inability to inspect properties as a result of the restrictions imposed by the Covid-19 pandemic.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Number of staff at year end	2020	2019
Full time equivalents	**146**	**134**

5.2 Pay

Remuneration of Office staff	2020	2019
	€000	€000
Pay	7,117	6,743
Higher, special or additional duties allowances	77	82
Other allowances	14	14
Overtime	2	12
Employer's PRSI	633	549
Total pay	**7,843**	**7,400**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	19	—	8,994	8,274
Overtime	10	—	2,477	6,660
Other allowances	3	—	2,874	4,693
Extra remuneration in more than one category	14	—	7,479	11,353

5.4 Other remuneration agreements

€77,930 in total was paid to four retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 apply to these fees.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public	9	—	3	—	3	88
Costs awarded arising from appeals to the Valuation Tribunal	1	—	81	—	81	28
		—	**84**	—	**84**	**116**

6.2 Merger

As part of a programme of rationalisation of State bodies, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The new organisation arising from the merger will be known as Tailte Éireann.

The position in relation to the legislation required to establish Tailte Éireann is as follows. At its meeting on 22 December 2020 the Government approved the general scheme of the Tailte Éireann Bill and agreed that the formal drafting of the Bill itself should be undertaken by the Office of the Attorney General.

The Department of Housing, Local Government and Heritage (DHLGH) has sent a copy of the general scheme to the relevant Oireachtas Committee and is awaiting a response as to whether or not the Committee wishes to undertake pre-legislative scrutiny in relation to the proposed legislation.

Responsibility for the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority is with DHLGH, as is responsibility for the establishment of Tailte Éireann. The Chief Executive Designate for Tailte Éireann, who was appointed on 1 July 2013, has been working towards the development of a detailed plan for the establishment of the new entity. He will continue to work with the Registrar of Deeds and Titles, the Chief Survey Officer and other members of the Programme Board on planning and design of the necessary infrastructure for the new organisation. DHLGH are providing guidance and support to the Programme Board in relation to the required legislation and other issues relevant to the merger. Accommodation arrangements for Tailte Éireann have been put in place by the Office of Public Works and will be effected in late 2022. The Valuation Office will continue to provide any support necessary to bring about the establishment of Tailte Éireann.

When established, Tailte Éireann will be responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. As such, it will be the primary national source of property information and geo-spatial data and will be a leader in the development and delivery of land information services.

Appropriation Account 2020

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2020 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.613 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Board

The Public Appointments Service was established under the Public Service Management (Recruitment and Appointments) Act 2004. It provides for a Chief Executive of the Service, and the appointment of a Board, consisting of eight external members and the Chief Executive in an ex officio basis.

The statutory functions of the Board are more advisory in nature than the traditional functions of State boards and essentially relate to giving advice or guidance to the Chief Executive. In general, they include

- representing the interests of the public service and ensuring that all appropriate service standards are being achieved
- considering and approving plans and strategic objectives put forward by the Chief Executive
- monitoring and advising the Public Appointments Service in the performance of its functions
- ensuring that appropriate review procedures are developed and implemented in relation to recruitment and promotion competitions, having regard to any relevant codes of practice issued by the Commission for Public Service Appointments
- publishing the annual report of the Public Appointments Service.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account.

Valuation of capital assets

As provided for in circular 21 of 2020, the Public Appointments Service has applied a threshold of €1,000 for the capitalisation of its capital assets.

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

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 Public Appointments Service.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Public Appointments Service and the National Shared Services Office for the provision of shared services (e.g. human resources and payroll).

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Public Appointments Service.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Public Appointments Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Public Appointments Service 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 Public Appointments Service 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.

Non-compliance with procurement rules

I confirm that the Public Appointments Service 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 Public Appointments Service has provided details of three non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 assigns responsibility of controls 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 the Management Board, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures (discussed further in the next section). The Office'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 Public Appointments Service responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Senior management completed a review of the impact of Covid-19 on the Office's systems of internal control. No significant gaps, weaknesses or areas of non-compliance were noted. A number of procedures and internal controls were adapted to ensure they continue to function effectively in a remote working environment.

Internal financial control issues

An internal audit of Asset Management conducted in late 2020 identified some areas for improvements in 2021; those which mainly relate to the documentation of procedures will be progressed immediately, and the remaining recommendations relate to the upgrade to our Financial Management System, which is due to be completed in mid-2021. An internal audit on accounting and reporting was also conducted in 2020, with all of the recommendations implemented other than the recommendation which is also related to the upgrade of the Financial Management System.

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Shirley Comerford
Accounting Officer
Public Appointments Service

20 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2020 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 17 Public Appointments Service for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Public Appointments Service 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

21 September 2021

Vote 17 Public Appointments Service

Appropriation Account 2020

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Civil and public service – redeployment/recruitment/selection			
	Estimate provision	16,445		
	Deferred surrender	150		
		16,595	13,940	14,810
Gross expenditure				
	Estimate provision	16,445		
	Deferred surrender	150		
		16,595	**13,940**	**14,810**
	Deduct			
B	**Appropriations-in-aid**	**154**	**312**	**253**
Net expenditure				
	Estimate provision	16,291		
	Deferred surrender	150		
		16,441	**13,628**	**14,557**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €200,000 of unspent allocations in respect of the capital elements of subhead v Office equipment and external IT services was carried forward to 2021.

	2020	2019
	€	€
Surplus	2,813,439	770,605
Deferred surrender	(200,000)	(150,000)
Surplus to be surrendered	**2,613,439**	**620,605**

Shirley Comerford
Accounting Officer
Public Appointments Service

20 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		8,912	8,171
Non pay		5,028	6,639
Gross expenditure		**13,940**	**14,810**
Deduct			
Appropriations-in-aid		**312**	**253**
Net expenditure		**13,628**	**14,557**
Changes in capital assets			
Purchases cash	(285)		
Depreciation	200		
Loss on disposals	12	(73)	(18)
Changes in net current assets			
Decrease in closing accruals	(92)		
Increase in stock	—	(92)	(43)
Direct expenditure		**13,463**	**14,496**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,849	3,420
Net programme cost		**17,312**	**17,916**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	45	45
Vote 12	Superannuation and Retired Allowances	954	995
Vote 13	Office of Public Works	2,799	2,361
Vote 18	National Shared Services Office	22	19
Vote 43	Office of the Government Chief Information Officer	29	—
		3,849	**3,420**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	556	483
Current assets			
Bank and cash	2.2	719	580
Stocks	2.3	26	26
Prepayments		432	234
Accrued income		47	15
Other debit balances	2.4	1,895	93
Total current assets		**3,119**	**948**
Less current liabilities			
Accrued expenses		215	77
Other credit balances	2.5	321	270
Net Exchequer funding	2.6	2,293	403
Total current liabilities		**2,829**	**750**
Net current assets		290	198
Net assets		**846**	**681**
Represented by:			
State funding account	2.7	**846**	**681**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Leasehold improvement	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	7,137	763	691	8,591
Additions	144	141	—	285
Disposals	(208)	(529)	—	(737)
Cost or valuation at 31 December 2020	7,073	375	691	8,139
Accumulated depreciation				
Opening balance at 1 January 2020	6,763	654	691	8,108
Depreciation for the year	172	28	—	200
Depreciation on disposals	(208)	(517)	—	(725)
Cumulative depreciation at 31 December 2020	6,727	165	691	7,583
Net assets at 31 December 2020	**346**	**210**	—	**556**
Net assets at 31 December 2019	374	109	—	483

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	711	526
Commercial bank account balance	7	54
Petty cash	1	—
	719	**580**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	11	—
IT consumables	15	26
	26	**26**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Salary suspense	39	38
Advances to OPW	1,800	—
Recoupable travel pass scheme	21	51
Other debit suspense items	35	4
	1,895	**93**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	181	154
Pay related social insurance	96	87
Professional services withholding tax	28	12
Value added tax	15	16
Local property tax	1	1
	321	270
Credit balance suspense	—	—
	321	**270**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,613	621
Deferred surrender	200	150
Exchequer grant undrawn	(520)	(368)
Net Exchequer funding	**2,293**	**403**
Represented by:		
Debtors		
Bank and cash	719	580
Debit balances: suspense	1,895	93
	2,614	673
Creditors		
Due to the State	(321)	(270)
Credit balances: suspense	—	—
	(321)	(270)
	2,293	**403**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			681	620
Disbursements from the Vote				
Estimate provision	Account	16,441		
Deferred surrender	Account	(200)		
Surplus to be surrendered	Account	(2,613)		
Net vote			13,628	14,557
Expenditure (cash) borne elsewhere	1.1		3,849	3,420
Net programme cost	1		(17,312)	(17,916)
Balance at 31 December			**846**	**681**

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	232	126
Capital projects	4,612	—
Total of legally enforceable commitments	**4,844**	**126**

Note The increase in commitments is due to the Chapter House upgrade project, the contract for which was signed in December 2020.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 17 Public Appointments Service is classified as administration expenditure applied towards a single programme: civil and public service – redeployment/ recruitment/selection.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		8,823	8,912	8,171
ii	Travel and subsistence		32	42	48
iii	Training and development and incidental expenses		322	348	407
iv	Postal and telecommunications services		107	88	87
v	Office equipment and external IT services				
	Estimate provision	1,350			
	Deferred surrender	150			
			1,500	1,231	1,320
vi	Office premises expenses		2,279	465	1,508
vii	Recruitment costs – research and corporate governance		30	53	65
viii	Recruitment costs – advertising and testing		1,247	1,575	1,204
ix	Recruitment costs – interview boards		2,255	1,226	2,000
			16,595	**13,940**	**14,810**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

vi Office premises expenses

Estimate provision €2.279 million; outturn €465,000

The shortfall in expenditure of €1.814 million relative to the estimate provision was due to delays in the commencement of planned office upgrade works.

viii Recruitment costs – advertising and testing

Estimate provision €1.247 million; outturn €1.575 million

The excess expenditure of €328,000 is as a result of the increased use of remote testing and assessment in response to the move to remote working and to deal with the large increase in the volume of applications received.

ix Recruitment costs – interview boards

Estimate provision €2.255 million; outturn €1.226 million

The reduction in expenditure of €1.029 million on interview costs is due to the move to remote interviewing and associated savings in catering costs, as well as an increase in use of Public Appointments Service staff as interview board members when interviewing remotely. There has also been a reduction in the number of boards and interviews held for large volume campaigns with a switch to demand-led interviewing.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	25	153	165
2	Receipts from additional superannuation contributions on public service remuneration	129	159	88
	Total	**154**	**312**	**253**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €158,000 more than the estimate. Explanations for significant variances are set out below.

1 Miscellaneous

Estimate €25,000; realised €153,000

The increase of €128,000 was primarily due to reimbursement by clients of payments made on their behalf by the Public Appointments Service in 2019 falling into 2020. Also included in this amount is a grant of €25,000 which was received in the year but was not included in the estimate amount.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**207**	**190**

5.2 Pay

	2020 €000	2019 €000
Pay	8,047	7,251
Higher, special or additional duties allowances	107	123
Overtime	20	116
Employer's PRSI	738	681
Total pay	**8,912**	**8,171**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	39	1	10,504	16,020
Overtime	46	—	2,424	10,568
Extra remuneration in more than one category	12	1	12,148	17,597

5.4 Other remuneration arrangements

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2020 (2019: €35,055).

Member	Status	Sector	Annual spend	
			2020	2019
			€	€
Ms Shirley Comerford	Member (Chief Executive)	Civil servant	—	—
Mr Tom Moran	Chairman	Former civil servant	11,970	11,970
Ms Mary Hurley	Member	Civil servant	—	—
Dr Eddie Molloy	Member	Private sector	7,695	7,695
Ms Anne Marie Taylor	Member	Private sector	7,695	7,695
Ms Mary Connaughton	Member	Private sector	7,695	7,695
Mr John O'Callaghan	Member	Civil servant	—	—
Mr David Cagney	Member	Civil servant	—	—
Ms Anne O'Connor	Member	Public servant	—	—
Total			**35,055**	**35,055**

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	6	6,393	1,184
Recovery plans in place	3	2,921	1,184

Appropriation Account 2020

Vote 18

National Shared Services Office

Introduction

As Accounting Officer for Vote 18, 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 2020 for the salaries and expenses of the National Shared Services Office.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €13.038 million is liable for surrender to the Exchequer.

During the accounting period ending 31 December 2020, the National Shared Services Office operated as a separate civil service office under the aegis of the Department of Public Expenditure and Reform.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account, except for the following:

Basis of charge for services

The National Shared Services Office applies a service charge for its HR and pensions administration service. The HR shared services charge for 2020 has distributed a portion of operational costs on a pro-rata basis among each public sector body served (based on their employee headcount). The remainder is borne by the National Shared Services Office.

Capital assets

An option to calculate depreciation on a monthly or an annual basis exists for 2020. The National Shared Services Office has continued to calculate depreciation on an annual basis.

The National Shared Services Office has adopted the increased threshold for inclusion of capital assets on the Statement of Capital Assets, as set out by the Department of Public Expenditure and Reform in circular 21 of 2020.

The application of €10,000 threshold for an individual asset has resulted in the removal of all assets under a value of €10,000 from the fixed asset register leading to a one-off non-cash adjustment of €621,756 as set out in Note 2.1 Capital assets and Note 2.9 State funding 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 National Shared Services Office.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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 independent 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.
- The statement on internal financial control for the Department of Finance is also relevant given that the Department of Finance provides finance transaction services on a shared basis to Vote 18.

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 National Shared Services 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.

Internal audit and Audit and Risk Committee

I confirm that the National Shared Services Office has an internal audit function with appropriately trained personnel. The National Shared Services Office internal audit unit operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the National Shared Services 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that the National Shared Services 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.

In 2020, the National Shared Services Office has complied with procurement guidelines with the exception of the following, and has reported this in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

- €88,960 (excluding VAT) related to one contract, for the purchase of security software licenses, which were procured in good faith on the understanding that licenses were covered by an existing Office of Government Procurement framework with the supplier. However, on subsequent review it was found that the specific products were not covered by the framework.

Risk and control framework

The National Shared Services Office 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 Office and these have been evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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. These are communicated to those responsible for taking corrective action by management, and the Management Board, where relevant, 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

I confirm that the National Shared Services Office has procedures to monitor the effectiveness of its risk management and control procedures. The National Shared Services Office'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 Office who are responsible for the development and maintenance of the internal financial control framework.

Assurance reports on controls at a service organisation

I have put in place an audit process to provide independent assurance on the operation of controls surrounding the delivery of services by the National Shared Services Office. The audits are conducted by independent auditors in accordance with the International Standards on Assurance Engagement (ISAE 3402) *Assurance Reports on Controls at a Service Organisation.*

HR Shared Services and Payroll Shared Services achieved ISAE Type II certification in 2021 based on testing performed in 2020. This provides me with the assurance that the control objectives were achieved and operated effectively throughout the period under review.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment, with the majority of staff in the National Shared Services Office pivoting to remote working in line with public health advice. A one-off review on the impact of Covid-19 on internal controls was carried out, and as a result a number of procedural and internal controls had to be adapted to ensure they continued to function effectively in a remote working environment.

Under the National Shared Services Office's risk and control framework, regular risk assessments including the Covid-19 impact on the control environment continued during 2020 with updates to the Management Board and the Audit and Risk Committee. I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Overpayments

Overpayments to client staff, in respect of which the root cause was attributable to the National Shared Services Office, were made in 733 cases (2019: 805 cases) with an estimated value of €1,064,965 (2019: €831,701). This amounts to 25% (2019: 18%) of the financial value of all overpayments and 20% (2019: 16%) of the volume of all overpayment cases. A misinterpretation of pay policy relating to increments due to 43 staff in one client department resulted in an increase in the financial value of overpayment cases by €233,000.

The National Shared Services Office continues to address the overpayments attributable to the National Shared Services Office through process improvement and automation and improved end to end reporting and monitoring.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

The Office continually reviews and implements recommendations made by the Comptroller and Auditor General and Internal Audit to strengthen the control environment, particularly in the areas of payroll overpayments; information technology; fraud and vulnerability; travel and subsistence; and superannuation and pensions.

Hilary Murphy-Fagan
Accounting Officer
National Shared Services Office

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 18 National Shared Services Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 18 National Shared Services Office for the year ended 31 December 2020 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 18 National Shared Services Office for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the National Shared Services Office 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

21 September 2021

Vote 18 National Shared Services Office

Appropriation Account 2020

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	NSSO function				
	Estimate provision	35,740			
	Deferred surrender	1,024			
			36,764	24,841	24,582
B	HR shared services		10,180	9,962	10,115
C	Payroll shared services		12,482	12,808	12,243
D	Finance shared services		3,003	251	539
Gross expenditure					
	Estimate provision	61,405			
	Deferred surrender	1,024			
			62,429	**47,862**	**47,479**
	Deduct				
E	**Appropriations-in-aid**		**6,005**	**5,911**	**5,833**
Net expenditure					
	Estimate provision	55,400			
	Deferred surrender	1,024			
			56,424	**41,951**	**41,646**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €1.435 million of unspent allocations in respect of the capital elements of Subhead A was carried forward to 2021.

	2020 €	2019 €
Surplus	14,473,103	9,846,470
Deferred surrender	(1,435,000)	(1,024,000)
Surplus to be surrendered	**13,038,103**	**8,822,470**

Hilary Murphy-Fagan
Accounting Officer
National Shared Services Office

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		7,174	11,285
Pay		30,412	27,783
Non pay		10,276	8,411
Gross expenditure		**47,862**	**47,479**
Deduct			
Appropriations-in-aid		**5,911**	**5,833**
Net expenditure		**41,951**	**41,646**
Changes in capital assets			
Purchases cash	(2,246)		
Depreciation	2,076	(170)	(1,049)
Changes in net current assets			
Decrease in closing accruals	(329)		
Decrease in stock	4	(325)	(542)
Direct expenditure		**41,456**	**40,055**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(9,309)	(9,551)
Notional rents		670	461
Net programme cost		**32,817**	**30,965**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere, and costs borne by Vote 18 in respect of other Votes.

		2020	2019
		€000	€000
Vote 7	Finance	129	98
Vote 9	Office of the Revenue Commissioners	32	2
Vote 11	Public Expenditure and Reform	—	854
Vote 13	Office of Public Works	2,291	1,662
Vote 43	Office of the Government Chief Information Officer	949	—
Apportioned cost of shared services for other Votes		(12,710)	(12,167)
Net cost of shared services provided to other Votes		**(9,309)**	**(9,551)**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	22,705	23,165
Current assets			
Bank and cash	2.2	13,192	32,699
Stocks	2.3	26	30
Prepayments	2.4	3,703	3,194
Other debit balances	2.5	872	706
Total current assets		**17,793**	**36,629**
Less current liabilities			
Accrued expenses		822	650
Client funding/advance balances	2.6	10,155	31,351
Other credit balances	2.7	1,564	1,174
Net Exchequer funding	2.8	2,345	880
Total current liabilities		**14,886**	**34,055**
Net current assets		2,907	2,574
Net assets		**25,612**	**25,739**
Represented by:			
State funding account	2.9	**25,612**	**25,739**

2.1 Capital assets

	IT software and equipment	Furniture and fittings	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	26,180	558	88	19,952	46,778
Additions	776	—	—	1,462	2,238
Adjustments [a]	(2,414)	(527)	(88)	—	(3,029)
Cost or valuation at 31 December 2020	24,542	31	—	21,414	45,987
Accumulated depreciation					
Opening balance at 1 January 2020	23,204	330	79	—	23,613
Depreciation for the year	2,073	3	—	—	2,076
Adjustments [a]	(2,019)	(309)	(79)	—	(2,407)
Cumulative depreciation at 31 December 2020	23,258	24	—	—	23,282
Net assets at 31 December 2020	**1,284**	**7**	**—**	**21,414**	**22,705**
Net assets at 31 December 2019	2,976	228	9	19,952	23,165

Note [a] The adjustment arises from the implementation of circular 21 of 2020 in respect of the threshold for inclusion as capital assets.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	3,054	1,348
Client funded bank balances	10,138	31,351
	13,192	**32,699**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	25	29
IT consumables	1	1
	26	**30**

2.4 Prepayments

at 31 December	2020	2019
	€000	€000
Software support/licences	2,927	2,420
Hardware maintenance	681	687
Other prepayments	95	87
	3,703	**3,194**

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Travel pass scheme expenditure	60	136
Office of Public Works	—	27
Recoupable HRMS	535	475
Other debit suspense items	277	68
	872	**706**

2.6 Client funding/advance balances

The National Shared Services Office provides a payroll shared service function to a number of Government departments, offices and agencies.

The amount of €10.155 million held on behalf of clients as at 31 December 2020 (2019: €31.4 million), consists of €9.823 million (2019: €30.8 million) lodged by clients to cover funding for salaries over the new year period, and €332,000 (2019: €600,000) representing amounts due to individuals and third party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €5.6 billion in 2020 (2019: €5.3 billion).

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	311	289
Universal social charge	66	61
Pay related social insurance	308	282
Professional services withholding tax	463	238
Value added tax	115	72
Pension contributions	138	122
Office of Public Works	33	—
Local property tax	3	3
	1,437	1,067
Payroll deductions held in suspense	127	107
	1,564	**1,174**

2.8 Net Exchequer funding

at 31 December	2020 €000	2019 €000
Surplus to be surrendered	13,038	8,822
Deferred surrender	1,435	1,024
Exchequer grant undrawn	(12,128)	(8,966)
Net Exchequer funding	**2,345**	**880**
Represented by:		
Debtors		
Bank and cash	13,192	32,699
Debit balances: suspense	872	706
	14,064	33,405
Creditors		
Due to the State	(1,437)	(1,067)
Client funding/advance balances	(10,155)	(31,351)
Credit balances: suspense	(127)	(107)
	(11,719)	(32,525)
	2,345	**880**

2.9 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			25,739	24,148
Disbursements from the Vote				
Estimate provision	Account	56,424		
Deferred surrender	Account	(1,435)		
Surplus to be surrendered	Account	(13,038)		
Net vote			41,951	41,646
Expenditure (cash) borne elsewhere	1.1		(9,309)	(9,551)
Non cash item – capital asset adjustment			(622)	—
Non cash expenditure – notional rent			670	461
Net programme cost	1		(32,817)	(30,965)
Balance at 31 December			**25,612**	**25,739**

2.10 Commitments

a) Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	1,249	951
Capital projects	17,477	11,146
Total of legally enforceable commitments	**18,726**	**12,097**

b) Major capital projects

	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Project					
Financial management shared services	24,570	1,695	17,477	43,742	35,716
	24,570	**1,695**	**17,477**	**43,742**	**35,716**

Significant variations

An explanation is provided below where projected project costs has varied by more than €500,000 compared to 2019.

Financial management shared services

Increase in expected total spend: €8.026 million

The increase in expected capital costs arises primarily from additional implementation works of €7.14 million, plus expenditure in 2020 of €638,000 for transition costs and €236,000 for enhanced remote software arising out of Covid-19 requirements. A Government decision in 2020 approved the continuation of the project over an indicative deployment timeline to 2025.

2.11 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**81**	**81**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	30,586	30,412	27,783
ii	Travel and subsistence	312	55	166
iii	Training and development and incidental expenses	1,569	1,408	1,346
iv	Postal and telecommunications services	995	479	614
v	Office equipment and external IT services	9,181	7,749	5,660
vi	Office premises expenses	812	585	625
		43,455	**40,688**	**36,194**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Overall, administration expenditure was €2.767 million less than originally provided, primarily arising from Covid-19. The following outlines the reasons for significant variations in administration expenditure.

ii Travel and subsistence

Estimate provision €312,000; outturn €55,000

Spend in 2020 was 82% (€257,000) under budget. This underspend is due to travel restrictions in place due to Covid-19.

iv Postal and telecommunication services

Estimate provision €995,000; outturn €479,000

Spend in 2020 was 52% (€516,000) under budget. This underspend was primarily driven by less than planned telecommunications spend in FSS operations (Programme D) due to the delay in the deployment of the Financial Management Shared Services system.

vi Office premises expenses

Estimate provision €812,000; outturn €585,000

Spend in 2020 was 28% (€227,000) under budget. The underspend was mainly driven by planned refurbishment works not completed in the year, and lower than anticipated operational costs.

Programme A National Shared Services Office Function

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		8,018	8,528	7,130
A.2	Administration − non pay		9,772	9,139	6,167
A.3	Financial Management Shared Services project				
	Estimate provision	17,950			
	Deferred surrender	1,024			
			18,974	7,174	11,285
			36,764	**24,841**	**24,582**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €11.923 million lower than originally provided (including the deferred surrender carried forward from 2019).

A.3 Financial management shared services project (FMSS)

Estimate provision €18.974 million; outturn €7.174 million

The savings in expenditure of €11.8 million (including the deferred surrender carried forward from 2019) was due largely to delays associated with the development, design and roll out of certain aspects of the project. The FMSS project remobilised from November 2020.

Programme B HR Shared Services

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	10,046	9,783	9,422
B.2	Administration − non pay	134	179	693
		10,180	**9,962**	**10,115**

Programme C Payroll Shared Services

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	11,304	11,995	10,814
C.2	Administration − non pay	1,178	813	1,429
		12,482	**12,808**	**12,243**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €326,000 higher than originally provided. The variance was made up of an overspend on pay costs mitigated by an underspend on non pay costs.

C.2 Administration - non pay

Estimate provision €1.178 million; outturn €813,000

The savings in expenditure of €365,000 was due to reduced bank charges and less negative interest charged, arising from the migration of banking services to the Government banking provider, plus less than anticipated postal costs.

Programme D Finance Shared Services

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration − pay	1,218	106	417
D.2	Administration − non pay	1,785	145	122
		3,003	**251**	**539**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €2.752 million lower than originally provided. The variance was due to the FMSS system not going live in 2020 and as a result Finance Shared Services (FSS) did not commence operations as planned. FSS staff were redeployed to the FMSS project and to operational areas.

D.1 Administration - pay

Estimate provision: €1.218 million, outturn €106,000

There was a saving of €1.112 million as the implementation of the FMSS system did not proceed as planned, and the operational staff costs envisaged in 2020 were not incurred. FSS operational staff were redeployed to the FMSS project and to other operational areas in the NSSO.

D.2 Administration - non pay

Estimate provision: €1.785 million, outturn €145,000

There was a saving of €1.64 million as the implementation of the FMSS system did not proceed as planned, and the anticipated overheads were not incurred by FSS.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	HR shared services levy	5,275	5,219	5,072
2	Miscellaneous	180	257	251
3	Receipts from additional superannuation contributions on public service remuneration	550	435	510
	Total	**6,005**	**5,911**	**5,833**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**807**	**750**

5.2 Pay

	2020 €000	2019 €000
Pay [a]	29,105	27,695
Higher, special or additional duties allowances	30	48
Other allowances	28	66
Overtime	342	466
Employer's PRSI	2,721	2,494
Total pay	**32,226**	**30,769**

Note [a] The total pay figure is distributed across subheads A1, A.3, B.1, C.1 and D.1.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	20	—	5,141	13,002
Other allowances [a]	2	1	27,644	34,156
Overtime	354	—	7,582	10,647
Extra remuneration in more than one category	14	—	6,382	10,442

Note [a] Other allowances include employers' pension contributions in relation to staff seconded to the National Shared Services Office.

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	28	47	88
Recovery plans in place [a]	14	38	48

Eight overpayment recovery plans to the value of €11,483 were transferred to other departments during 2020 (2019: 21 individuals to a value of €6,597).

Note [a] The 2019 value in respect of recovery plans in place has been restated on the basis of improved data from Payroll Shared Services.

Note 6 Miscellaneous

6.1 Fraud and suspected fraud

	Number of cases	2020 €000	2019 €000
Fraud	—	—	31

All moneys in relation to the 2019 case were recovered in 2021. There was no financial loss to the National Shared Services Office as a result.

Appropriation Account 2020

Vote 19

Office of the Ombudsman

Introduction

As Accounting Officer for Vote 19, 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 2020 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.086 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following.

Depreciation

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

Software licences are depreciated on a straight line basis at a rate of 33% per annum.

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 of the Ombudsman.

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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office (NSSO) for the provision of shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office. The NSSO does not regard itself as a data controller in respect of the information it is processing.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting, internal audit and risk management is as follows.

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.
- The Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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. Risk management is increasingly integral to the Office's strategic and business process. This is brought about through risk registers, strategic and business plans and individual PMDS targets.
- There are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. I am satisfied that our ICT system is fit for purpose and is functioning effectively.
- There are appropriate capital investment control guidelines and formal project management disciplines.

Procurement compliance

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.

Internal audit and Audit Committee

I confirm that the Office has an internal audit function which is externally outsourced, with appropriately trained personnel. The internal audit unit operates under a charter which was approved in June 2019. 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Team 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 assigns 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 and the Management Team, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic resulted in some changes to the working and the control environment, with remote and virtual working becoming the norm across the Office. As a result, the Office introduced a number of procedural and control changes. Under the Office's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced as a result of COVID-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

26 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 19 Office of the Ombudsman

Opinion on the appropriation account

I have audited the appropriation account for Vote 19 Office of the Ombudsman for the year ended 31 December 2020 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 19 Office of the Ombudsman for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Ombudsman 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

4 June 2021

Vote 19 Office of the Ombudsman

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Ombudsman function/Office of the Commission for Public Service Appointments	7,089	6,166	5,975
B	Standards in Public Office Commission	1,893	1,263	1,722
C	Office of the Information Commissioner/Office of the Commissioner for Environmental Information	3,339	2,707	2,721
Gross expenditure		**12,321**	**10,136**	**10,418**
	Deduct			
D	**Appropriations-in-aid**	**482**	**383**	**416**
Net expenditure		**11,839**	**9,753**	**10,002**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**2,086,305**	**1,716,274**

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

26 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		8,377	7,903
Non pay		1,759	2,515
Gross expenditure		**10,136**	**10,418**
Deduct			
Appropriations-in-aid		**383**	**416**
Net expenditure		**9,753**	**10,002**
Changes in capital assets			
Depreciation	425		
Loss on disposals	4	429	78
Changes in net current assets			
Increase in closing accruals		206	(202)
Direct expenditure		**10,388**	**9,878**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,674	2,633
Net programme cost		**14,062**	**12,511**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 19 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	45	30
Vote 12	Superannuation and Retired Allowances	1,583	1,262
Vote 13	Office of Public Works	2,032	1,328
Vote 18	National Shared Services Office	14	13
		3,674	**2,633**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	513	942
Current assets			
Stocks		7	7
Other debit balances		28	49
Prepayments		249	328
Bank and cash		161	(9)
Net Exchequer funding	2.3	110	233
Total current assets		**555**	**608**
Less current liabilities			
Accrued expenses		162	35
Other credit balances	2.2	299	273
Total current liabilities		**461**	**308**
Net current assets		94	300
Net assets		**607**	**1,242**
Represented by:			
State funding account	2.4	**607**	**1,242**

2.1 Capital assets

	IT equipment	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	2,770	58	19	2,847
Disposals	(58)	—	—	(58)
Cost or valuation at 31 December 2020	2,712	58	19	2,789
Accumulated depreciation				
Opening balance at 1 January 2020	1,858	47	—	1,905
Depreciation for the year	418	7	—	425
Depreciation on disposals	(54)	—	—	(54)
Cumulative depreciation at 31 December 2020	2,222	54	—	2,276
Net assets at 31 December 2020	**490**	**4**	**19**	**513**
Net assets at 31 December 2019	912	11	19	942

2.2 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	136	126
Pay related social insurance	68	65
Professional services withholding tax	32	19
Pension contributions	26	26
	262	236
Payroll deductions held in suspense	30	30
Other credit suspense items	7	7
	299	**273**

2.3 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,086	1,716
Exchequer grant undrawn	(2,196)	(1,949)
Net Exchequer funding	**(110)**	**(233)**
Represented by:		
Debtors		
Bank and cash	161	(9)
Debit balances: suspense	28	49
	189	40
Creditors		
Due to the State	(262)	(236)
Credit balances: suspense	(37)	(37)
	(299)	(273)
	(110)	**(233)**

2.4 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			1,242	1,118
Disbursements from the Vote				
Estimate provision	Account	11,839		
Surplus to be surrendered	Account	(2,086)		
Net vote			9,753	10,002
Expenditure (cash) borne elsewhere	1.1		3,674	2,633
Net programme cost	1		(14,062)	(12,511)
Balance at 31 December			**607**	**1,242**

2.5 Commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**414**	**267**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,176	8,377	7,903
ii	Travel and subsistence	74	14	72
iii	Training and development and incidental expenses	378	258	334
iv	Postal and telecommunications services	40	27	42
v	Office equipment and external IT services	1,455	811	938
vi	Office premises expenses	411	101	152
vii	Consultancy services and value for money and policy reviews	20	37	488
viii	Legal fees	757	511	489
ix	Referendum Commission	10	—	—
		12,321	**10,136**	**10,418**

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision €378,000; outturn €258,000

The underspend of €120,000 related primarily to savings in staff training and in office cleaning services. These savings can be attributed to Covid-19 in that training course were greatly curtailed and the need for cleaning services was reduced in view of the number of days the building was closed following the introduction of remote working.

v Office equipment and external IT services

Estimate provision €1.455 million; outturn €811,000

The underspend of €644,000 was due to a large proportion of IT project work not being completed as planned. This was mainly due to the effects of the pandemic and of the resulting remote working arrangements.

vi Office premises expenses

Estimate provision €411,000; outturn €101,000

The underspend of €310,000 related to the fact that the allocation included an amount to cover costs related to the move of premises in Q1 2020. The majority of the moving costs were ultimately borne by OPW.

viii Legal fees

Estimate provision €757,000; outturn €511,000

The underspend of €246,000 is due to it being very difficult to accurately estimates legal fees. There is a right to appeal decisions made under FOI legislation and environmental information legislation to the High Court on a point of law. Legal fees are also dependent on the number and timing of court cases and further appeals to higher courts. A number of cases did not progress during 2020 as a result of delays in the courts system due to the pandemic.

Programme A Ombudsman function/Office of the Commission for Public Service Appointments

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	5,689	5,452	4,953
A.2	Administration − non pay	1,400	714	1,023
		7,089	**6,166**	**5,976**

Programme B Standards in Public Office Commission

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	1,193	1,013	1,062
B.2	Administration − non pay	700	250	660
		1,893	**1,263**	**1,722**

Programme C Office of the Information Commissioner/Office of the Commissioner for Environmental Information

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	2,294	1,912	1,888
C.2	Administration − non pay	1,045	795	832
		3,339	**2,707**	**2,720**

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	72	69	49
2	Receipts from additional superannuation contributions on public service remuneration	390	276	298
3	Miscellaneous	20	38	69
	Total	**482**	**383**	**416**

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	8	—
Collected	116	12
Transferred to the Exchequer	(124)	(4)
Balance at 31 December	**—**	**8**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**131**	**132**

5.2 Pay

	2020 €000	2019 €000
Pay	7,737	7,312
Higher, special or additional duties allowances	21	24
Overtime and extra attendance	11	22
Employer's PRSI	608	545
Total pay	**8,377**	**7,903**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties	3	1	11,047	10,913
Overtime and extra attendance	16	—	2,023	3,633
Extra remuneration in more than one category	3	1	11,290	8,327

5.4 Other remuneration arrangements

Fees of €2,652 were paid over the course of the year to two former civil servants who were engaged by the Office on a consultancy basis.

Note 6 Miscellaneous

6.1 Recoupment of legal costs

The Office received three separate payments during 2020 in relation to legal cases in which costs were awarded in its favour. The three amounts received totalled €85,500 and they were returned to the Exchequer in 2020 as extra exchequer receipts (see note 4.2 above).

6.2 Compensation and Legal Costs

					2020	2019
	Number of cases	Legal costs paid by the Office	Compensation awarded	Legal costs awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by Members of the public						
Office of the Ombudsman	1	10	—	—	10	23
Office of the Information Commissioner	14	92	—	—	92	236
Office of the Commissioner for Environmental Information	10	240	—	13	253	106
Standards in Public Office Commission	1	6	—	—	6	66
	26	**348**	**—**	**13**	**361**	**431**

Appropriation Account 2020

Vote 20

Garda Síochána

Introduction

As Accounting Officer for Vote 20, 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 2020 for the salaries and expenses of the Garda Síochána, including pensions, etc., for the payment of certain witnesses' expenses, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.579 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following:

Valuation of capital assets

As provided for in Circular 21 of 2020, An Garda Síochána has applied a threshold of €1,000 for the capitalisation of its capital assets.

Land and buildings

The Minister for Justice owns eight Garda stations which are included in the appropriation account of the Office of Public Works (Vote 13).

Land holdings are used by An Garda Síochána at Templemore for student use for recreational purposes. An Garda Síochána is working with the Office of Public Works to ensure that all lands are transferred into State ownership.

Development of three Garda stations financed by the Garda Vote are included in the appropriation account as detailed in Note 2.1.

All other property utilised by An Garda Síochána is owned by the Office of Public Works, and is accounted for in the appropriation account of that Office.

The operating cost statement at Note 1 does not include a computed notional rent amount in respect of properties occupied by An Garda Síochána and owned by the Minister of Justice or by the Office of Public Works. As a result, the full economic cost of the service provided by An Garda Síochána is not reflected in the operating cost statement.

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month recorded in the fixed asset register. Depreciation is calculated on a monthly basis.

The standard depreciation rates are applied in respect of buildings, office and IT equipment, and furniture and fittings. The following depreciation rates apply to other capital assets:

- aircraft: 5% per annum
- boats: 10% per annum
- vehicles: 25% per annum
- major operational software systems: 20% per annum.

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 An Garda Síochána.

This responsibility is exercised in the context of the resources available to me and my other obligations as the Commissioner of An Garda Síochána. 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between An Garda Síochána and the National Shared Services Office for the provision of financial and payroll shared services.

I rely on letters of assurance from the Accounting Officers of Justice and of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to An Garda Síochána.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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 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

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 An Garda Síochána
- there are systems aimed at ensuring the security of the ICT systems

- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit and Risk Committee

I confirm that An Garda Síochána 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 An Garda Síochána 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 and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up. As a result of the Covid-19 pandemic and the restrictions imposed the Garda Internal Audit Unit from March 2020 to June 2020 focussed on research, review audits and deskwork.

Non-compliance with procurement rules

An Garda Síochána 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.

An Garda Síochána is compliant with guidelines with the exception of 44 contracts to a value of €8,747,148 (ex. VAT) which were extended beyond the original contract date without competitive procurement.

An Garda Síochána has taken steps where applicable to put tenders in place in 2021 in respect of these contracts.

An Garda Síochána has provided details of non-competitive contracts in the annual return of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

An Garda Síochána 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. Risk management is supported by a Risk and Policy Governance Board, a dedicated Garda Risk Management Unit and a Risk Champion Network.

A risk register is in place which identifies the key risks facing An Garda Síochána and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by Risk and Policy Governance Board on at least a quarterly basis.

The register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Outcome of risk assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 and the Executive, where relevant, 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.

Work on resolving control failures is ongoing. The following provides an update in relation to those matters.

Garda payroll and pension overpayments

The overpayment of Garda members and staff salaries arises largely from the late notification of sick leave, retirements, resignations, dismissals, unpaid maternity leave and family friendly application to the Payroll Shared Service Centre. To 31 May 2021, recovery plans have been agreed in respect of 10% of identified overpaid Garda pensions and 65% of identified overpaid Garda members and staff salaries recovery plans have been agreed.

The overpayment of Garda pensions is mainly due to the payment of pensions in advance, rather than in arrears which is the public sector norm.

Summonses issued incorrectly

An examination in 2018 of summonses issued between 1 January 2006 and 27 May 2016 identified cases of persons who had committed offences that had been brought before the courts incorrectly. Of these, 12,074 cases resulted in a penalty being imposed by the courts. An Garda Síochána is appealing these outcomes, with the consent of plaintiffs, to the Circuit Court. Subject to the determination of the Court, any fines imposed will be reimbursed and all records involved will be corrected. Of the 12,074 cases, 5,395 consent forms to appeal were received, of which 55% have been resolved and the remaining cases are awaiting appeal or results of an appeal.

Property and evidence management

A legacy backlog of evidential material to be recorded on the Property Exhibits Management System (PEMS) was identified as a financial and reputational risk by internal audit. Significant progress has been made in the opening and refurbishment of PEMS stores, to address this matter.

Garda Youth Diversion Bureau/Youth Diversion Programme

An internal review of youth referral incidents, deemed suitable for inclusion into the Garda Youth Diversion Programme, found a significant volume of cases were not processed to an appropriate conclusion by members of An Garda Síochána in the period January 2010 to July 2017. A victim engagement consultation process was initiated to proactively engage with all concerned external stakeholders.

The Commissioner approved the *National Youth Referral Review Implementation Action Plan 2019 – 2021* to incorporate 39 recommendations arising from the work of the Internal Review Group on youth referral incidents.

At the end of 2020, 35 of the 39 actions have been completed.

Four actions are outstanding and it is expected that these actions will be completed in 2021.

Computer Aided Dispatch System

Calls for service to An Garda Síochána are processed through a Computer Aided Dispatch (CAD) system. A review undertaken by An Garda Síochána raised issues regarding governance, processes and procedures in place for CAD calls. Consequently, an internal examination commenced, which is still ongoing in 2021. During 2020 and 2021, actions have been or are in the process of being implemented to address weaknesses found as part of the review to date.

Review of effectiveness

I confirm that An Garda Síochána has procedures to monitor the effectiveness of its risk management and control procedures. An Garda Síochána'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 An Garda Síochána responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The assessment of the impact of the Covid-19 pandemic is a continual process in An Garda Síochána. Associated risks, impacts and mitigating controls and actions form part of An Garda Síochána's risk management process.

An Garda Síochána played an essential role in assisting with the implementation of Covid-19 public health measures and helping to keep people and communities safe during 2020. The other work of policing also continued during this time.

An impact of the pandemic was the publishing of several statutory instruments in 2020 under the Health Act 1947, a number of which included elements of guidance and enforcement to be carried out by An Garda Síochána. As an essential service in providing these and other policing services, an emergency Covid-19 roster was introduced to maximise availability of personnel, and which has a financial impact. In addition, resources were redeployed to frontline operational duties, and there was some fast-track attestation of Garda members.

An internal Covid-19 Coordination Unit was set up to support An Garda Síochána personnel with information and advice relating to Covid-19 within the work environment. The Coordination Unit continues to liaise with the relevant agencies and monitors updates from the Department of Health and/or HSE, the National Public Health Emergency Team and the Cabinet Sub-Committee.

The Senior Leadership Team manages the day to day security, safety, healthcare and operational challenges posed by the pandemic and the associated measures imposed. Where possible work was undertaken remotely, with key financial internal controls maintained and risks mitigated through the provision of secure remote ICT and existing policies/procedures remaining in place.

Regular meetings are held at multiple levels across the organisation and with key external stakeholders, to respond efficiently and effectively to the dynamic changing environment.

An Garda Síochána continues to work closely with all relevant agencies, to adopt measures that are in line with public policy and the evolving situation.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

JA Harris
Accounting Officer
An Garda Síochána

24 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 20 Garda Síochána

Opinion on the appropriation account

I have audited the appropriation account for Vote 20 Garda Síochána for the year ended 31 December 2020 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 20 Garda Síochána for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of An Garda Síochána 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 together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

27 September 2021

Vote 20 An Garda Síochána

Appropriation Account 2020

				2020	2019
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Working with communities to protect and serve				
	Original	1,878,569			
	Supplementary	63,900			
			1,942,469	1,927,814	1,794,042
Gross expenditure			**1,942,469**	**1,927,814**	**1,794,042**
	Deduct				
B	**Appropriations-in-aid**				
	Original	95,988			
	Supplementary	19,575			
			115,563	**117,237**	**121,288**
Net expenditure					
	Original	1,782,581			
	Supplementary	44,325			
			1,826,906	**1,810,577**	**1,672,754**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €12,750,000 of unspent allocations in respect of the capital elements of Subhead A.12 was carried forward to 2021.

	2020	2019
	€	€
Surplus	16,328,658	3,135,356
Deferred surrender	(12,750,000)	—
Surplus to be surrendered	**3,578,658**	**3,135,356**

JA Harris
Accounting Officer
An Garda Síochána

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		509,697	478,172
Pay		1,225,552	1,137,561
Non pay		192,565	178,309
Gross expenditure		**1,927,814**	**1,794,042**
Deduct			
Appropriations-in-aid		**117,237**	**121,288**
Net expenditure		**1,810,577**	**1,672,754**
Changes in capital assets			
Purchases cash	(30,276)		
Depreciation	25,786		
Disposals cash	—		
Loss on disposal	123	(4,367)	(92,894)
Changes in net current assets			
Decrease in closing accruals	(9,419)		
Increase in stock	(1,875)	(11,294)	(1,016)
Direct expenditure		**1,794,916**	**1,578,844**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		25,503	23,175
Net programme cost		**1,820,419**	**1,602,019**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 20 borne elsewhere, net of costs of shared services provided to other Votes.

		2020 €000	2019 €000
Vote 9	Office of the Revenue Commissioners	15	75
Vote 13	Office of Public Works	21,826	19,470
Vote 18	National Shared Services Office	2,647	2,647
Vote 24	Justice – Financial Shared Services Centre [a]	2,431	2,376
Cost of shared services provided to other Votes		(1,416)	(1,393)
		25,503	**23,175**

Note [a] The costs of superannuation payments made to civilian staff are included in Vote 24 – Department of Justice and are not recorded in this account as net allied services expenditure.

Other services

An Garda Síochána cooperates with other services in a variety of ways. The costs involved are not reflected in the table above. Key services include the following.

- Garda transport was made available as escorts to Prison Service personnel conveying prisoners to court.
- Assistance was rendered to An Garda Síochána by the Defence Forces in the disposal of explosive materials, without payment.
- Garda personnel availed of Air Corps aircraft during 2020 without payment. Air Corps support was also provided without charge in relation to the operation of the Garda fixed-wing aircraft and Garda helicopters.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	173,415	168,609
Current assets			
Bank and cash	2.2	41,662	22,988
Stocks	2.3	11,338	9,464
Prepayments	2.9	22,220	11,931
Other debit balances	2.4	29,159	23,305
Accrued income		1,321	1,760
Total current assets		**105,700**	**69,448**
Less current liabilities			
Accrued expenses	2.10	13,979	13,110
Other credit balances	2.5	58,164	46,158
Net Exchequer funding	2.6	12,657	135
Total current liabilities		**84,800**	**59,403**
Net current assets		20,900	10,045
Net assets		**194,315**	**178,654**
Represented by:			
State funding account	2.7	**194,315**	**178,654**

2.1 Capital assets

	Buildings	Aircraft and boats	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000	€000
Gross assets							
Cost or valuation at 1 January 2020	90,763	19,871	76,948	205,109	8,765	17,070	418,526
Additions	1,240	71	15,709	3,181	9	10,505	30,715
Disposals	—	—	(5,802)	(6,790)	—	—	(12,592)
Adjustments [a]	—	—	—	17,070	—	(17,070)	—
Cost or valuation at 31 December 2020	92,003	19,942	86,855	218,570	8,774	10,505	436,649
Accumulated depreciation							
Opening balance at 1 January 2020	2,622	15,681	56,236	169,682	5,696	—	249,917
Depreciation for the year	1,875	577	9,048	13,791	495	—	25,786
Depreciation on disposals	—	—	(5,681)	(6,788)	—	—	(12,469)
Cumulative depreciation at 31 December 2020	4,497	16,258	59,603	176,685	6,191	—	263,234
Net assets at 31 December 2020	**87,506**	**3,684**	**27,252**	**41,885**	**2,583**	**10,505**	**173,415**
Net assets at 31 December 2019	88,141	4,190	20,712	35,427	3,069	17,070	168,609

Note [a] The development of the Schengen ICT system (phases I and II) which is used for information sharing for border control purposes amongst European countries was completed in 2020 and the cost of €17.07 million transferred to office and IT equipment. Phase III will commence in 2021.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	35,851	16,223
Commercial bank account balance [a]	5,811	6,765
	41,662	**22,988**

Note [a] An Garda Síochána maintains 104 divisional/unit imprest commercial bank accounts, which will be reduced in line with the rollout of the operating model.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	414	416
Telecommunications stock	1,806	1,105
Clothing	3,950	3,440
Technical Bureau supplies	121	132
United Nations service stock	173	150
Armoury	4,286	3,549
Miscellaneous	588	672
	11,338	**9,464**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	2,175	(1,708)
Imprests	725	635
Payroll suspense account (Paypath)	22,215	23,338
Cycle to Work scheme	898	468
Other debit suspense items	3,146	572
	29,159	**23,305**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	28,189	21,735
Pay related social insurance	13,169	9,838
Professional services withholding tax	2,071	1,149
Value added tax	1,175	815
Relevant contracts tax	18	—
Road Traffic Act fines	1,730	842
Tax on pension contributions refunds	11	3
Civil Service pension scheme	846	460
Garda division account balances	5,811	6,765
	53,020	41,607
Payroll deductions held in suspense	4,426	3,845
Garda reward fund (note 5.7)	486	491
Other credit suspense items	232	215
	58,164	**46,158**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	3,579	3,135
Deferred surrender	12,750	—
Exchequer grant undrawn	(3,672)	(3,000)
Net Exchequer funding	**12,657**	**135**
Represented by:		
Debtors		
Bank and cash	41,662	22,988
Debit balances: suspense	29,159	23,305
	70,821	46,293
Creditors		
Due to the State	(53,020)	(41,607)
Credit balances: suspense	(5,144)	(4,551)
	(58,164)	(46,158)
	12,657	**135**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			178,654	84,744
Disbursements from the Vote				
Estimate provision	Account	1,826,906		
Deferred surrender	Account	(12,750)		
Surplus to be surrendered	Account	(3,579)		
Net vote			1,810,577	1,672,754
Expenditure (cash) borne elsewhere	1.1		25,503	23,175
Net programme cost	1		(1,820,419)	(1,602,019)
Balance at 31 December			**194,315**	**178,654**

2.8 Commitments

a) Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	49,628	54,103
Capital projects	77,911	19,107
Total of legally enforceable commitments	**127,539**	**73,210**

Note The commitments in relation to the procurement of goods and services at the end of 2020 amounted to €49.628 million. The Go Safe commitment was €34.057 million, which consists of a contract in place until April 2023. Other commitments include ICT €9.693 million, purchase of vehicles €666,000, telecommunications €368,000, specialist equipment €609,000, clothing €3.277 million and the balance of €958,000 across other subheads.

b) Major capital projects

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Regional/divisional headquarters:					
• Galway	30,252	—	1,911	32,163	32,163
• Kevin Street	34,125	1,240	—	35,365	38,707
• Wexford	26,386	—	—	26,386	26,961
• Military Road	—	10,505	76,000	86,505	—
Software system development:					
• MIMS [a] phases 3a, 3b, 5	17,392	—	—	24,800	24,800
• Schengen	17,069	—	—	21,700	21,700
	125,224	**11,745**	**77,911**	**226,919**	**144,331**

Note [a] Major Investigations Management System

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

Kevin Street

Decrease in expected total spend: €3.342 million

The revised estimated total spend on Vote 20: Garda Síochána is mainly due to €3 million of the funding of this project to be provided on Vote 13: OPW.

Wexford

Decrease in expected total spend: €575,000

This was an estimated cost to complete and project came in under budget.

2.9 Prepayments

at 31 December	2020	2019
	€000	€000
National digital radio payments	7,383	8,278
ICT payments	10,694	2,494
Other	4,143	1,159
	22,220	**11,931**

2.10 Accrued expenses

at 31 December	2020	2019
	€000	€000
ICT	2,758	1,785
Purchase of vehicles	259	429
Specialist equipment	360	104
Travel and subsistence	1,117	2,059
Fuel and maintenance	1,047	943
Station services	1,418	1,655
Go Safe contract	1,199	1,124
Storage and training	629	688
Communication and other equipment	740	1,213
ICT equipment	124	68
Clothing	934	211
College	195	425
Other	3,199	2,151
Tax	—	255
	13,979	**13,110**

2.11 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	—	—

2.12 Contingent liabilities

Garda Síochána is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	1,196,343			
	Supplementary	28,140			
			1,224,483	1,225,552	1,137,561
ii	Travel and subsistence				
	Original	17,019			
	Supplementary	1,497			
			18,516	17,490	20,917
iii	Training and development and incidental expenses				
	Original	15,227			
	Supplementary	9,485			
			24,712	25,479	24,413
iv	Postal and telecommunications services				
	Original	40,447			
	Supplementary	4,260			
			44,707	46,664	50,522
v	Office equipment and external IT services				
	Original	78,553			
	Supplementary	(3,924)			
			74,629	73,351	57,404
vi	Maintenance of Garda premises				
	Original	2,642			
	Supplementary	300			
			2,942	2,986	1,197
vii	Consultancy services and value for money and policy reviews				
	Original	261			
	Supplementary	157			
			418	602	634
viii	Station services				
	Original	20,301			
	Supplementary	4,876			
			25,177	25,888	23,096
ix	Garda Reserve				
	Original	1,395			
	Supplementary	(1,245)			
			150	105	126
			1,415,734	**1,418,117**	**1,315,870**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €17.019 million; outturn €17.49 million

The increase of €471,000 was due to additional costs associated with the provision of travel and subsistence to Garda members primarily working on special operations in Organised and Serious Crime, Garda National Crime and Security Intelligence Services and North Western regional armed support units.

iii Training and development and incidental expenses

Estimate provision €15.227 million; outturn €25.479 million

The increase of €10.252 million was due primarily to costs associated with the Road Traffic Acts and the demand led nature of many elements of this category. The main cost drivers were vehicle towing and storage costs of €3.198 million in excess of the budget.

An increase of €5.157 million for expenses of persons detained, which is demand led and in the main associated with doctors' and interpreters' fees. An increase of €2.125 million in miscellaneous expenditure primarily related to maintenance of police animals, legal fees, hire and rental expenses. Miscellaneous expenditure included €370,000 in costs associated with Covid-19.

iv Postal and telecommunications services

Estimate provision €40.447 million; outturn €46.664 million

The increase of €6.217 million was due to a payment made in respect of the national digital radio system.

v Office equipment and external IT services

Estimate provision €78.553 million; outturn €73.351 million

The shortfall in expenditure of €5.202 million was due primarily to a reduction in expenditure on photocopiers, stationery and office machinery.

vi Maintenance of Garda premises

Estimate provision €2.642 million; outturn €2.986 million

The increase of €344,000 was due to meeting essential maintenance requirements of the Garda estate.

vii Consultancy services and value for money and policy reviews

Estimate provision €261,000; outturn €602,000

The increase of €341,000 is due to expenditure of €158,000 on consultancy services provided for the administration of the Internal Security Fund, which is reimbursed through EU grant funding and returned via appropriations-in-aid to the Exchequer. The remaining increase is in relation to professional fees for technical and employer related taxation advice.

viii Station services

Estimate provision €20.301 million; outturn €25.888 million

The increase of €5.587 million is due to a number of elements: €1.113 million relates to the refurbishment of stations, the establishment of new specialist units and the rearranging of offices to facilitate social distancing. €2.933 million relates to additional cleaning services and price increases of which €685,000 is directly attributable to Covid-19 measures. €1.169 million was for the provision of Garda medical services attributable to the increase in employee numbers and the Covid-19 pandemic. €372,000 relates to an increase in utility charges.

ix Garda Reserve

Estimate provision €1.395 million; outturn €105,000

The shortfall in expenditure of €1.29 million on Garda Reserve was due to recruitment targets not being achieved and a fall of 51 in the number of reserves between 2019 and 2020.

Programme A Working with communities to protect and serve

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	1,196,343			
	Supplementary	28,140			
			1,224,483	1,225,552	1,137,561
A.2	Administration − non pay				
	Original	175,845			
	Supplementary	15,406			
			191,251	192,565	178,309
A.3	Clothing and accessories				
	Original	6,263			
	Supplementary	15,274			
			21,537	22,287	5,537
A.4	St. Paul's Garda Medical Aid Society		124	124	124
A.5	Transport				
	Original	28,554			
	Supplementary	9,161			
			37,715	38,162	31,848
A.6	Communications and other equipment				
	Original	26,440			
	Supplementary	4,435			
			30,875	31,047	32,236
A.7	Aircraft		1,350	2,073	1,426
A.8	Superannuation, etc.				
	Original	355,761			
	Supplementary	3,000			
			358,761	354,711	343,379
A.9	Witnesses' expenses		1,805	1,824	2,155
A.10	Compensation				
	Original	16,620			
	Supplementary	(4,000)			
			12,620	11,992	14,977
A.11	Witness security programme				
	Original	1,198			
	Supplementary	(798)			
			400	300	200
A.12	Capital building programme				
	Original	32,200			
	Supplementary	4,890			
			37,090	24,227	13,832
A.13	Garda College				
	Original	36,066			
	Supplementary	(11,608)			
			24,458	22,950	32,458
			1,942,469	**1,927,814**	**1,794,042**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €49.245 million higher than originally provided. €45.929 million of this related to administration expenditure and has already been explained and the balance of the variance of €3.316 million was mainly due to the following:

A.3 Clothing and accessories

Estimate provision €6.263 million; outturn €22.287 million

The increase in expenditure of €16.024 million is due largely to measures introduced due to the Covid-19 pandemic. €13.99 million was invested in PPE equipment to protect Garda members and staff carrying out essential services during the Covid-19 pandemic, €2 million was in the main due to higher than anticipated spend on uniforms, specialised clothing and accessories.

A.5 Transport

Estimate provision €28.554 million; outturn €38.162 million

The increase in expenditure of €9.608 million was due primarily to €7 million additional investment in vehicles purchased in 2020. These vehicles were predominantly to enable AGS to provide an essential community presence during the Covid-19 pandemic.

€1.386 million relates to the hire of vehicles in the early stages of the pandemic, as part of the community response to Covid-19. The investment made in the fleet enabled the gradual return of the hire vehicles.

€1.222 million increase relates to the associated fuel, maintenance and miscellaneous costs of the increased fleet numbers and fleet usage since the Covid-19 pandemic began.

A.6 Communications and other equipment

Estimate provision €26.44 million; outturn €31.047 million

The increase in expenditure of €4.607 million was due to a number of factors; €2.64 million of which was invested in firearm stores. €500,000 was expended on new laser speed equipment. The remaining excess of approximately €1.467 million was due in the main to higher than anticipated spend on communications and operational equipment and the additional fleet numbers have an associated requirement for Tetra Radios for the vehicles. €300,000 was spent directly on Covid-19 related expenditure.

A.7 Aircraft

Estimate provision €1.35 million; outturn €2.073 million

The increase in expenditure of €723,000 was due to increased costs of maintenance and repairs of the Garda helicopters. Currently both of the Garda helicopters are well advanced in age resulting in additional maintenance costs.

A.8 Superannuation, etc.

Estimate provision €355.761 million; outturn €354.711 million

The shortfall in expenditure of €1.05 million relative to the estimate provision was due in part to the Covid-19 pandemic as the anticipated number of retirements did not materialise.

A.10 Compensation

Estimate provision €16.62 million; outturn €11.992 million

The shortfall in expenditure of €4.628 million was due to the unpredictable nature and amounts of compensation awarded, and timing of cases due to Covid-19 measures.

A.11 Witness security programme

Estimate provision €1.198 million; outturn €300,000

The shortfall in expenditure of €898,000 was due to the nature of this subhead, which makes it difficult to predict the level and timing of expenditure.

A.12 Capital building programme

Estimate provision €32.2 million; outturn €24.227 million

The shortfall in expenditure of €7.973 million was due to delays on capital project works. Progress across a range of Garda accommodation projects was impacted by the public health measures that were implemented throughout 2020.

A.13 Garda College

Estimate provision €36.066 million; outturn €22.95 million

The shortfall in expenditure of €13.116 million was due to pay related costs of €8.293 million accounted for in Subhead A.1 (salaries, wages and allowances), and non-pay items of €4.823 million. The 2020 savings are reflective of the impact of the Covid-19 pandemic on training and staff reallocation. The reduced intake of recruits in 2020 and the reduced time periods that student Gardaí spent in the College impacted on the A.13 expenditure.

Note 4 Receipts

4.1 Appropriations-in-aid

			2020	2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Contribution to the Garda Síochána spouses' and children's pension schemes			
	Original	11,278		
	Supplementary	1,049		
		12,327	12,628	11,911
2	Contribution to the Garda Síochána pensions scheme			
	Original	21,528		
	Supplementary	2,721		
		24,249	24,626	22,909
3	Miscellaneous receipts (note 4.2)			
	Original	11,000		
	Supplementary	4,875		
		15,875	15,762	17,458
4	Garda College receipts			
	Original	600		
	Supplementary	(466)		
		134	190	955
5	Firearm fees			
	Original	3,000		
	Supplementary	716		
		3,716	3,968	10,663
6	Safety cameras – certain receipts from fixed charges	14,200	14,593	14,668
7	Receipts from additional superannuation contributions on public service remuneration			
	Original	34,382		
	Supplementary	10,680		
		45,062	45,470	42,724
	Total	**115,563**	**117,237**	**121,288**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €21.249 million more than the estimate. Explanations for variances are set out below:

1 Contribution to the Garda Síochána spouses' and children's pension schemes

Estimate €11.278 million; realised €12.628 million

The increase of €1.35 million was due to an increase in number of serving Gardaí and the overall increase in 2020 payroll costs which resulted in higher contributions.

2 Contribution to the Garda Síochána pensions scheme

Estimate €21.528 million; realised €24.626 million

The increase of €3.098 million was due to an increase in number of serving Gardaí and the overall increase in 2020 payroll costs which resulted in higher contributions.

3 Miscellaneous receipts

Estimate €11 million; realised €15.762 million

The excess receipts of €4.762 million were mainly due to receipts from Garda mast rental of €1.79 million and €1.89 million from seizures forfeited to the state.

4 Garda College receipts

Estimate €600,000; realised €190,000

The shortfall of €410,000 was due to the college being closed as a result of Covid-19 and payment of a VAT liability of €269,000.

5 Firearm fees

Estimate €3 million; realised €3.968 million

The increase of €968,000 was due to the timing of receipts.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €34.382 million; realised €45.47 million

The increase of €11.088 million was due to an increase in the number of serving Garda members and staff, and the increase in payroll expenditure resulting in an increase in additional superannuation contributions.

4.2 Analysis of miscellaneous receipts

	2020 €000	2019 €000
Payments for non-public duty services rendered by Gardaí	3,222	5,910
Repayments of car advances	4	2
Recovery in respect of damage to official vehicles and other Garda property	11	48
Proceeds of sales of used vehicles, old stores, forfeited and unclaimed property	2,540	645
Fees for accident and malicious damage reports	628	757
Contribution for living quarters	44	42
Recoupment of witnesses' expenses	1	2
Recoupment of salaries	44	52
Percentage charge to insurance companies for collection of insurance premiums	98	104
EU receipts	875	3,369
Taxi licence fees	207	251
Road Traffic Act – fees charged for motoring offences	2,741	2,529
Fingerprint fees for employment and visa purposes	67	80
Garda masts	2,801	1,052
Carrier liability	757	865
Age cards	162	213
Unclassified items	1,560	1,537
	15,762	**17,458**

4.3 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	842	1,144
Collected	4,524	5,000
Transferred to the Exchequer	(3,636)	(5,302)
Balance at 31 December	**1,730**	**842**

4.4 Fixed charge notice receipts

Total receipts from fixed charge notices in 2020 were €19.113 million (2019: €19.688 million). Of this, €14.59 million (2019: €14.668 million) was retained to fund the Go-Safe contract. Of the balance of €4.524 million, €3.636 million (2019: €5 million) was paid over to the Exchequer in 2020, with the remainder transferred in 2021.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end:		
Garda members	14,491	14,307
Student Gardaí	153	405
Garda staff	3,113	2,945
	17,757	**17,657**

5.2 Pay [a]

	2020 €000	2019 €000
Pay	839,369	782,086
Ex gratia payment – note 5.6	1,753	—
Higher, special or additional duties allowances	375	431
Other allowances	202,263	181,031
Overtime	98,958	106,942
Employer's PRSI	100,541	90,981
Total pay	**1,243,259**	**1,161,471**

Note [a] Includes pay for staff employed in the Garda College, charged to subhead A.13.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	206	4	48,437	40,123
Overtime and extra attendance	15,072	3,025	52,953	55,086
Shift and roster allowances	14,772	10,638	59,040	47,848
Miscellaneous	14,954	212	96,075	77,126
Extra remuneration in more than one category	14,714	13,245	110,401	81,588

5.4 Other remuneration arrangements

In 2020, ten retired civil servants in receipt of civil service pensions were re-engaged on various duties at a total cost of €165,544. Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pension (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020 €000	2019 €000
Payroll overpayments	1,242	2,237	2,022
Recovery plans in place	872	1,461	1,070
Pension overpayments	366	873	790
Recovery plans in place	36	241	281

Note The figures above are cumulative and include overpayments still outstanding from previous years. In 2020, one Garda staff overpayment was written off with a value of €6,398.

5.6 Severance/redundancy

A redundancy package was agreed and offered by An Garda Síochána. Severance payments totalling €1,752,877 were made in 2020.

Rank/Grade	Number of recipients	Severance payments €	Added years of notional service	Early payment of pension with no actuarial reduction (years)
Assistant Commissioner/Chief Superintendent	8	484,322	—	—
Superintendent	26	1,268,555	—	—
Total	**34**	**1,752,877**	**—**	**—**

5.7 An Garda Síochána Reward Fund

The purpose of the Fund is to pay awards for Garda bravery and an annual contribution for Garda chaplaincy services from moneys received in relation to Garda disciplinary fines.

The following statement shows the total receipts proper to the Fund in the year, the amount of payments in the period and the balance of the Fund at year end.

	2020 €000	2019 €000
Balance brought forward on 1 January	491	475
Receipts	59	45
Payments	(64)	(29)
Balance on 31 December	**486**	**491**

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2020	2020	2019
		€000	€000	€000
Disclosures Tribunal [a]	2017	3,700	801	801
Hickson Commission of Investigation [b]	2018	49	3	42
			804	**843**

Notes [a] The Disclosures Tribunal was established to investigate protected disclosures made under the Protected Disclosure Act 2014 and certain other matters. Costs are those incurred for legal representation for serving and retired Garda members. The Tribunal's own costs are incurred by the Vote for Justice.

[b] The Hickson Commission of Investigation was established to investigate the response to allegations of child sexual abuse against a named individual.

6.2 Statement of losses (Garda vehicles, etc)

A total of 641 accidents involving Garda vehicles were reported in 2020 (2019: 561). Damage to official vehicles and other costs amounted to €1,018,507. Compensation totalling €98,649 was recovered.

6.3 Fraud and suspected fraud

	Number of cases	2020	2019
		€000	€000
Fraud	—	—	—
Suspected fraud	7	2	15

Note There are seven detected/alleged fraud instances in 2020 which are currently under Garda investigation (2019: 11).

6.4 Compensation and legal costs

The account includes expenditure in relation to legal costs and compensation awards taken by members and employees of An Garda Síochána and by members of the public.

	Number of cases	Compensation awarded	Legal costs awarded	Other costs awarded [a]	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members and employees of An Garda Síochána [b]						
Under Garda Síochána Compensation Acts 1941-1945	129	2,705	1,859	—	4,564	7,738
Through the State Claims Agency for injuries received while on duty [c]	50	592	247	35	874	340
Civil claims by members of the public						
Claims arising from actions of Gardaí in the performance of their duties	136	2,981	1,967	27	4,975	4,817
Claims (including by Garda members) resulting from accidents involving Garda vehicles	196	1,066	364	64	1,494	1,986
		7,344	**4,437**	**126**	**11,907**	**14,881**

At 31 December 2020

- 1,520 claims outstanding under the Garda Síochána Compensation Acts (2019: 1,462)
- 279 civil claims outstanding relating to accidents involving Garda vehicles (2019: 276)
- 3,338 civil claims other than those involving Garda vehicles outstanding (2019: 1,327)

Note [a] Other costs awarded relate to agency fees, investigator fees, medical fees etc.

[b] Compensation payments amounting to €85,238 (2019: €96,822) were paid on foot of the Occupational Injuries Benefit Scheme which is administered through the Department of Social Protection. These payments are not included in the table above.

[c] These may include part payments over a number of years for individual cases.

6.5 EU funding

There were sixteen EU funded projects in 2020. The funds received in the year are as follows:

	2020 €000	2019 €000
Atlas 2020	—	111
Internal Security Fund	874	3,101
Broadway	—	14
PROTAX	—	25
Pericles	—	6
ROXANNE	77	77
MAGNETO	50	57
QROC	—	57
InspectR	—	200
Proactive	—	216
City Cop	—	29
Safe Ci	—	9
CEPOL	—	65
GRACE	121	—
JUSTISIGNS 2	4	—
ADEP 2.0	238	—
	1,364	**3,967**

Atlas 2020 is a project to support the activities of the transnational law enforcement network.

- Establish a first ATLAS Centre of Excellence in airplane breaching (AIRCRAFT).
- Improved medical support for victims and own forces in hostile areas (MEDIC).
- Improved tactical skills and approaches to counter related incidents in urban areas (BUILDINGS).
- Enhance the capacities of Special Intervention Units (SIUs) for dealing with drone-related risks as well as robots (INOVATION).
- Improve concepts of marksmen deployment in counter-terrorism operations (SNIPER).
- Develop methods of breach objects and buildings (ENTRY).
- Develop best practice methods to integrate negotiation capabilities during Counter Terrorism operations (NEGO).
- Enhance the cooperation between SIUs in cases of operations related to public means of transport (TRANSPORT).

Internal Security Fund (ISF): promote the implementation of an internal security strategy, law enforcement cooperation and the management of the EU's external borders. From 2014 to 2020 the fund is focused on two specific objectives:

- Fight against crime: combating cross-border, serious and organised crime including terrorism and reinforcing coordination and cooperation between law enforcement authorities and other national authorities of EU states, including EUROPOL and relevant non-EU and international organisations.
- Managing risk and crisis: enhancing the capacity of EU states and the union for the effective management of security-related risk and crisis, and preparing for protection of people and critical infrastructure against terrorist attacks and other security related threats.

Broadway: As per the requirements of the BroadMap project, form a pilot system from a number of deployed prototype systems to demonstrate interoperable operation across borders in the following settings - land border roaming, long distance roaming, communications groups and all connected countries' incidents.

Pericles is a project to counter and prevent violent radicalisation and extremism, with a special focus on the support for law enforcement agencies.

PROTAX: 'New Methods to Prevent, Investigate and Mitigate Corruption and Tax Crime in the EU' is a project to contribute to a European Security Model providing solutions for prevention and prosecution of tax crimes. Tool kits to be developed for security policy makers, law enforcement agencies and tax authorities.

ROXANNE is a project contributing towards the goal of discovering criminal networks and identifying their members by bridging the strengths of speech and language technologies (SLTs), visual analysis (VA) and network analysis (NA).

MAGNETO is a project aimed at creating technology that will allow law enforcement agencies to analyse and correlate multimedia for organised crime prevention and investigations.

QROC is a project that aims to share needs and best practice and build a communication capability between Law Enforcement National Operation Centres (NOC) to share quickly and secure operational data across borders regarding terrorist threats.

InspectR (Intelligence Network and Secure Platform for Evidence Correlation and TransfeR) is a project to develop a shared intelligence platform and process for gathering, analysing, prioritising and presenting key data to help in the predication, detection and management of crime in support of multiple agencies at local, national and international level.

Proactive is a project for preparedness against CBRNE threats through common approaches between security practitioners and the vulnerable civil society.

City Cop: is a project on research of commonality and best practices used by successful community policing apps worldwide with the aim to produce a uniquely European solution, including a smartphone app and an on-line portal, to be deployed in every European city, while still retaining its "local flavour".

Safe Ci (Safer space for Safer Cities) is a two-year project which aims to enhance the protection of public spaces, urban areas and other soft targets via the exchange of best practice.

CEPOL is an agency of the European Union dedicated to develop, implement and coordinate training for law enforcement officials. (Courses were cancelled in 2020 as a result of Covid-19).

GRACE is a project on forensic data gathering, classification, processing, analysis and speedy exchange of information, supported by advanced AI-powered algorithms, to facilitate closing the technological gap with offenders and significantly improve efficiency in addressing Child Sexual Exploitation cases. In particular, GRACE aims to tackle the inflow of CSEM referrals from the Office of the State Pathologist, providing big data solutions for data ETL (Extract, Transform, and Load), while also aiming to standardise content management.

JUSTSIGN 2 is a project of research within the deaf community and investigation of the experiences of victims of sexual violence and crime when they interact with the police and the legal process. Builds on the previous JUSTISIGNS project.

ADEP Automated Data Exchange Process: is a project on addressing gaps without placing any great financial, IT development or human resource demands on the Member States.

6.6 Support for representative associations

Included in subhead A.1 is a total of €198,557 (2019: €293,492) in respect of the remuneration of members of An Garda Síochána on special leave with pay to staff representative bodies or assigned to welfare organisations.

In addition representative associations received funding during 2020 of €303,907 (2019: €302,002) as follows:

Representative associations	**2020**	**2019**
	€	**€**
Grant to Association of Garda Superintendents	58,000	58,000
Grant to Association of Chief Superintendents Grant	58,000	58,000
Sums charged to staff representative bodies and other welfare organisations for the provision of postal, telecommunications and accommodation services.	187,907	186,002

Appropriation Account 2020

Vote 21

Prisons

Introduction

As Accounting Officer for Vote 21, 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 2020 for the salaries and expenses of the Irish Prison Service, and other expenses in connection with prisons, including places of detention and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.689 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

The Minister for Justice and Equality owns 13[1] prisons and places of detention, as well as property at the Irish Prison Service College in Portlaoise and property adjacent to the Headquarters building in Longford, and two sites in Dublin: one adjacent to Cloverhill Prison and the other in Thornton.

Land was valued at existing use value or market value (if not in use) by the Valuation Office during 2020 and, with one exception, the revised values are reflected in Note 2.1 capital assets. Land at Thornton continues to be valued at historic cost, including investment in infrastructure and services, on the basis that it is a strategic State asset with potential future use value. Its availability has been identified to the Land Development Agency. This position will be kept under review on an annual basis.

The basis for valuing prison buildings - average replacement cost per cell - remains unchanged.

Prisons land and buildings will be revalued every five years with the next valuation due in 2025.

Valuation of other capital assets

As provided for in Circular 21 of 2020, the Irish Prison Service has applied a threshold of €1,000 for the capitalisation of its capital assets.

Depreciation

Buildings are not depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

With the exception of land and buildings, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

[1] There are 12 prisons and places of detention operational at present. The Training Unit in the Mountjoy complex does not hold prisoners currently but is expected to be operational again as soon as possible, subject to an assessment of the risks related to the Covid - 19 pandemic.

Consumables

Supplies for prisoner meals, cleaning, maintenance and workshops are treated as expensed items and are not counted in stocks

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 Irish Prison Service.

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

Shared services

The National Shared Services Office provides payroll processing services to the Irish Prison Service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Irish Prison Service.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Irish Prison Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Prison Service and the Department are exposed. The annual internal audit plans are approved by the Audit Committee and take account of this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. A dedicated audit team has been assigned to work on Prison Service audit issues in 2020, and this brings a greater focus to audit work across the Prison Service. The internal audit function is reviewed periodically by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Irish Prison Service (IPS) 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 in so far as these are within its control.

The Irish Prison Service is compliant with the exception of 16 contracts (in excess of €25,000), totalling €15,520,593 (ex. VAT) as set out below:

- Five contracts with a value of €6,745,191 are considered non-compliant on the basis that they were extended beyond the original contract date as new competitive processes being run in partnership with the Office of Government Procurement (OGP) were not fully completed by the year end. To date, three contracts have been awarded for goods and services that in 2020 accounted for expenditure of €6,224,053; one contract is currently at evaluation stage with the remaining one being progressed for tender publication by the OGP.
- Eleven contracts with a value of €8,775,402 are also considered as non-compliant on the basis that it has been necessary to roll-over beyond the original contract date, while updated procurement arrangements are being put in place. To date, six such contracts have been awarded (2020 value €6,026,290), while tender specifications are being prepared in five cases (2020 value €2,749,112). Four of the five latter cases relate to healthcare and ICT procurements, where staff had to be diverted to deal with responding to the challenges of the pandemic during 2020, hence accounting for the delay in the commencement of the procurement process.

The Irish Prison Service has provided details of non-competitive contracts in the annual return in respect of circular 40/2002.

Risk and control framework

The Irish Prison Service 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 for each Prison, Directorate and for the Irish Prison Service at a corporate level which identify the key risks at prison, directorate and organisation level and these have been identified, evaluated and graded according to their significance. The Corporate Risk Register is reviewed and updated by the Irish Prison Service Risk Management Committee (Executive Management Team) on a quarterly basis and quarterly reviews also take place at prison/directorate 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 and the Risk Management Committee, where relevant, 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 Irish Prison Service'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 Irish Prison Service responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The assessment of the impact of Covid-19 has been a central focus at all levels of management across the Irish Prison Service since the onset of the pandemic which has had a wide ranging and significant impact on operations during 2020. Prisons are a high risk environment for transmission of such viruses and the Irish Prison Service has been proactive in managing and mitigating against the risk since the beginning of the crisis. The senior management team has been meeting every day since early March 2020 dealing with the day to day security, safety, healthcare, operational and management challenges posed by the pandemic. An Emergency Response Planning Team was also activated on commencement of the crisis, with key stakeholders represented and meetings convened on a weekly basis to identify and implement protection measures and processes to minimise the impact on prisoners and staff in order to ensure prisons can be as Covid-19 free as possible.

As an essential service, the Irish Prison Service has maintained its core custodial and security operations and other services, to varying degrees, in line with the restriction levels in place under the *National Framework for living with Covid-19*.

While key payment controls were maintained throughout the pandemic, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where required. Secure remote access was provided to existing systems allowing staff working remotely to have access to their existing policies, procedures and detailed work manuals. The Irish Prison Service and the internal audit unit are monitoring the changes to the processes introduced in response to Covid-19 restrictions to ensure that they are effective.

There has been a major impact on cost with an estimated €7 million being incurred in 2020 as a result of the pandemic for items such as

- staff costs
- medical PPE
- virus detection measures
- deep cleaning and infection control
- industrial cleaning
- bedding, laundry and catering contingencies
- ICT for improved prisoner services and remote working for staff.

A number of Covid-19 outbreaks occurred in some prisons in late 2020 and early 2021. However, outbreaks have been successfully managed to minimise cases of transmission within prisons.

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 21 Prisons

Opinion on the appropriation account

I have audited the appropriation account for Vote 21 Prisons for the year ended 31 December 2020 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 21 Prisons for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Justice and of the Irish Prison Service 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.

Valuation of lands at Thornton Hall

Without qualifying my opinion, I draw attention to the basis upon which land at Thornton Hall has been valued in the notes to the appropriation account.

Land and buildings held by the Irish Prison Service are valued every five years, and any valuation changes are reflected in the statement of financial position. A valuation of all land and buildings held was carried out in 2020, and an increase of €372 million has been recognised.

Although the lands held by the Irish Prison Service at Thornton Hall was valued by the Valuation Office at €2.7 million in 2020, it continues to be carried on the statement of financial position at a value of €49.3 million. This represents the historic cost of acquisition and development of the lands. The statement of accounting policies and principles discloses the exceptional treatment of this item.

In my view, the exceptional accounting treatment of the Thornton Hall lands is not warranted.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

24 September 2021

Vote 21 Prisons

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison				
	Original	392,363			
	Supplementary	15,728			
			408,091	400,879	357,896
Gross expenditure			**408,091**	**400,879**	**357,896**
	Deduct				
B	**Appropriations-in-aid**				
	Original	9,152			
	Supplementary	1,728			
			10,880	**10,825**	**10,284**
Net expenditure					
	Original	383,211			
	Supplementary	14,000			
			397,211	**390,054**	**347,612**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €5,468,000 of unspent allocations in respect of the capital elements of Subhead A.3 Buildings and equipment was carried forward to 2021.

	2020	2019
	€	€
Surplus	7,156,894	1,923,512
Deferred surrender	(5,468,000)	—
Surplus to be surrendered	**1,688,894**	**1,923,512**

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		110,740	85,387
Pay		271,324	255,084
Non pay		18,815	17,425
Gross expenditure		**400,879**	**357,896**
Deduct			
Appropriations-in-aid		**10,825**	**10,284**
Net expenditure		**390,054**	**347,612**
Changes in capital assets			
Purchases cash	(40,467)		
Depreciation	3,925		
Loss on disposals	2	(36,540)	(23,220)
Changes in net current assets			
Decrease in closing accruals	(1,696)		
Increase in stock	(14)	(1,710)	1,542
Direct expenditure		**351,804**	**325,934**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		70,031	66,587
Net programme cost		**421,835**	**392,521**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 21 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	270	270
Vote 12	Superannuation and Retired Allowances	68,625	65,221
Vote 13	Office of Public Works	145	150
Vote 18	National Shared Services Office	332	321
Vote 24	Justice – Financial Shared Service Centre	639	625
Vote 43	Office of the Government Chief Information Officer	20	—
		70,031	**66,587**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	1,404,618	996,383
Current assets			
Bank and cash	2.2	18,859	6,065
Stocks	2.3	2,277	2,263
Prepayments		2,498	1,589
Accrued income		56	431
Other debit balances	2.4	2,086	4,348
Total current assets		**25,776**	**14,696**
Less current liabilities			
Accrued expenses		8,385	9,547
Other credit balances	2.5	15,088	10,295
Net Exchequer funding	2.6	5,857	118
Total current liabilities		**29,330**	**19,960**
Net current assets		(3,554)	(5,264)
Net assets		**1,401,064**	**991,119**
Represented by:			
State funding account	2.7	**1,401,064**	**991,119**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	972,034	73,730	772	12,325	13,972	1,072,833
Additions	14,925	4,981	10	537	20,014	40,467
Revaluations	371,695	—	—	—	—	371,695
Disposals	—	(764)	(23)	—	—	(787)
Cost or valuation at 31 December 2020	1,358,654	77,947	759	12,862	33,986	1,484,208
Accumulated depreciation						
Opening balance at 1 January 2020	—	67,553	677	8,220	—	76,450
Depreciation for the year	—	2,545	22	1,358	—	3,925
Depreciation on disposals	—	(763)	(22)	—	—	(785)
Cumulative depreciation at 31 December 2020	—	69,335	677	9,578	—	79,590
Net assets at 31 December 2020	**1,358,654**	**8,612**	**82**	**3,284**	**33,986**	**1,404,618**
Net assets at 31 December 2019	972,034	6,177	95	4,105	13,972	996,383

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	18,724	5,433
Commercial bank account balances	135	632
	18,859	**6,065**

Non Vote bank accounts

The Irish Prison Service holds 24 commercial bank accounts. Moneys in these accounts are managed by the Irish Prison Service separately to voted funds and relate to prison shops, a Prisoner Assist Fund and two accounts for prisoners' personal cash. With the exception of gratuity payments to individual prisoners, which originate from the Vote, no moneys due to or paid from the Vote are transmitted through these bank accounts. The amount held at the end of 2020 is €3,295,289 and is not included in the account (2019: €2,782,615). See also Note 6.5.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Uniforms and clothing	2,241	2,238
Miscellaneous	36	25
	2,277	**2,263**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Prison imprest accounts	250	255
Payroll suspense account (Paypath)	1,472	3,728
Other debit suspense items	364	365
	2,086	**4,348**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	6,905	4,882
Pay related social insurance	3,537	2,379
Professional services withholding tax	115	110
Value added tax	2,311	1,590
Registered contractors tax	27	2
Tax deducted from pension contribution refunds	—	1
	12,895	8,964
Vote related bank account balances	135	632
Payroll deductions held in suspense	919	659
Other credit suspense items	1,139	40
	15,088	**10,295**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	1,689	1,924
Deferred surrender	5,468	—
Exchequer grant undrawn	(1,300)	(1,806)
Net Exchequer funding	**5,857**	**118**
Represented by:		
Debtors		
Bank and cash	18,859	6,065
Debit balances: suspense	2,086	4,348
	20,945	10,413
Creditors		
Due to the State	(12,895)	(8,964)
Vote related bank account balances	(135)	(632)
Credit balances: suspense	(2,058)	(699)
	(15,088)	(10,295)
	5,857	**118**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			991,119	969,008
Disbursements from the Vote				
Estimate provision	Account	397,211		
Deferred surrender	Account	(5,468)		
Surplus to be surrendered	Account	(1,689)		
Net vote			390,054	347,612
Expenditure (cash) borne elsewhere	1.1		70,031	66,587
Asset revaluation (non cash)	2.1		371,695	433
Net programme cost	1		(421,835)	(392,521)
Balance at 31 December			**1,401,064**	**991,119**

2.8 Commitments

a) Global commitments	**2020**	**2019**
at 31 December	**€000**	**€000**
Capital projects	41,715	58,127
Total of legally enforceable commitments	**41,715**	**58,127**

b) Major capital projects

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Limerick Prison	11,869	19,989	36,242	68,100 [a]	68,100
	11,869	**19,989**	**36,242**	**68,100**	**68,100**

Note [a] The redevelopment of Limerick Prison includes an extension to a current wing of the prison, a new female facility and a number of other related works. It will also provide a new Probation Service premises which will be funded, to the value of €3.4 million, by the Office of Public Works.

2.9 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**33**	**7**

2.10 Contingent liabilities

The Irish Prison Service is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The contingent liabilities include compensation claims relating to in-cell sanitation which are being dealt with by the State Claims Agency on behalf of the Irish Prisons Service. Any actual amount or timing of potential liabilities is uncertain. See also Note 6.2 Compensation and legal costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A expenditure, to provide complete programme costings.

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	270,110			
	Supplementary	490			
			270,600	271,324	255,084
ii	Travel and subsistence				
	Original	1,816			
	Supplementary	150			
			1,966	1,773	2,208
iii	Training and development and incidental expenses				
	Original	3,860			
	Supplementary	800			
			4,660	4,483	4,343
iv	Postal and telecommunications services				
	Original	1,800			
	Supplementary	(200)			
			1,600	1,474	1,701
v	Office equipment and external IT services				
	Original	6,580			
	Supplementary	3,390			
			9,970	11,085	9,173
vi	Consultancy services and value for money and policy reviews				
	Original	100			
	Supplementary	(100)			
			—	—	—
			288,796	**290,139**	**272,509**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

v Office equipment and external IT services

Estimate provision €6.58 million; outturn €11.085 million

The excess of €4.505 million compared with the original allocation of €6.58 million is reflected in part in the supplementary estimate of €3.39 million for the subhead. The increased expenditure is related to additional costs associated with managing the continuation and expansion of ICT services, infrastructure and systems during the Covid-19 pandemic including the facilitation of remote working for office-based staff and the provision of services within prisons such as video linking facilities for prisoner families and in cell services for prisoners. The supplementary estimate also reflects increased spending under the Government's Economic Stimulus Package including improvements to disaster recovery, data analytics and procurement systems.

vi Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €nil

The saving of €100,000 compared with the original allocation arises as there was no requirement for consultancy services in the year.

Programme A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	270,110			
	Supplementary	490			
			270,600	271,324	255,084
A.2	Administration − non pay				
	Original	14,156			
	Supplementary	4,040			
			18,196	18,815	17,425
A.3	Buildings and equipment				
	Original	68,277			
	Supplementary	(1,108)			
			67,169	60,241	44,778
A.4	Prisoner services				
	Original	28,906			
	Supplementary	7,144			
			36,050	34,203	28,595
A.5	Operational services				
	Original	4,550			
	Supplementary	400			
			4,950	5,585	6,570
A.6	Educational services				
	Original	1,265			
	Supplementary	135			
			1,400	1,424	1,389
A.7	Compensation				
	Original	4,873			
	Supplementary	4,627			
			9,500	9,087	3,855
A.8	Social disadvantage measures (Dormant accounts funded)		226	200	200
			408,091	**400,879**	**357,896**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €8.516 million higher than the original estimate, this accounting for the supplementary estimate in 2020. This included an overspend of €4.659 million in relation to administration non-pay expenditure (see above). The variation in the remaining subheads is mainly due to the following.

A.3 Building and equipment

Estimate provision €68.277 million; outturn €60.241 million

The saving of €8.036 million compared with the original allocation of €68.277 million is reflected in part in a reduction in the subhead in the supplementary estimate of €1.108 million for the subhead. €5.468 million of this saving was carried over to 2021 under the deferred capital provisions. The closedown of construction works during national lockdowns in the management of the Covid-19 pandemic led to significant delays in the progress of the major construction project at Limerick Prison. The Government's Economic Stimulus Package provided for other priority projects to be advanced such as infection control cells, CCTV, system improvements, lockings, windows, security systems, control room upgrades, nationwide carbon reduction led lighting replacement and fire alarm upgrades. This reduced the overall saving in the subhead.

A.4 Prisoner services

Estimate provision €28.906 million; outturn €34.203 million

The excess of €5.297 million compared with the original allocation of €28.906 million is reflected in the supplementary estimate of €7.144 million for the subhead. The increased expenditure relates mainly to significant costs related to the Covid-19 pandemic such as PPE for prisoners and staff, infection control costs, healthcare and cleaning supplies and temperature testing systems. There were also additional Covid-19 related costs in respect of catering for prisoners, for additional dish washing facilities, alternative bread supplies where Mountjoy bakery was locked down, cold storage facilities for food contingencies and for disposable boxes to replace plates for serving meals in prisons as an infection control measure.

A.5 Operational services

Estimate provision €4.55 million; outturn €5.585 million

The excess of €1.035 million compared with the original allocation of €4.55 million is reflected in part in the supplementary estimate of €400,000 for the subhead. The increased expenditure is due to additional costs for fleet management, security related systems and equipment to combat drug trafficking, incursions and throwovers, in addition to the costs associated with the Community Return Scheme.

A.6 Educational services

Estimate provision €1.265 million; outturn €1.424 million

The excess of €159,000 compared with the original allocation of €1.265 million is reflected in the supplementary estimate of €135,000 for the subhead. The increased expenditure is due to additional investment in computers and laptops to replace existing outdated stock coupled with additional requirements related to the provision of supplies necessary during the Covid-19 pandemic. Also, Phase II of the upgrade of the SPAN education infrastructure was undertaken in 2020 and Open University expenditure in 2020 was higher than previous years due to an increase in approved applications.

A.7 Compensation

Estimate provision €4.873 million; outturn €9.087 million

The excess of €4.214 million compared with the original allocation of €4.873 million is reflected in the supplementary estimate of €4.627 million for the subhead. The additional expenditure is due to a significant increase in compensation payments directly related to in-cell sanitation cases managed by the State Claims Agency, and in compensation payments to prison officers for injury on duty. This is a demand led expenditure area managed by the State Claims Agency on behalf of the Irish Prison Service and expenditure can vary depending on the quantum and number of awards.

Note 4 Receipts

4.1 Appropriations-in-aid

				2020	2019
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Miscellaneous				
	Original	305			
	Supplementary	349			
			654	583	402
2	Dormant account receipts		226	200	200
3	Receipts from additional superannuation contributions on public service remuneration				
	Original	8,621			
	Supplementary	1,379			
			10,000	10,042	9,682
	Total		**10,880**	**10,825**	**10,284**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, the appropriations-in-aid were €1.673 million higher than the original estimate of €9.152 million. This is mainly due to the following:

1 Miscellaneous

Estimate €305,000; realised €583,000

The surplus of €278,000 compared with the original allocation of €305,000 is reflected in the supplementary estimate of €349,000 for the subhead and is due to a greater volume of receipts being generated than expected. The largest proportion of receipts relate to illness benefit payments from the Department of Social Protection which increased during the year due to the Covid-19 pandemic.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €8.621 million; realised €10.042 million

The surplus of €1.421 million compared with the original allocation of €8.621 million is reflected in the supplementary estimate of €1.379 million for the subhead and is directly related to payroll costs including additional hours.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**3,455**	**3,405**

5.2 Pay

	2020	2019
	€000	€000
Pay	168,396	157,153
Higher, special or additional duties allowances	439	389
Other allowances	40,747	37,846
Extra attendance and overtime	39,604	39,654
Employer's PRSI	22,138	20,042
Total pay	**271,324**	**255,084**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	72	8	18,347	12,565
Extra attendance and overtime	3,089	2,087	83,449	50,519
Shift and roster allowances	2,847	1,593	19,387	19,934
Miscellaneous	3,161	59	12,958	13,076
Extra remuneration in more than one category	3,131	2,921	101,650	67,947

5.4 Other remuneration arrangements

A total of €73,140 was paid to 23 retired civil servants in receipt of civil service pensions who were employed on various duties. Payments ranged from €130 to €12,301. A total of €36,973 was paid to eight retired members of An Garda Síochána, who were employed by the Irish Prison Service on specific duties during 2020.

Appropriate procedures were in place with regard to payments to retired staff in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	182	506,901	578,484
Recovery plans in place	95	310,024	398,145

One overpayment recovery plan in respect of one individual to the value of €924 was transferred to another Office in the year. The details listed above include a number of preserved pension cases. A number of additional recovery repayment plans have been put in place in the year to date.

Note 6 Miscellaneous

6.1 Prison population

The estimated daily average number of prisoners in 2020 was 3,823 (2019: 3,971).

6.2 Compensation and legal costs

The account includes expenditure in relation to compensation and legal costs made to prisoners, staff and members of the public. The table below shows a breakdown of these costs.

					2020	2019
	Number of cases	Legal costs paid by the Prison Service	Compensation awarded	Legal costs awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by prison staff						
Civil claims received for injuries while on duty and other issues involving prison staff	107	—	1,888	649	2,537	1,533
Claims through the Criminal Injuries Compensation Tribunal arising out of injuries received by prison staff	110	—	2,701	—	2,701	603
Claims by prisoners						
Claims arising out of injuries and other actions involving prisoners	445	—	2,131	1,013	3,144	1,073
Claims by members of the public	32	—	487	204	691	639
	694	**—**	**7,207**	**1,866**	**9,073**	**3,848**

Note

At 31 December 2020, the State Claims Agency recorded 2,399 active claims as outstanding (2019: 2,099). Legal costs incurred by the Prison Service in relation to ten non-compensation cases amounted to €257,730 (2019: €258,128).

The outstanding claims recorded by the State Claims Agency include 1,855 cases relating to in-cell sanitation. Arising from a related Supreme Court judgement, the State Claims Agency has put in place a scheme to address these claims. The costs of any compensation awards from this scheme will be paid from the Prisons Vote. The amount of €3.144 million paid in compensation in the table above in respect of claims by prisoners includes €1.477 million in compensation and €542,000 in legal costs awarded in respect of in-cell sanitation cases settled in 2019 and 2020.

6.3 Prisoner funeral expenses

Ex gratia payments totalling €14,025 were made towards the funeral expenses of four prisoners who died in prison.

6.4 Prompt payment of account interest

The amount of prompt payment interest incurred by the Irish Prison Service in 2020 was €13,387 (2019: €4,900).

6.5 Other financial operations within the Irish Prison Service

Separate to the expenditure reflected in the appropriation account, a number of other financial operations arise within the Irish Prison Service in order to carry out its functions. The operations in question relate to a bank account for prisoner personal funds, prison shops and a Prisoner Assist Programme fund and two bank accounts for prisoners' personal funds. The details are as follows:

- **Main prisoners' personal funds account** - A bank account is maintained centrally specifically for prisoners' personal funds and is managed by the Prisons Finance and Estates Directorate. As prisoners leave prison, they receive the balance of their personal funds from this account. The balance in the account at 31 December 2020 was €1,227,855 (2019: €1,135,291). This represents the accumulated prisoner balances at year end but also includes the total Prison Shop sales for December (typically over €600,000 approx.) that will be transferred, shortly after month end, to the appropriate prison shop bank accounts to facilitate payment to suppliers for December purchases.

- **Prisoner Funds account** - During 2020, a further bank account was in use for prisoners' personal funds. This account is also managed centrally by the Prisons Finance and Estates Directorate. This account allows prisoners' families to transfer funds by EFT or An Post card to their family member in prison. This was necessary arising from the Covid-19 pandemic and also removes some risk associated with cash handling. Similar to the process in place with the prisons, the funds received into this bank account are transferred on a weekly basis into the main prisoners' cash account (see above). The balance in the account at 31 December 2020 was €135,437 (2019: €nil).

- **Prison shops** - Each prison has an internal shop ('tuck shop') where prisoners can purchase small items such as sweets and soft drinks etc. The items are paid for from individual prisoners' personal funds. All procurement for the shop is done through the cash generated and is funded from sales to prisoners. Net surplus generated is transferred to the Prisoner Assist Programme Fund to assist prisoner hardship cases. The total of the bank account balances for the eleven prison shops at 31 December 2020 was €520,697 (2019: €741,815). The value of stock on hand was €343,436 (2019: €336,063).

- **Prisoner Assist Programme Fund (PAPF)** - Each prison operates a PAPF account to fund prisoner hardship projects. The funding for the account is not from voted funds but rather from the surpluses generated from the prison shop. The total of the bank account balances at 31 December 2020 was €1,411,300 (2019: €905,509). It is planned to phase out the PAPF in 2021.

Voluntary mess committees (VMCs) are currently operating in eight prisons to coordinate the administration of the operation of canteen facilities for prison staff provided through prisoner training kitchens. VMCs operate as separate and independent entities from the Irish Prison Service. Notwithstanding this, in 2020, the Irish Prison Service conducted a governance review of the existing VMC structures.

New written agreements have been put in place between each VMC and the Irish Prison Service. The new governance agreements require annual statements of assurance and annual financial accounts to be submitted by each VMC to the Irish Prison Service.

Appropriation Account 2020

Vote 22

Courts Service

Introduction

As Accounting Officer for Vote 22, 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 2020 for such of the salaries and expenses of the Courts Service and of the Supreme Court, the Court of Appeal, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain minor services as are not charged to the Central Fund.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.356 million is liable for surrender to the Exchequer.

The Service is governed by a Board consisting of a chairperson and 17 other members. In accordance with the Courts Service Act 1998, the term of office of the Board is three years. The current Board was established on 9 November 2020. The Board is responsible for determining policies for the Service and for overseeing their implementation. It performs these functions directly and through the committees of the Board.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following.

Capitalisation threshold

The Courts Service is availing of the sanction from the Department of Public Expenditure and Reform to report on assets with a value over €1,000 for the 2020 appropriation account, as we are not in a position to apply the new threshold of €10,000.

Valuation of land and buildings

In 2016, the policy was adopted of valuing buildings every five years on the basis of depreciated replacement cost and a programme of valuing buildings on this basis commenced. Depreciated replacement cost is the current cost of replacing the asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Buildings in use which have not yet been revalued are stated at historic cost. Land and buildings not in use but required for future development are valued at market value.

Depreciation

- Land is not depreciated.
- Buildings are depreciated at a rate of 2% per annum on a straight line basis.
- All other assets are depreciated on a straight line basis over their estimated useful life, starting in the month placed in service.

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 Courts Service.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Courts Service and the Financial Shared Services Centre, Killarney for the provision of financial shared services, and the National Shared Services Office for the provision of human resource services and payroll services.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and for the Financial Shared Service Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Courts Service.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Courts Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Audit and Risk Committee

I confirm that the Courts Service has an Audit and Risk Committee. The Committee is a sub-committee of the Courts Service Board. The role of the Committee is to oversee, advise and support the Board and the Chief Executive Officer/Accounting Officer by reviewing the assurances on a range of matters including the integrity of internal financial controls, risk management and financial statements. The Committee operates under a written charter and reports annually to the Courts Service Board. It also reviews and approves the internal audit annual work programme.

Internal audit

I confirm that the Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which has been approved by the Courts Service Board. Its work is informed by analysis of the financial and operational risks to which the Service 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. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Courts Service 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 Courts Service complied with the guidelines with the exception of 14 contracts (in excess of €25,000), totalling €3,820,050 (ex. VAT) as set out below.

- Two contracts with a value of €2,523,531 for ICT managed services and video link systems where services were extended beyond the contract expiry date to ensure service continuity due to a delay in the procurement process. In both instances new contracts are now in place.
- One contract with a value of €251,360 due to the engagement of ICT service support that was extended beyond the contract expiry date. The procurement for these services will be conducted in 2021.
- One instance with a value of €227,921 for bank charges due to a delay in transitioning to Danske bank following a government decision and a competitive procurement process for banking services, the transition for which is being completed on a phased basis.
- One contract with a value of €193,367 for mobile phone services due to a delay in a central government contract being put in place for mobile voice and data services. It is expected that this matter will be rectified in 2021.
- Two contracts with a value of €143,053 for services relating to the Fines (Payment and Recovery) Act 2014, beyond the expiry of the original contract. The Courts Service is awaiting the recommendations of a working group on the Act as to whether such services will be required and re-tendered for.
- One contract with a value of €132,943 due to project management services that was extended beyond the contract expiry date. This will be formalised and tendered for in 2021.
- One contract with a value of €130,943 due to the engagement of ICT support beyond the contract expiry date. Procurement for these services will be conducted in 2021.
- One instance with a value of €87,563 for costs of telephony services. A review of these services is to be undertaken and, if required, procurement will be conducted during 2021.

- One contract with a value of €35,980 for canteen services in Phoenix House which had been extended beyond the contract expiry date. Following a review in 2020, these services will no longer be required.
- One contract with a value of €34,113 for transitional interpreting services required between the expiry of the old contract and the commencement of the new contract.
- One contract with a value of €30,172 due to time critical courier services which could not be met within the existing contract.
- One instance with a value of €29,104 for sign language interpreting services, the demand for which is being assessed for the purposes of establishing our requirements and assessing procurement options.

The Courts Service has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

Governance

Good governance is fundamental to the effective operation of the Service. In line with the Civil Service *Corporate Governance Standard*, the existing *Corporate Governance Framework* was updated. This sets out the statutory basis within which we operate, including the governance arrangements in place, functions and organisational structure, accountability and audit assurance arrangements. This framework was published in 2016. The Courts Service also has an oversight agreement in place with the Department of Justice.

The *Code of Practice for the Governance of State Bodies* came into effect in September 2016. The Courts Service has a robust governance framework in place and is, in addition to its compliance with the Civil Service *Corporate Governance Standard*, compliant with the main features of this code which are kept under review.

Risk and control framework

The Service 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 corporate risk register is in place which identifies the key risks facing the Service. These are evaluated and graded according to their significance. The corporate risk register is reviewed quarterly by the Senior Management Team (SMT) and Audit and Risk Committee. Risk management is a standing item for the Courts Service Board and the Chief Risk Officer reports to the Board on the operations of risk management. 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 planned actions needed to mitigate identified risks and assigns responsibility for operation of controls 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 and the SMT, where relevant, 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

I confirm that the Service has procedures to monitor the effectiveness of its risk management and control procedures. The 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 Service responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in changes to the working and control environment with remote and virtual working becoming the norm in the Courts Service.

As a front-line service, the primary objective in managing the pandemic was to ensure appropriate measures were in place to ensure a safe environment for staff, the judiciary and courts users, while complying with guidance and instruction from National Public Health Emergency Team and the HSE.

The most significant impact of the pandemic was on the provisions of services, a substantial element of which must, by their nature, be provided in person. Accordingly, the named risks facing the Service were

- the risk of the spread of Covid-19 among staff, the judiciary and court users
- a reduction in service delivery capacity, impacting on waiting times across all jurisdictions and access to justice.

As part of the initial response to the pandemic, a Covid-19 Response Management Team was established to develop a business response plan. A Covid-19 safety management programme was central to the plan. Furthermore, a Covid-19 Recovery Committee was established on foot of the Government's publication of *Resilience and Recovery 2020-2021*. Taken together, the measures put in place included

- risk assessments of all buildings in compliance with health and safety protocols
- remote working policy and returning to work safety protocol
- remote court hearings and the increased use of video conference
- prioritising of cases, particularly family law, domestic violence and child custody cases
- weekly updates from the Covid-19 Response Management Team.
- regular meetings with the senior members of the judiciary and key stakeholders
- recovery roadmaps for crime and family law.

A Covid-19 recovery risk register was in place for 2020. This register identified pandemic-related risks in all major operational categories, including finance, service delivery, buildings and people, and ensured mitigating actions were adopted in response to identified risks.

Key payment controls were maintained throughout the pandemic. However, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where necessary. Secure remote access was provided to existing systems to allow access to staff working remotely.

A total of €5.4 million was incurred on Covid-19 related expenditure in 2020, primarily in relation to ICT, courthouse capital and maintenance. Covid-19 had a significant impact on court fee income, primarily driven by a reduction in licensing and civil business. This resulted in a shortfall in fees of €17.081 million.

Under the Courts Service risk control framework, we carried out a risk assessment of the impact of Covid-19. I can confirm that both existing and new financial and administrative controls introduced as a result of Covid-19 continue to be in place and their effectiveness is kept under on-going review.

Internal financial control issues

During 2020, the Courts Service Internal Audit Unit finalised a report in relation to overpayments to a supplier. The matter is subject to ongoing discussions with the supplier to agree the amount of the overpayment and the recovery of same. The overpayments arose as a result of rates paid which were not in agreement with the contracted rates. The Service has taken action to prevent its re-occurrence. No other weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

The Service continually reviews and implements recommendations arising from the Comptroller and Auditor General and internal audit to strengthen the control environment, particularly in the areas of procurement, contract management and record management, ICT infrastructure, business systems and support applications. This is a continuous process and the system and its effectiveness is kept under ongoing review.

Angela Denning
Accounting Officer
Courts Service

28 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 22 Courts Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 22 Courts Service for the year ended 31 December 2020 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 22 Courts Service for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Courts Service 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 together 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 *Preface to the Appropriation Accounts*.

Overpayments to a supplier

The Accounting Officer has disclosed in the statement on internal financial control that a supplier had been overpaid by the Courts Service because the rates paid were in excess of the contracted rates. She has stated that discussions are ongoing with the supplier regarding the recovery of the overpayments and that actions have been taken to prevent a re-occurrence.

Non-compliance with procurement rules

The Accounting Officer has also 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 2020.

Seamus McCarthy
Comptroller and Auditor General

28 September 2021

Vote 22 Courts Service

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Manage the courts and support the judiciary				
	Original	156,378			
	Supplementary	4,800			
			161,178	154,628	139,416
Gross expenditure			**161,178**	**154,628**	**139,416**
	Deduct				
B	**Appropriations-in-aid**				
	Original	50,133			
	Supplementary	(18,200)			
			31,933	**32,634**	**47,084**
Net expenditure					
	Original	106,245			
	Supplementary	23,000			
			129,245	**121,994**	**92,332**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2020	2019
	€	€
Surplus	7,251,177	792,780
Deferred surrender	(4,895,000)	—
Surplus to be surrendered	**2,356,177**	**792,780**

Angela Denning
Accounting Officer
Courts Service

28 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		50,831	42,642
Pay		57,556	54,543
Non pay		46,241	42,231
Gross expenditure		**154,628**	**139,416**
Deduct			
Appropriations-in-aid		**32,634**	**47,084**
Net expenditure		**121,994**	**92,332**
Changes in capital assets			
Purchases cash	(5,341)		
Depreciation	8,738		
Loss on disposal	4	3,401	721
Changes in net current assets			
Decrease in closing accruals	(1600)		
Increase in stock	(48)	(1,648)	(789)
Direct expenditure		**123,747**	**92,264**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		53,608	53,106
Notional rents [a]		3,605	3,605
Net programme cost		**180,960**	**148,975**

Note [a] Notional rents for Office of Public Works (OPW) owned buildings occupied by the Courts Service.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 22 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	198	185
Vote 12	Superannuation and Retired Allowances	14,689	14,729
Vote 13	Office of Public Works	436	1,343
Vote 18	National Shared Service Office	116	106
Vote 20	Garda Síochána	200	200
Vote 24	Justice – Financial Shared Services Centre	303	296
Central Fund - judicial salaries and pensions		37,666	36,247
		53,608	**53,106**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	204,675	207,247
Current assets			
Bank and cash	2.2	5,865	63
Stocks	2.3	226	178
Prepayments		3,860	2,375
Accrued income		1,999	2,200
Other debit balances	2.4	4,012	3,429
Total current assets		**15,962**	**8,245**
Less current liabilities			
Accrued expenses		2,889	2,132
Other credit balances	2.5	4,823	3,359
Net Exchequer funding	2.6	5,054	133
Total current liabilities		**12,766**	**5,624**
Net current assets		3,196	2,621
Net assets		**207,871**	**209,868**
Represented by:			
State funding account	2.7	**207,871**	**209,868**

2.1 Capital assets

	Land and buildings [a, b]	IT and office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	263,629 [b]	54,577	32,697	3,933	354,836
Additions	698	3,217	99	2,400	6,414
Brought into use	2,424	2,539	—	(4,963)	—
Transfer out to other agencies [c]	(350)	—	—	—	(350)
Disposals	(3)	(1,254)	(1,170)	—	(2,427)
Cost or valuation at 31 December 2020	266,398	59,079	31,626	1,370	358,473
Accumulated depreciation					
Opening balance at 1 January 2020	70,127	45,525	31,937	—	147,589
Depreciation for the year	5,124	3,441	173	—	8,738
Depreciation for transfer to other agencies	(106)	—	—	—	(106)
Depreciation on disposals	—	(1,254)	(1,169)	—	(2,423)
Cumulative depreciation at 31 December 2020	75,145	47,712	30,941	—	153,798
Net assets at 31 December 2020	**191,253**	**11,367**	**685**	**1,370**	**204,675**
Net assets at 31 December 2019	193,502	9,052	760	3,933	207,247

Note

[a] Section 26 of the Courts Service Act 1998 provides for the Courts Service to hold legal title in respect of certain land and buildings.

[b] At the end of 2020, the Courts Service owned 46 buildings and five sites. Of these, 38 buildings and four sites have been revalued. There were no valuations carried out in 2020 due to Covid-19 restrictions. It is hoped that the valuations will be carried out in 2021, but this will depend on the lifting of Covid-19 restrictions and the availability of Valuation Office staff. The courthouses held at nominal value/cost are situated in Drogheda, Letterkenny, Mullingar, Wexford town, Anglesea Street in Cork City, Mulgrave Street in Limerick City, and Waterford City.

[c] Transferred out to other agencies relates to Birr and Westport courthouses which were transferred to the relevant local authority.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	3,801	(1,324)
Other commercial bank accounts [a]	2,064	1,387
	5,865	**63**

Note [a] Represents the balances held by the Courts Service at 31 December each year in Exchequer-related bank accounts. Not included is the account balance of €9.468 million (€8.717 million in 2019) which principally consists of non-Exchequer receipts relating to maintenance lodgements under family law, bail money lodgements and court poor box receipts.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	143	131
Consumables	46	16
Miscellaneous	37	31
	226	**178**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	3,357	2,820
Recoupable salaries	168	168
Other debit suspense items	454	410
Imprests	33	31
	4,012	**3,429**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,100	811
Professional services withholding tax	68	30
Value added tax	646	245
Pay related social insurance	507	419
Court fees collected on behalf of other Votes	—	(194)
Fines	118	330
Funds for surrender to the Exchequer [a]	2,064	1,387
	4,503	3,028
Payroll deductions held in suspense	318	312
Other credit suspense items	2	19
	4,823	**3,359**

Note [a] This balance represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,356	792
Deferred surrender	4,895	—
Exchequer grant undrawn	(2,197)	(659)
Net Exchequer funding	**5,054**	**133**
Represented by:		
Debtors		
Bank and cash	5,865	63
Debit balances: suspense	4,012	3,429
	9,877	3,492
Creditors		
Due to the State	(4,503)	(3,028)
Credit balances: suspense	(320)	(331)
	(4,823)	(3,359)
	5,054	**133**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			209,868	214,501
Disbursements from the Vote				
Estimate provision	Account	129,245		
Surplus to be surrendered	Account	(2,356)		
Deferred surrender	Account	(4,895)		
Net vote			121,994	92,332
Expenditure (cash) borne elsewhere	1.1		53,608	53,106
Non cash				
Notional rent	1		3,605	3,605
Revaluations	2.1		—	(233)
Transfer of assets	2.1		(244)	—
Net programme cost	1		(180,960)	(153,443)
Balance at 31 December			**207,871**	**209,868**

2.8 Commitments

a) Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services		
ICT	15,107	1,699
Leases	11,818	13,607
Refurbishment loan [a]	7,287	9,016
PPP	663,923	717,010
Total of legally enforceable commitments	**698,135**	**741,332**

Note [a] The loan was taken out to fund refurbishment of the courthouse at Washington Street, Cork. The principal (capital) element of this loan outstanding at year end, amounting to €6.435 million (2019: €7.815 million) is disclosed under multi-annual capital commitments. The balance of the commitment relates to interest.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Refurbishment loan for Washington Street Courthouse	17,185	1,380	6,435	25,000	25,000

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Legally enforceable commitments to be met in subsequent years	Project total 2020	Project total 2019
	€000	€000	€000	€000	€000
Criminal Courts Complex	232,590	23,903	332,537	589,030	593,881
PPP bundle [a]	48,853	21,364	331,386	401,603	404,572
	281,443	**45,267**	**663,923**	**990,633**	**998,453**

Note [a] The contract for the PPP bundle of projects provided for claims, in particular in relation to latent defects in historical buildings. In May 2019, the Courts Service reached agreement with the contract provider to pay €8.9 million (ex VAT), on a phased basis. The Courts Service made the final payment of €7.3 million 2020.

2.9 Matured liabilities

There were no matured liabilities in 2020. (2019: €1,349).

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	58,078			
	Supplementary	(1,047)			
			57,031	57,556	54,543
ii	Travel and subsistence		3,013	2,291	3,388
iii	Training and development and incidental expenses		7,491	8,290	8,261
iv	Postal and telecommunications services		2,003	2,933	3,030
v	Office equipment and external IT services				
	Original	13,520			
	Supplementary	1,847			
			15,367	15,887	12,040
vi	Office premises expenses		19,076	16,623	14,990
vii	Consultancy services and value for money and policy reviews		100	217	522
			104,081	**103,797**	**96,774**

Significant variations

The following outlines the reasons for significant variations (+/- 25% and €100,000) in the administration expenditure of the Vote.

iv Postal and telecommunications services

Estimate provision €2.003 million; outturn €2.933 million

The overspend of €930,000 on postal and telecommunications was due to

- the ongoing delay in the transfer of the Courts Service telephone network from wide area network (WAN) to the government cloud network, which was anticipated to generate savings, and
- additional postage due to the Covid-19 pandemic as jurors and legal practitioners were notified of the re-scheduling/cancelling of court dates and the transfer of files back to legal practitioners to reduce footfall through court offices.

vii Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €217,000

The overspend of €117,000 on consultancy services and value for money was due to the expenditure in relation to the Courts Service Modernisation Programme which was not factored into the original estimate.

Programme A Manage the Courts and Support the Judiciary

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	58,078			
	Supplementary	(1,047)			
			57,031	57,556	54,543
A.2	Administration − non pay				
	Original	45,203			
	Supplementary	1,847			
			47,050	46,241	42,231
A.3	Courthouse (capital works)				
	Original	15,380			
	Supplementary	4,000			
			19,380	5,564	4,876
A.4	PPP costs		37,717	45,267	37,766
			161,178	**154,628**	**139,416**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €1.75 million less than provided in the original estimate.

A.3 Courthouse (capital works)

Estimate provision €15.38 million; outturn €5.564 million

The underspend on courthouse capital works of €9.816 million is due to the delay in the completion of a number of capital building projects, in addition to the delay in the planned purchase of sites in Galway, Naas and Tralee.

A.4 PPP costs

Estimate provision €37.717 million; outturn €45.267 million

The overspend on PPP costs of €7.55 million is due in the main to the payment of €7.33 million in full settlement of agreed obligations to PPP contactors in respect of latent defects in historical buildings claims (See Note 2.8c).

Note 4 Receipts

4.1 Appropriations-in-aid

				2020	2019
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Fees				
	Original	41,693			
	Supplementary	(18,200)			
			23,493	24,612	43,972
2	Miscellaneous		1,442	1,024	1,448
3	Receipts from additional superannuation contributions on public service remuneration		1,498	1,498	1,664
4	Dormant court funds		5,500	5,500	—
	Total		**31,933**	**32,634**	**47,084**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €17.499 million (35%) less than the original estimate.

1 Fees

Estimate €41.693 million; realised €24.612 million

2020 fee receipts were lower than the original estimate by €17.081 million due to the introduction of restrictions as a result of the Covid-19 pandemic. This resulted in a significant fall-off in both licensing and civil applications, resulting in the shortfall.

2 Miscellaneous

Estimate €1.442 million; realised €1.024 million

2020 miscellaneous receipts were lower than the original estimate by €418,000 (29%) due to a reduction in receipts from the General Solicitor's Office.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Road Traffic Act fines [a]	3,588	5,427
Other fines [a]	1,932	2,831
Refunds [b]	(20)	(84)
Other receipts [c]	108	170
Transferred to the Exchequer	(5,608)	(8,344)
Balance at 31 December	**—**	**—**

Notes

[a] The decrease in Road Traffic Act fines and other fines receipts is primarily due to the drop in the number of fines imposed/payments made in 2020 due to Covid-19.

[b] There was a decrease in refunds of fines in 2020 compared to 2019 due to: (i) a reduction in the number of fixed charge notice refunds in 2020, and (ii) a reduction in the number of appeals heard and results reversed in 2020 (where fines paid) due to Covid-19.

[c] The Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are due to be paid over to the Department of Finance. The 2020 receipts relate to funds lodged in 2013. The balance of these funds as at the 31 December 2020 is €4.321 million.

4.3 Fines and fees collected on behalf of other Departments

Direct payments were made to the following government departments/agencies in respect of fines and fees collected by the Court Service on their behalf in 2020.

	2020 €000	2019 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines [a]	485	826
Excise duty [b]	1,200	3,356
Department of Environment, Climate and Communications	23	27
Department of Agriculture, Food and the Marine [c]	40	268
Total transferred	(1,748)	(4,477)
Balance at 31 December	**—**	**—**

Notes

[a] Moneys collected relate to court fines imposed where the prosecutor is the Revenue Commissioners.

[b] Moneys collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Courts Service on behalf of the Revenue Commissioners. There was a reduction of €2.156 million in excise duty in 2020 compared to 2019 due to the government restrictions introduced as a result of Covid-19 to close all pubs from March 2020. This resulted in a significant reduction in licensing applications, which include excise duty.

[c] There was a large reduction in fines for the Department of Agriculture, Food and the Marine in 2020 when compared with 2019. This was due to a number of high value Circuit Court fines received in 2019.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**1,106**	**1,080**

5.2 Pay

	2020 €000	2019 €000
Pay	52,252	49,527
Higher, special or additional duties allowances	269	161
Other allowances	815	920
Overtime	212	332
Employer's PRSI	4,008	3,603
Total pay	**57,556**	**54,543**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	88	5	17,605	12,554
Other allowances	199	12	20,873	16,896
Overtime	104	5	17,809	23,680
Extra remuneration in more than one category	44	4	22,097	25,534

5.4 Other remuneration arrangements

A total of €13,574 was paid in 2020 to two retired civil servants in receipt of civil service pensions who were engaged for short periods during 2020. This amount is made up of €13,425 payroll and €149 travel and subsistence. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

Salary costs of €67,409 were recouped from tribunals and government departments in respect of staff on secondment. There is €168,000 recoupment outstanding for 2020.

5.5 Salary overpayments

	Number of recipients	2020 €	2019 €
Overpayments	80	168,637	120,527
Recovery plans in place	31	52,869	28,353

Five individuals with recovery plans in place to a value of €2,728 transferred to other departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Compensation awarded	Legal costs awarded and paid	Legal costs paid by the Courts Service	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public	41	7	229	272	507	1,122

Note Total payments in respect of third-party legal costs and compensation costs amounted to €235,536. These include payments in respect of proceedings dealt with by the State Claims Agency amounting to €145,202 and proceedings in which the Courts Service was a party including proceedings by way of judicial review.

6.2 Arbitration and conciliation costs

There was no expenditure in relation to arbitration and conciliation costs in 2020. There were no cases in 2019.

6.3 Write-offs and provisions

During 2020, Vote 22 wrote off €4,838 in relation to administrative errors (2019: €1,619).

Appropriation Account 2020

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Vote 23, 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 2020 for the salaries and expenses of the Property Registration Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.295 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account, with one exception. For 2020, the Authority has continued to include assets under the €10,000 threshold on the asset register. It is however intended that there will be full compliance with circular 21 of 2020 from the 2021 appropriation account onwards.

Depreciation

Depreciation is charged monthly on a straight line basis.

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 Authority.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

Shared services

Payroll and human resources are provided on a shared service basis by the National Shared Service Office (Vote 18). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of shared services.

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

In addition, I rely on a letter of assurance from the Accounting Officer of the Department of Justice that the appropriate controls are exercised in the provision of financial shared services to this Office. I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Office and the Department of Justice for the provision of financial shared services.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Compensations claims

The Property Registration Authority (PRA) operate a title system that confers a State guarantee on the title holder. The State is bound to indemnify any person who suffers loss through reliance on the register. In the normal course of its business, the Authority receives compensation claims under Section 120 of the Registration of Deeds and Title Act 1964. Claims may arise due to error, forgery or fraud in relation to registration of title.

I oversee the implementation of a counter fraud framework, the aim of which is to minimise our exposure to and losses from fraud against the registers. This framework guides the implementation of our strategy in maintaining the integrity of the registers, safeguarding registered property rights and protecting public resources.

A summary of payments made under Section 120 of the Registration of Deeds and Title Act 1964 is set out in Note 6.1 to the accounts. No compensation payments were made in 2020 that specifically related to fraud or forgery. A small number of alleged fraudulent applications remain under investigation.

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 Authority
- 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 Authority 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 and Audit Committee

I confirm that the Authority 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 Authority 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 the procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Authority complied with the guidelines with the exception of two telecommunication contracts, with a combined value of €96,699 awarded following a competitive process, that were rolled over pending the completion of a new procurement process. In both cases, a new competitive tender process has now been completed.

In addition, the Authority has provided details of eight non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The PRA 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 Authority and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 assigns responsibility for operation of controls 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 the Management Board, where relevant, 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

I confirm that the PRA has procedures to monitor the effectiveness of its risk management and control procedures. The PRA'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 management within the PRA responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

As a result of the Covid-19 pandemic, the necessity to provide a safe working environment and the requirement to maintain service delivery, a number of new work practices were introduced, including the introduction of remote working.

The new work practices, together with inherent risks in operation in a paper based environment throughout the pandemic, have given rise to a number of newly identified risks. A Covid-19 risk register is in place and the related risks are being actively managed with a range of appropriate mitigating actions in place.

These actions seek to ensure that the new work practices that have been necessitated by the Covid-19 pandemic have not given rise to a weakening of the control environment.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Elizabeth Pope
Accounting Officer
Property Registration Authority

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 Property Registration Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 2020 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 23 Property Registration Authority for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Property Registration Authority 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 September 2021

Vote 23 Property Registration Authority

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds	32,319	31,100	29,727
Gross expenditure		**32,319**	**31,100**	**29,727**
	Deduct			
B	**Appropriations-in-aid**	**531**	**607**	**639**
Net expenditure		**31,788**	**30,493**	**29,088**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**1,294,847**	**1,417,409**

Elizabeth Pope
Accounting Officer
Property Registration Authority

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		26,692	25,301
Non pay		4,408	4,426
Gross expenditure		**31,100**	**29,727**
Deduct			
Appropriations-in-aid		**607**	**639**
Net expenditure		**30,493**	**29,088**
Changes in capital assets			
Purchases cash	(1,409)		
Depreciation	496	(913)	(591)
Changes in net current assets			
Increase in closing accruals	46		
Decrease in stock	12	58	(55)
Direct expenditure		**29,638**	**28,442**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		7,917	8,291
Notional rents		2,279	2,279
Net programme cost		**39,834**	**39,012**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 23 borne elsewhere.

		2020	2019
		€000	€000
Vote 12	Superannuation and Retired Allowances	6,981	7,268
Vote 13	Office of Public Works	790	880
Vote 18	National Shares Services Office	55	54
Vote 24	Justice – Financial Shared Services Centre	91	89
		7,917	**8,291**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	3,154	2,241
Current assets			
Bank and cash	2.2	1,738	2,405
Stocks	2.3	127	139
Prepayments		543	493
Accrued income		5	8
Other debit balance	2.4	72	149
Net Exchequer funding	2.6	11	—
Total current assets		**2,496**	**3,194**
Less current liabilities			
Accrued expenses		222	129
Other credit balances	2.5	1,821	2,538
Net Exchequer funding	2.6	—	16
Total current liabilities		**2,043**	**2,683**
Net current assets		453	511
Net assets		**3,607**	**2,752**
Represented by:			
State funding account	2.7	**3,607**	**2,752**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	33,673	3,728	1,001	38,402
Additions	809	6	594	1,409
Disposals	(10)	—	—	(10)
Cost or valuation at 31 December 2020	34,472	3,734	1,595	39,801
Accumulated depreciation				
Opening balance at 1 January 2020	32,565	3,596	—	36,161
Depreciation for the year	470	26	—	496
Depreciation on disposals	(10)	—	—	(10)
Cumulative depreciation at 31 December 2020	33,025	3,622	—	36,647
Net assets at 31 December 2020	**1,447**	**112**	**1,595**	**3,154**
Net assets at 31 December 2019	1,108	132	1,001	2,241

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	701	606
Other commercial bank balances	1,037	1,799
	1,738	**2,405**

Other commercial bank accounts

The commercial bank account balances represent amounts owing to the Exchequer on 31 December 2020 in respect of registration fees. Not included are non-Exchequer receipts held at the Central Bank in respect of ground rent purchase moneys. The amount held at the end of 2020 is €5.8 million (2019 €5.6 million)

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	84	90
Miscellaneous supplies	29	12
IT consumables	14	37
	127	**139**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Building charges recoupable	46	38
Payroll deductions held in suspense	26	111
	72	**149**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	358	333
Pay related social insurance	211	195
Value added tax	29	31
Professional services withholding tax	3	—
Extra receipts payable to the Exchequer	1,037	1,799
	1,638	2,358
Payroll deductions held in suspense	183	180
	1,821	**2,538**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	1,295	1,417
Exchequer grant undrawn	(1,306)	(1,401)
Net Exchequer funding	**(11)**	**16**
Represented by:		
Debtors		
Bank and cash	1,738	2,405
Debit balances: suspense	72	149
	1,810	2,554
Creditors		
Due to the State	(1,638)	(2,358)
Credit balances: suspense	(183)	(180)
	(1,821)	(2,538)
	(11)	**16**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			2,752	2,238
Disbursements from the Vote				
Estimate provision	Account	31,788		
Surplus to be surrendered	Account	(1,295)		
Net vote			30,493	29,088
Expenditure (cash) borne elsewhere	1.1		7,917	8,291
Non cash expenditure – notional rent	1		2,279	2,279
Net programme cost	1		(39,834)	(39,144)
Balance at 31 December			**3,607**	**2,752**

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**531**	**424**

2.9 Contingent liabilities

The Authority is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain. This includes the Section 120 compensation cases as described in Note 6.1 below and referred to in the statement on internal financial control.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 23 Property Registration Authority is classified as administration expenditure applied towards a single programme: manage the Land Registry and the Register of Deeds.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	26,575	26,692	25,301
ii	Travel and subsistence	110	22	95
iii	Training and development and incidental expenses	1,570	1,082	1,055
iv	Postal and telecommunications services	900	656	785
v	Office equipment and external IT services	2,627	2,315	2,069
vi	Office premises expenses	512	324	398
vii	Consultancy services and value for money and policy reviews	25	9	24
		32,319	**31,100**	**29,727**

Significant variations

The following note presents an analysis of the expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000)

iii Training and development and incidental expenses

Estimate provision €1.57 million; outturn €1.082 million

The under spend relates to the small number of Section 120 compensation claims paid in 2020. The timing and outcome of the payment of such claims are difficult to determine.

iv Postal and telecommunications services

Estimate provision €900,000; outturn €656,000

The under spend relates to a reduced level of postal expenditure in quarter 2 of 2020 due to the Covid-19 pandemic.

vi Office premises expenses

Estimate provision €512,000; outturn €324,000

There were no significant office maintenance projects undertaken in 2020 leading to a reduced office premises spend.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	531	607	639
	Total	**531**	**607**	**639**

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Opening balance at 1 January	1,799	1,856
Land Registry fees	58,624	68,413
Registry of Deed fees	1,017	1,377
Ground rent fees received	57	75
Paid over to Exchequer	(60,460)	(69,922)
Closing balance at 31 December	**1,037**	**1,799**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**529**	**529**

5.2 Pay

	2020 €000	2019 €000
Pay	24,656	23,392
Higher, special or additional duties allowances	23	19
Other allowances	62	66
Overtime	56	137
Employer's PRSI	1,895	1,687
Total pay	**26,692**	**25,301**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	10	—	8,058	7,994
Other allowances	20	—	4,752	7,942
Overtime	36	—	8,283	12,618
Extra remuneration in more than one category	8	2	11,707	14,473

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	56	172,997	198,970
Recovery plans in place	29	117,437	90,236

Two overpayment recovery plans in respect of two individuals to the value of €7,742 were transferred to other departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

All titles registered on the Land Register are guaranteed by the State. Section 120 of the Registration of Title Act 1964 provides for the payment of compensation (and relevant costs) to a person who suffers a loss through reliance on the Register where the loss is not caused or substantially contributed to by the act, neglect or default of himself or his agent. Six Section 120 compensation payments were paid in 2020 (18 were paid in 2019), the total costs of which are set out below.

	Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims under S.120 of the Registration of the Title Act 1964	6	—	4	15	19	15

6.2 Fraud and suspected fraud

The PRA are aware of a small number of cases of suspected fraudulent applications for registration. These cases remain under investigation. The cases may result in a payment under Section 120 of the Registration of Title Act 1964.

6.3 Merger

As part of the Public Service Reform Programme, a Government decision was made to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority.

As a result, a new organisation to be called Tailte Éireann, will be created. Tailte Éireann will have responsibility for several important functions, including the State property registration system, the State mapping and surveying infrastructure, the State property valuation service and the development and maintenance of State geospatial information.

The position in relation to the legislation required to establish Tailte Éireann is as follows. At its meeting on 22 December 2020 the Government approved the general scheme of the Tailte Éireann Bill and agreed that the formal drafting of the Bill itself should be undertaken by the Office of the Attorney General.

The Department of Housing, Local Government and Heritage has sent a copy of the general scheme to the relevant Oireachtas Committee and is awaiting a response as to whether or not the Committee wishes to undertake pre-legislative scrutiny in relation to the proposed legislation.

Appropriation Account 2020

Vote 24

Justice

Introduction

As Accounting Officer for Vote 24, 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 2020 for the salaries and expenses of the Office of the Minister for Justice, Probation Service staff and of certain other services, including payments under cash-limited schemes administered by that Office, and payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €20.08 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.

Transfer of functions

Responsibility for certain functions in relation to disability, equality, integration and international protection accommodation services transferred to the Department of Children, Equality, Disability, Integration and Youth. This took place under the Disability, Equality, Human Rights, Integration and Reception (Transfer of Departmental Administration and Ministerial Functions) Order 2020 (SI No. 436 of 2020) effective from 14 October 2020.

The responsibility for certain other functions related to youth justice transferred to the Department of Justice from the Department of Children, Equality, Disability, Integration and Youth. This took place under the Youth Justice (Transfer of Departmental Administration and Ministerial Functions) Order 2020 (SI No. 435 of 2020) effective from 14 October 2020.

The name of the Department changed from the Department of Justice and Equality to the Department of Justice under SI No. 452 of 2020 effective from 1 November 2020.

A further revised estimate reflecting the changes arising from the transfer of functions was passed by the Dáil on 18 November 2020.

Other structural changes

The 2020 estimate and outturn figures are not directly comparable with the 2019 equivalents in some subheads. This has arisen as a result of the Department's Transformation Programme, where a number of expenditure areas have been restructured as core departmental functions e.g. former Irish Naturalisation and Immigration Services (INIS).

The Data Protection Commission, formerly a subhead in the Justice Vote, is a separate Vote with effect from 1 January 2020.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account except the following.

Group accounting for fixed assets

Notes 1 and 2 to the appropriation account reflect the fixed asset values and related depreciation charges for assets owned by the Department and by a number of the bodies under the aegis of the Department whose accounting records are maintained through the Department's financial shared services centre.

Group accounting for bank and cash

Notes 1 and 2 to the appropriation account reflect bank and cash values held by a number of bodies under the aegis of the Department who also prepare separate financial statements.

Valuation of capital assets

As provided for in circular 21 of 2020, the Department of Justice has applied a threshold of €1,000 for the capitalisation of its capital assets.

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset is placed in service. Buildings are depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life. Vehicles and equipment are depreciated at a rate of 20% per annum on a straight line basis over the estimated useful life.

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 Department.

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

Shared services

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office.

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

I have provided a letter of assurance to Accounting Officers in receipt of financial shared services from the Department's financial shared services (FSS) centre in Killarney regarding the controls in place.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the financial risks to which the Department is exposed. The annual internal audit plans are approved by the Audit Committee and take account of analysis. These plans aim to cover the key controls over 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.

Non-compliance with procurement rules

The Department 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 in so far as these are within its control. It utilises a central database to manually cross check expenditure reports drawn from the Financial Management system to ensure that expenditure is on foot of appropriate procurement procedures. The vast majority of tender competitions are now being run by, or in conjunction with, the Office of Government Procurement.

The Department is compliant with the exception of nineteen contracts in excess of €25,000 (exclusive of VAT) undertaken without competitive process, totalling €4,685,469 as set out below. These contracts are considered non-compliant as they were extended beyond the original contract date without a new competitive process or project. The current situation in respect of those contracts is as follows.

- Three contracts with a value of €429,943 have now been awarded.
- Thirteen contracts with a value of €3,789,017 are already in the tender process or making the necessary preparations to go to the market as soon as possible.

- Three contracts with a value of €466,509 were extended to allow for transition to new systems.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002.

Risk and control framework

The Department 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. There is a Risk Committee in place to oversee the management of risk across the Department.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated 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 assign 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 the appropriate level of management, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The assessment of the impact of Covid-19 has been a central focus at all levels of management across the Department since the onset of the pandemic. Risk was assessed through the establishment of the Covid-19 Response Management Group and the work of the Occupational Health and Safety Unit. New risks include business continuity impact, remote working and additional biological agent controls.

There were impacts on the legislative front including in relation to measures which were led by the Department of Health. For example, the legislative changes to Garda powers were a significant draw on resources for the Criminal Policy and Criminal Legislation areas. The changes in relation to international travel and actions required of people arriving in the State had implications for the Border Management Unit operations in Dublin Airport. The pandemic also led to the temporary extension of immigration permissions by this Department.

While key payment controls were maintained throughout the pandemic, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where required. Secure remote access was provided to existing systems allowing staff working remotely to have access to their existing policies, procedures and detailed work manuals. The Finance and Procurement Unit and Internal Audit are monitoring the effectiveness of the changes made to the processes introduced during Covid-19.

It has been necessary to maintain a staff presence in some of the Department's offices throughout the pandemic and senior management and management of the individual offices have worked very closely with the Occupational Health and Safety Unit to ensure that the appropriate measures are in place to protect the safety of staff at all times and are in accordance with public health guidelines. The limitations in the numbers of staff attending the office at any one time has inevitably given rise to delays in processing cases, particularly in high volume operational areas such as immigration service delivery. While work has continued remotely, aspects of the case work needs to be done in offices particularly where more paper-based processes apply. The processes are being kept under review and increased automation, where possible, will improve matters, but it will be some time before certain areas will be able to return to pre Covid-19 productivity levels given the limits on the number of staff able to attend in offices.

The Department has arranged a number of surveys, seminars and guides on best practice during the pandemic. There are regular updates provided and contact is maintained with teams through zoom calls and other forms of communication.

Some of the specific measures undertaken at Departmental level include

- working from home effectively guidance issued to all staff
- remote working guidelines for managers was developed and issued to all managers
- development of a dedicated Covid-19 resource repository on Department's portal
- HR wellbeing initiative roll-out.

Internal financial control issues

Arising from the recommendations in recent audit reports, the Department is continually reviewing and strengthening financial and other controls in processes in areas such as ICT project management, administration of grants, disaster recovery and business continuity.

Oonagh McPhillips
Accounting Officer
Department of Justice

30 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 24 Justice

Opinion on the appropriation account

I have audited the appropriation account for Vote 24 Justice for the year ended 31 December 2020 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 24 Justice for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Justice 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Payment of EU fine

The Accounting Officer has disclosed in note 6.7 that the Department paid a fine of €2 million to the European Commission in 2020 due to the delayed transposition of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. The note outlines the reasons for the delay.

Seamus McCarthy
Comptroller and Auditor General

16 August 2021

Vote 24 Justice

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Leadership in and oversight of justice and equality policy and delivery (civil justice and equality and criminal justice pillars)	52,960	48,131	56,529
B	A safe, secure Ireland (criminal justice pillar)	233,316	207,476	180,448
C	Access to justice for all (civil justice and equality and criminal justice pillars)	52,149	53,963	55,977
D	An equal and inclusive society (civil justice and equality pillar)	7,763	6,844	24,509
E	An efficient responsive and fair immigration asylum and citizenship system (civil justice and equality pillar)	71,867	82,792	222,620
Gross expenditure		**418,055**	**399,206**	**540,083**
	Deduct			
F	**Appropriations-in-aid**	**67,061**	**72,192**	**91,105**
Net expenditure		**350,994**	**327,014**	**448,978**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €3,900,000 of unspent allocations in respect of the capital elements of Subhead B.18 Forensic Science Ireland was carried forward to 2021.

	2020	2019
	€	€
Surplus	23,979,793	8,977,803
Deferred surrender	(3,900,000)	—
Surplus to be surrendered	**20,079,793**	**8,977,803**

Oonagh McPhillips
Accounting Officer
Department of Justice

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		277,527	479,591
Pay		73,460	30,551
Non pay		48,219	29,941
Gross expenditure		**399,206**	**540,083**
Deduct			
Appropriations-in-aid		**72,192**	**91,105**
Net expenditure		**327,014**	**448,978**
Changes in capital assets			
Purchases cash	(21,737)		
Depreciation	4,161		
Disposals cash	1		
Loss on disposals	1	(17,574)	(3,182)
Changes in net current assets			
Increase in closing accruals	11,843		
Decrease in stock	5	11,848	(11,424)
Direct expenditure		**321,288**	**434,372**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		48,962	45,648
Notional rents		4,860	4,860
Net programme cost		**375,110**	**484,880**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 24 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	334	307
Vote 12	Superannuation and Retired Allowances	39,546	37,189
Vote 13	Office of Public Works	12,810	11,849
Vote 18	National Shared Services Office	248	221
Vote 20	Garda Síochána	209	204
Vote 43	Office of the Government Chief Information Officer	83	—
Central Fund – Ministerial pensions		193	191
Cost of shared services provided to other Votes		(4,461)	(4,313)
		48,962	**45,648**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	42,501	25,630
Current assets			
Bank and cash	2.2	17,763	32,119
Stocks	2.3	1,074	1,079
Prepayments		5,718	12,282
Accrued income		3,608	8,276
Other debit balances	2.4	3,958	1,489
Total current assets		**32,121**	**55,245**
Less current liabilities			
Accrued expenses		8,098	7,456
Deferred income		57	88
Other credit balances	2.5	15,899	32,630
Net Exchequer funding	2.6	5,822	978
Total current liabilities		**29,876**	**41,152**
Net current assets		2,245	14,093
Net assets		**44,746**	**39,723**
Represented by:			
State funding account	2.7	**44,746**	**39,723**

2.1 Capital assets [a]

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	6,901	1,889	100,277	2,803	10,223	122,093
Additions	—	204	3,053	24	18,456	21,737
Brought into use	—	—	5,517	—	(5,517)	—
Transfer out [b]	—	—	(250)	(128)	(518)	(896)
Disposals	—	—	(526)	(2)	—	(528)
Cost or valuation at 31 December 2020	6,901	2,093	108,071	2,697	22,644	142,406
Accumulated depreciation						
Opening balance at 1 January 2020	1,584	1,144	91,309	2,426	—	96,463
Depreciation for the year	138	269	3,681	73	—	4,161
Depreciations on transfer out [b]	—	—	(106)	(87)	—	(193)
Depreciation on disposals	—	—	(524)	(2)	—	(526)
Cumulative depreciation at 31 December 2020	1,722	1,413	94,360	2,410	—	99,905
Net assets at 31 December 2020	**5,179**	**680**	**13,711**	**287**	**22,644**	**42,501**
Net assets at 31 December 2019	5,317	745	8,968	377	10,223	25,630

Note [a] The statement of capital assets reflects assets for the entire Department including a number of agencies in Vote 24 who also prepare separate financial statements.

[b] Fixed assets with an original cost of €896,000 were transferred from the Department; €707,000 to the Data Protection Commission; €188,000 to the Department of Children, Equality, Disability, Integration and Youth and the remaining €1,000 to the Department of Agriculture, Food and the Marine.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	9,516	21,799
Commercial bank account balances	8,247	10,320
	17,763	**32,119**

The commercial bank account balances include bank balances with a value of €1.78 million for a number of agencies in Vote 24 who also prepare separate financial statements.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	132	124
Forensic consumables	486	421
IT consumables	48	81
Residence permits/travel documents	244	410
Miscellaneous	128	18
Equipment/clothing	36	25
	1,074	**1,079**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to the Office of Public Works	2,342	19
Travel imprests	55	56
Recoupable travel pass scheme expenditure	250	787
Criminal Assets Bureau receivership	20	20
Payroll suspense account (Paypath)	970	469
Other debit suspense items	321	138
	3,958	**1,489**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	2,088	2,038
Pay related social insurance	1,237	1,181
Professional services withholding tax	1,712	2,045
Value added tax	497	387
Balances in departmental accounts	8,247	10,320
	13,781	15,971
Payroll deductions held in suspense	687	679
ESF advance of social inclusion project funding 2014–2020	1,374	2,979
Asylum, Migration and Integration Fund 2014–2020 advance payments	—	12,466
Emergency resettlement and reach projects	—	53
Extra receipts payable to the Exchequer	26	25
Other credit suspense items	31	457
	15,899	**32,630**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	20,080	8,978
Deferred surrender	3,900	—
Exchequer grant undrawn	(18,158)	(8,000)
Net Exchequer funding	**5,822**	**978**
Represented by:		
Debtors		
Bank and cash	17,763	32,119
Debit balances: suspense	3,958	1,489
	21,721	33,608
Creditors		
Due to the State	(13,781)	(15,971)
Credit balances: suspense	(2,118)	(16,659)
	(15,899)	(32,630)
	5,822	**978**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			39,723	25,117
Disbursements from the Vote				
Estimate provision	Account	350,994		
Deferred surrender	Account	(3,900)		
Surplus to surrender	Account	(20,080)		
Net vote			327,014	448,978
Expenditure (cash) borne elsewhere	1.1		48,962	45,648
Non cash expenditure – notional rent	1		4,860	4,860
Net programme cost	1		(375,110)	(484,880)
Capital asset transfer	2.1		(703)	—
Balance at 31 December			**44,746**	**39,723**

2.8 Commitments

a) Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	13,779	71,974
Capital projects	81,772	2,802
Total of legally enforceable commitments	**95,551**	**74,776**

b) Major capital projects

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Forensic Science Ireland	**3,060**	**16,081**	**80,377**	**99,518**	**—**

2.9 Matured liabilities

There were no matured liabilities un-discharged at year end 2020 or in the previous year.

2.10 Contingent liabilities

Please refer to Note 6.1 in relation to committees, commissions and special inquiries.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	64,694	69,221	26,518
ii	Travel and subsistence	985	535	343
iii	Training and development and incidental expenses	9,736	18,699	6,823
iv	Postal and telecommunications services	2,096	2,734	2,391
v	Office equipment and external IT services	12,766	13,948	9,534
vi	Office premises expenses	3,055	4,050	2,307
vii	Consultancy services and value for money and policy reviews	68	89	135
viii	Research	1,286	741	279
ix	Financial shared services [a]	6,645	6,135	5,998
x	Justice and policing transformation programme	8,000	5,527	6,164
		109,331	**121,679**	**60,492**

Note [a] Financial shared services centre pay costs of €4,239,131 (2019: €4,032,874) are included in the costs of Financial shared services. This cost is charged to Programme A – Leadership in and oversight of justice and equality policy and delivery (civil justice and equality and criminal justice pillars), sub-head A.1 Administration – pay.

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €985,000; outturn €535,000

The underspend of €450,000 mainly arises from the curtailment of Departmental travel and subsistence due to the impact of the Covid-19 restrictions.

iii Training and development and incidental expenses

Estimate provision €9.736 million; outturn €18.699 million

The excess of €8.963 million compared with the allocation of €9.736 million is mainly comprised of legal costs and settlements (€6.5 million) and other administrative costs and fee (€2.84 million) offset by an underspend in other areas such as staff training and development (€510,000). A significant proportion of the legal costs relate to the immigration service delivery area and also includes a fine of €2 million paid to the European Commission for the delay in transposition of an EU Directive (Note 6.7 refers).

iv Postal and telecommunications services

Estimate provision €2.096 million; outturn €2.734 million

The excess expenditure of €638,000 compared with the estimate provision of €2.096 million is primarily due to higher than anticipated postal costs related to the issue of resident permit cards and return of passports to applicants as part of the immigration registration process.

vi Office premises expenses

Estimate provision €3.055 million; outturn €4.05 million

The excess of €995,000 primarily relates to higher than expected costs of rental/lease of accommodation including temporary accommodation for the Office of the Inspector of Prisons, the Irish Passenger Information Unit and the Hickson Commission. Increased office cleaning requirements arising from Covid-19 also contributed to the excess in the subhead.

viii Research

Estimate provision €1.286 million; outturn €741,000

The saving of €545,000 is primarily due to research projects which were paused or delayed due to the impact of Covid-19. In particular, any research work that required face-to-face contact, for example, surveys, focus groups and interviews was put on hold. Alternative approaches, where possible, have been identified for 2021.

x Justice and policing transformation programme

Estimate provision €8 million; outturn €5.527 million

The saving of €2.473 million arises due to less expenditure than expected in relation to the Justice aspect of the programme pending the finalisation of the Department's ICT strategy. This has now been completed and will be implemented over the next three years.

Programme A Leadership in and oversight of justice and equality policy and delivery (civil justice and equality and criminal justice pillars)

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	11,411	12,268	10,103
A.2	Administration − non pay	14,636	11,922	13,120
A.3	Prisons Inspectorate	1,200	638	646
A.4	Garda Ombudsman Commission	11,181	11,124	10,660
A.5	Office of the Garda Inspectorate	1,306	1,079	1,119
	Data Protection Commission [a]	—	—	*10,448*
A.7	Irish Film Classification Office	702	505	503
A.8	Central Authority	135	62	72
A.9	Legal Services Regulatory Authority	1,001	1,000	1,000
A10	Property Services Regulatory Authority	2,276	2,438	2,591
A11	Insolvency Service of Ireland	7,510	6,730	6,239
A12	Judicial Appointments Commission	251	—	—
A13	Judicial Council	1,251	365	28
A14	Gambling Regulatory Authority	100	—	—
		52,960	**48,131**	**56,529**

Note [a] The Data Protection Commission is a separate Vote with effect from 1 January 2020.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €4.829 million lower than (originally) provided, including an underspend of €1.857 million in relation to administrative expenditure. The variation in expenditure is mainly due to the following.

A.3 Prisons Inspectorate

Estimate provision €1.2 million; outturn €638,000

The saving of €562,000 is mainly related to delays in the recruitment of additional staff, for example, provision had been made for the appointment of a senior inspector position early in 2020 but the process did not conclude until December. A number of other positions originally expected to be filled in 2020 will now be filled in 2021.

A.5 Office of the Garda Inspectorate

Estimate provision €1.306 million; outturn €1.079 million

The saving of €227,000 is mainly attributable to the deferral of maintenance works. In addition, there was a reduction in office running costs and general administrative costs due to a move to remote working to comply with the public health requirements for most of 2020.

A.7 Irish Film Classification Office

Estimate provision €702,000; outturn €505,000

The saving of €197,000 is directly related to lower volumes of business mainly in relation to the submission of DVDs for classification. In addition, planned research expenditure did not fully materialise in 2020 due to the impact of the Covid-19 pandemic.

A10 Property Services Regulatory Authority

Estimate provision €2.276 million; outturn €2.438 million

The excess expenditure of €162,000 relates to increased requirements on legal training, licensee audits and media campaigns. The legal training was in respect of the consideration of final inspection reports and in relation to the oral hearing process. Additional licensee audits were undertaken to improve compliance and standards in the sector and ensuring that consumers are protected and the media awareness campaigns were on the benefits to the public of using a licensed agent.

A11 Insolvency Service of Ireland

Estimate provision €7.51 million; outturn €6.73 million

The saving of €780,000 is payroll related and mainly arises due to a delay in filling vacancies which was also impacted by the Covid-19 pandemic.

A12 Judicial Appointments Commission

Estimate provision €251,000; outturn €nil

The saving arises as the Judicial Appointments Commission has yet to be established. In December 2020, the Government approved the drafting of a Judicial Appointments Commission Bill which will provide for the establishment of the Commission.

A13 Judicial Council

Estimate provision €1.251 million; outturn €365,000

The saving of €886,000 arises due to delays in recruiting staff and a consequential delay in putting other logistical supports in place during 2020. This was the first full year of operation of the Council, which is independent of the Department, having been established in December 2019.

A14 Gambling Regulatory Authority

Estimate provision €100,000; outturn €nil

There was no expenditure in 2020. While the formal programme to establish a Gambling Regulatory Authority began in October 2020, with some delay due to Covid-19, it is currently in early stages and at this point legislation is in draft with no costs incurred. It is envisaged that expenditure will be incurred in 2021 with the appointment of a CEO designate by the end of the year.

Programme B A safe and secure Ireland (criminal justice pillar)

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	11,817	13,803	9,505
B.2	Administration − non pay	7,765	7,715	7,819
B.3	Criminal Assets Bureau	9,090	10,401	9,860
B.4	Probation Service – salaries, wages and allowances	22,234	21,949	21,042
B.5	Probation Service – operating expenses	4,125	4,002	4,120
B.6	Probation Service – services to offenders	17,532	16,866	16,629
B.7	Community Service Order Scheme	3,045	1,984	2,220
B.8	Youth Justice Interventions	14,014	13,919	12,941
B.9	Funding for services to victims of crime	1,892	2,001	1,720
B10	Mental Health (Criminal Law) Review Board	288	302	375
B11	Compensation for personal injuries criminally inflicted	8,016	6,815	3,260
B12	Legal aid (criminal)	65,302	62,224	65,092
B13	Legal aid – custody issues	3,000	4,257	3,201
B14	Parole Board	157	133	361
B15	Crime prevention measures	1,197	489	411
B16	Private Security Authority	3,799	3,285	3,328
B17	Funding for prevention of domestic, sexual and gender based violence	2,069	2,464	2,409
B18	Forensic Science Ireland	56,991	33,779	14,925
B19	State Pathology	983	1,088	1,230
		233,316	**207,476**	**180,448**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €25.84 million lower than originally provided. This includes an overspend of €1.936 million in relation to administrative expenditure. This has been offset by savings in programme subheads and the variation in expenditure is mainly due to the following.

B.3 Criminal Assets Bureau

Estimate provision €9.09 million; outturn €10.401 million

The excess of €1.311 million is primarily pay related (€1.211m) due to the need to second temporary staff from An Garda Síochána to assist with operational activities. The balance of the excess (€100,000) is on the non-pay side and relates mainly to unanticipated court costs.

B.7 Community Service Order Scheme

Estimate provision €3.045 million; outturn €1.984 million

The saving of €1.061 million primarily relates to payroll as recruitment of additional Community Service Supervisors did not progress as anticipated due to reduced demand for services including limitations on expansion of the Community Service Scheme due to the Covid-19 pandemic.

B.9 Funding for services to victims of crime

Estimate provision €1.892 million; outturn €2.001 million

The excess of €109,000 arose due to the additional demand on the services of certain funded entities during the Covid-19 pandemic.

B11 Compensation for personal injuries criminally inflicted

Estimate provision €8.016 million; outturn €6.815 million

The saving of €1.201 million arises due to the delays in acceptance by applicants of awards made by the Tribunal before the end of the year. The budget would have been spent in full if these awards had been accepted.

B13 Legal aid – custody issues

Estimate provision €3 million; outturn €4.257 million

The excess of €1.257 million arose due to a larger number of claims being submitted for payment during 2020 compared with previous years. A number of the claims related to prior years. This is a demand-led scheme and the fees and expenses due to the legal practitioners are paid in accordance with the terms and conditions of the scheme.

B15 Crime prevention measures

Estimate provision €1.197 million; outturn €489,000

A saving of €708,000 arises due to a number of crime prevention initiatives not proceeding as anticipated during 2020 due in part to the impact of the Covid-19 pandemic.

B16 Private Security Authority

Estimate provision €3.799 million; outturn €3.285 million

The saving of €514,000 is mainly related to non-payroll costs and arises due to the impact of the Covid-19 pandemic on the delivery of operations and the implementation of scheduled projects. Many projects, such as the licensing of employees in the event security area have been delayed because of the impact of the pandemic on the security industry. Compliance activity was also curtailed by the restrictions and limited to surveillance and desk work

B17 Funding for prevention of domestic, sexual and gender based violence

Estimate provision €2.069 million; outturn €2.464 million

The excess of €395,000 arose due to additional demands on service providers in this area during the Covid-19 pandemic and to ensure that the funded entities remained operational during this period.

B18 Forensic Science Ireland

Estimate provision €56.991 million; outturn €33.779 million

The saving of €23.212 million is primarily due to an underspend in 2020 in relation to the construction of the new FSI laboratory at Backweston, Co. Kildare. The capital allocation for this project in 2020 was €39.551 million. The final business case for the new laboratory was approved by the Government in early March 2020. The contract was signed on 19 March 2020 but construction was halted for a period of seven weeks due to Covid-19 restrictions. A carryover of unspent capital of €3.9 million from 2020 to 2021 has been approved for this project.

B19 State Pathology

Estimate provision €983,000; outturn €1.088 million

The excess of €105,000 mainly arose due to the requirement to engage additional locum pathologists to support of the State Pathologist service during 2020.

Programme C Access to justice for all (civil justice and equality and criminal justice pillars)

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	391	471	230
C.2	Administration − non pay	303	281	190
C.3	Commissions and special inquiries	6,316	6,406	5,937
C.4	Legal Aid Board	42,207	42,207	40,796
C.5	Free Legal Advice Centres	98	98	98
C.6	Coroner Service	2,834	4,500	3,814
	Magdalen Fund	—	—	*4,912*
		52,149	**53,963**	**55,977**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €1.814 million higher than originally provided, including an overspend of €58,000 in relation to administrative expenditure. The remaining variation in expenditure is mainly due to the following:

C.6 Coroner Service

Estimate provision €2.834 million; outturn €4.5 million

The excess expenditure of €1.666 million relates to preparatory and other costs such as accommodation related to the Stardust Fire Inquests and additional costs for the Dublin District Mortuary directly related to the Covid-19 pandemic.

Programme D An equal and inclusive society (civil justice and equality pillar)

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	22	76	734
D.2	Administration − non pay	15	29	603
D.3	Social disadvantage measures (dormant accounts funded)	7,726	6,739	5,111
	National Disability Authority	—	—	*4,270*
	Office for the Promotion of Migrant Integration	—	—	*2,488*
	Grants to national women's organisations	—	—	*525*
	Traveller and Roma initiatives	—	—	*3,069*
	Positive Action for Gender Equality	—	—	*4,861*
	Equality and LGBTI initiatives	—	—	*148*
	Decision support service	—	—	*2,700*
		7,763	**6,844**	**24,509**

Significant Variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €919,000 lower than provided. This includes an overspend of €68,000 in relation to administrative expenditure which has been offset by a saving of €987,000 in the programme subhead due to the following.

D.3 Social disadvantage measures (dormant accounts funded)

Estimate provision €7.726 million; outturn €6.739 million

The saving of €987,000 is attributable to certain funding for projects in the youth justice area not being fully drawn down in 2020 mainly related to delays in establishing new projects due to the impact of Covid-19 and pending the finalisation of the Youth Justice Strategy.

Programme E An efficient, responsive and fair immigration, asylum and citizenship system (civil justice and equality pillar)

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	45,594	46,842	9,979
E.2	Administration − non pay	17,377	28,272	8,209
E.3	Immigration and international protection programmes	8,896	7,678	72,601
	Asylum Migration and Integration Fund	—	—	*2,232*
	International protection seekers accommodation	—	—	*129,599*
		71,867	**82,792**	**222,620**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €10.925 million higher than provided, which mainly relates to an overspend of €12.143 million in relation to administrative expenditure which has already been explained. This has been offset by a saving of €1.218 million in the programme subhead due to the following.

E.3 Immigration and international protection programmes

Estimate provision €8.896 million; outturn €7.678 million

A saving of €1.218 million arises compared with the estimate provision of €8.896 million. The restrictions introduced due to Covid-19 resulted in lower than anticipated costs for panel members in the International Protection Office and International Protection Appeals Tribunal as hearings and interviews had to be postponed and rescheduled in line with Government guidelines. Savings were also realised as travel restrictions and other factors resulted in lower than anticipated numbers for repatriations and deportations.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Film censorship fees	1,503	810	1,202
2	Data Protection Fees	—	—	—
3	EU receipts	10,000	9,691	17,843
4	Miscellaneous receipts	573	2,229	1,325
5	Immigration registration fees	26,800	31,445	39,423
6	Visa fees	3,200	3,082	9,847
7	Dormant accounts receipts	7,726	6,598	4,873
8	Private Security Authority fees	2,564	2,643	3,444
9	Nationality and citizenship certificates fees	8,500	8,852	5,368
10	Legal Services Regulatory Authority – levy on professional bodies	1	—	—
11	Property Services Regulatory Authority fees	2,300	2,210	2,250
12	Insolvency Service of Ireland fees	680	767	1,083
13	Receipts from additional superannuation contributions on public service remuneration	3,214	3,865	4,447
	Total	**67,061**	**72,192**	**91,105**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €5.131 million higher than (originally) provided and the surplus in receipts is mainly due to the net effect of the following variances.

1 Film censorship fees

Estimate €1.503 million; realised €810,000

The shortfall in receipts of €693,000 is mainly due to the fall in cinema submissions for classification directly related to the impact of the Covid-19 pandemic

4 Miscellaneous receipts

Estimate €573,000; realised €2.229 million

The surplus in receipts of €1.656 million is mainly due to a higher than expected intake from the Atypical Worker Scheme (ATWS) visas.

5 Immigration registration fees

Estimate €26.8 million; realised €31.445 million

A surplus of €4.645 million arises compared with the estimate provision of €26.8 million. Receipts under this category can be unpredictable, notwithstanding the impact of Covid-19, as they depend on a number of variables including the economic environment. The impact of the closure of Registration Offices countrywide and travel restrictions was offset in part by the launch of the Online Registration Renewal System for Dublin based applicants in July and resumption of the processing of first time applications albeit at a reduced rate. This had the effect of maintaining the receipt levels at a reasonably high rate during 2020.

7 Dormant accounts receipts

Estimate €7.726 million; realised €6.598 million

The shortfall of €1.128 million is attributable to funding for projects in the youth justice area not being fully drawn down in 2020 mainly related to delays in establishing new projects due to the impact of Covid-19 and pending the finalisation of the Youth Justice Strategy.

13 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.214 million; realised €3.865 million

The surplus receipts of €651,000 are directly related to payroll costs and were greater than expected.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	25	18
Collected	26	25
Transferred to the Exchequer	(25)	(18)
Balance at 31 December	**26**	**25**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Department	1,386	1,474
Agencies	1,406	1,531
Total	**2,792**	**3,005**

5.2 Pay

Remuneration of Department staff

	2020 €000	2019 €000
Pay	66,404	65,504
Higher, special or additional duties allowances	202	109
Other allowances	2,099	1,641
Overtime and extra attendances	773	1,634
Employer's PRSI	5,573	5,293
Total pay [a]	**75,051**	**74,181**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, C.3, D.1 and E.1.

Remuneration of Agency staff

	2020 €000	2019 €000
Pay	76,275	81,032
Higher, special or additional duties allowances	104	116
Other allowances	3,027	2,356
Overtime and extra attendance	1,563	1,674
Employer's PRSI	5,188	5,391
Total pay [a]	**86,157**	**90,569**

Note [a] The total pay figure is distributed across subheads A.3, A.4, A.5, A.7, A.10, A.11, A.13, B.3, B.4, B.7, B.16, B.18, B.19, C.4, C.6, and E.3.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Department Staff				
Higher, special or additional duties allowances	31	11	28,528	12,565
Overtime and extra attendance	337	17	40,990	33,446
Shift and roster allowances	169	8	13,011	12,623
Miscellaneous	195	4	20,614	20,614
Extra remuneration in more than one category	192	110	27,514	41,145
Agency Staff				
Higher, special or additional duties allowances	16	4	23,239	23,982
Overtime and extra attendance	62	4	19,384	24,126
Shift and roster allowances	—	—	—	51
Miscellaneous	238	42	18,846	18,519
Extra remuneration in more than one category	23	8	35,201	30,089

5.4 Other remuneration arrangements

A total amount of €140,885 was paid to 19 retired civil servants who were in receipt of civil service pensions in 2020. In addition, an amount of €101,934 was paid to ten former public servants who were engaged in various roles in 2020. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and other provisions) Act 2012.

A total amount of €2,377,562 was paid through payroll to 183 individuals in respect of duties performed in relation to various boards, committees and commissions, etc.

The account includes expenditure of approximately €518,000 in respect of eight officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department.

This account does not include expenditure in respect of 22 officers who were serving outside the Department for all or part of 2020 in other Government departments/offices.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments [a]	150	677,900	713,955
Recovery plans in place	87	331,812	376,422

24 overpayment recovery plans in respect of 23 individuals to the value of €21,112 were transferred to six government departments/offices in 2020.

Note [a] This figure excludes overpayment amounts for 19 employees (2019: 32 employees) where the amount due is pending calculation.

5.6 Severance/redundancy

During 2020, four staff members whose employments were terminated were paid redundancy payments totalling €54,099 and severance payments totalling €113,036.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2020	2020 €000	2019 €000
Permanent commissions				
Criminal Injuries Compensation Tribunal [a]	1974		154	113
Fixed purpose commissions				
Morris Tribunal [b]	2002	68,780	5	2
Smithwick Tribunal [c]	2005	19,889	—	—
Location of Victims Remains [d]	2007	8,070	218	467
Ronan MacLochlainn Commission of Investigation [e]	2014	1,192	—	17
Independent Review Mechanism and five inquiries established during 2017 under Section 42 of the Garda Síochána Act 2005 [f]	2014	1,720	335	322
Disclosures Tribunal [g]	2017	9,626	4,331	2,329
Commission on the Future of Policing [h]	2017	1,823	—	2
Independent Reporting Commission [i]	2017	107	27	28
Hickson Commission of Investigation [j]	2018	1,082	908	170
Referendum Commissions [k]	2019	2,336	—	2,336
A Study on Familicide and Domestic Homicide Reviews [l]	2019	310	159	151
Shane O' Farrell – scoping review of circumstances leading to his death [m]	2019	269	269	—
		115,204	**6,406**	**5,937**

Note [a] The costs in relation to the Criminal Injuries Compensation Tribunal will continue as the work of the Tribunal is ongoing, with a significant number of applications under the scheme to be considered.

[b] The Morris Tribunal was established in 2002 and it published its final report in 2008. The cost of the Tribunal to date is €68.8 million with expenditure in 2020 amounting to €4,813 with regards to minor administrative costs. There may be remaining costs to be discharged with regard to one third party that have yet to be settled. It is anticipated that any such costs should be discharged before the end of 2021.

[c] The Smithwick Tribunal concluded at the end of 2013. There are remaining costs to be discharged with regard to one third party that have yet to be settled.

[d] The work of the Independent Commission for the Location of Victims Remains is ongoing, with three victims remains still to be recovered. The main costs arise with regard to excavations for remains where sites can be identified. The Commission's activity and associated costs are largely dependent on the information made available to it with regard to the victims whose remains it is seeking to locate. Expenditure in 2020 of €217,996 was incurred, over half was discharged for ongoing administrative expenses (which includes payments to the investigators), with the remainder associated with searches and reconstitution work. This brings the total spend to date to just over €8 million and further payments are anticipated.

[e] The MacLochlainn Commission of Investigation was established in August 2014. Its terms of reference were to inquire into the circumstances of the fatal shooting of Ronan MacLochlainn on 1 May 1998 by members of An Garda Síochána. The final report of the Commission was published in December 2018. No further costs are anticipated.

[f] Following the work of the Independent Review Mechanism, the Minister for Justice set up five inquiries under section 42 of the Garda Síochána Act 2005 in 2017 to inquire into five separate Garda investigations. Since their inception, the five inquiries have shared accommodation and administrative support. Two of these inquiries were concluded in April 2018, one concluded in October 2020 and the remaining two are ongoing. Expenditure of €334,831 was incurred in 2020.

[g] The Disclosures Tribunal was established in February 2017 with Mr Justice Peter Charleton, a judge of the Supreme Court, as the sole member. The Tribunal was established following a review by Mr Justice Iarfhliath O'Neill of two protected disclosures made to the then Tánaiste alleging a campaign at the highest level in the Garda Síochána to discredit the whistleblower, Sgt Maurice McCabe, who made allegations of wrongdoing in the Gardaí. Judge Charleton laid his 3rd interim report before the Dáil in October 2018. Expenditure of €1,869,955 was incurred in relation to this module in 2020. It is not possible to accurately estimate the final cost of the first module of the Tribunal as it will depend on a number of factors including the quantum of remaining third party legal costs which are expected to be discharged in 2021.

Mr Justice Seán Ryan took up his appointment in December 2018 to conduct the inquiry into the remaining term of reference as provided for in the instrument establishing the Tribunal. Justice Ryan is currently finalising his report (4th interim report). It is likely that this report will be laid before the Houses of the Oireachtas at the end of the first quarter/beginning of the second quarter of 2021. Additionally, Tribunal investigators and documentary counsel are currently doing preliminary work on the next cases to be considered under the terms of reference, and possible hearings on these cases are likely to take place from the second quarter of 2021 onwards.

As yet, Justice Ryan has made no orders for costs regarding Module 2 and therefore it is not possible to determine the level of third party costs arising from this Module. Expenditure of €2,460,930 was incurred in relation to this module in 2020.

h The Government established the Commission on the Future of Policing in Ireland in May 2017, under the Chairmanship of Ms Kathleen O'Toole, to carry out a comprehensive examination of policing and develop a blueprint for the future of policing in Ireland. The Commission submitted its report to Government in September 2018 and no further expenditure is expected.

i The Independent Reporting Commission (IRC) was established in 2017 with the intention to run for a period of five years to 2021. It is a four member cross border body established under the 2015 Fresh Start Agreement engaging in wide ranging consultations in order to report annually on the progress in Northern Ireland on implementing the agreed initiatives to counter all forms of paramilitarism. The third report from the IRC was presented to the Irish and UK Governments in November 2020 with the fourth report expected later this year. The future of the Commission beyond 2021 is being considered. It is anticipated that the annual cost will remain relatively stable, of in the region of €30,000.

j The Hickson Commission of Investigation was established in November 2018 in response to complaints or allegations of child sexual abuse made against Bill Kenneally and related matters. This Commission was to establish what, if any, level of knowledge of the offences committed by Bill Kenneally was held by a number of organisations including An Garda Síochána, the Roman Catholic Diocese of Waterford, the South Eastern Health Board, Basketball Ireland and certain political figures in the relevant time period. While it was initially expected that the Commission would run for one year with an approximate cost of €1.3 million, initial preparatory work was more significant than expected. Hearings commenced in 2019 but were suspended pending consultations with parties. To date, €1.082 million has been spent. Following the conclusion of recent legal proceedings, details on the future work of the Commission will become clearer.

k The Referendum Commission incurred costs of €2,336,631 in 2019 in relation to the Divorce Referendum. No further expenditure is expected to be incurred in relation to this referendum.

l The then Minister for Justice established a group to carry out a Study on Familicide and Domestic Homicide Reviews in May 2019. It has conducted research and held consultations with a wide range of stakeholders including State agencies, family members of victims and Non-Governmental Organisations (NGOs). The report of the group is expected shortly and expenditure of €310,000 has been incurred to date.

m In January 2019, the then Minister for Justice appointed retired District Court Judge Gerard Haughton to carry out a scoping exercise into a number of matters surrounding the circumstances leading to the death of Shane O'Farrell. The scoping exercise is due to be completed in 2021. Expenditure of €269,266 was incurred in 2020 including pay and administration costs.

6.2 Ex-gratia payments

Ex-gratia payments amounting to €69,372 (2019: €42,498) were made in respect of the non-statutory Legal Aid Scheme for Criminal Assets Bureau type actions. This scheme is applicable to persons who are respondents and/or defendants in any court proceedings brought by, or in the name of, the Criminal Assets Bureau, including court proceedings under the Proceeds of Crime Act 1996, the Revenue Acts and the Social Welfare Acts and applications made by the Director of Public Prosecutions under Section 39 of the Criminal Justice Act 1994.

Ex-gratia payments amounting to €1,980,621 (2019: €1,714,245) were made in respect of the non-statutory Garda Station Legal Aid Advice Scheme. This scheme provides that where a person is detained in a Garda station for the purpose of the investigation of an offence and s/he has a legal entitlement to consult with a solicitor and the person's means are insufficient to enable him/her to pay for such consultation, that consultations with solicitors will be paid for by the State.

Ex-gratia payments amounting to €402,850 were made in respect of two cases to give effect to a High Court recommendation under the Legal Aid – Custody Issues Scheme.

Ex-gratia payments amounting to €158,560 (2019: €94,256) were made in respect of 25 other cases related to other legal proceedings.

Ex-gratia payments totalling €20,308 (2019: €27,182) were made in a number of cases in relation to the Coroners' service. The payments in question relate to the cost of legal representation at inquests into the deaths of persons in State custody.

6.3 Drugs Initiative Fund

An amount of €365,425 (2019: €350,183) was received from the Drugs Initiative Fund and is accounted for through a suspense account. The funding is provided under the National Drugs Strategy 2009 – 2016 and relates to a number of Local Drug Task Force owned projects which are Probation Service supported initiatives.

6.4 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public	393	285	10,363	1,260	11,908	7,568
Claims by employees	2	22	0	51	73	3
	395	**307**	**10,363**	**1,311**	**11,981** [a]	**7,571**

Note [a] Of the total of €11.981 million, (78%) relates to the immigration areas of the Department. The remaining legal costs were incurred across a number of areas including the Department's Criminal Policy Division, the Garda Síochána Ombudsman Commission, the Property Services Regulatory Authority and the Private Security Authority.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred by the Department in 2020 was €9,446 (2019: €5,896).

6.6 EU funding [a]

The outturns shown in Subheads B.3, B.6, B.8, and E.3 include payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns (recorded in note 4.1, subhead 3) were as follows.

Subhead description:	Estimate €000	2020 Outturn €000	2019 Outturn €000
ESF - Programme for Employability , Inclusion and Learning (PEIL) 2014 – 2020 (ESF)	9,000	8,022	12,730
Asylum, Migration and Integration Fund (AMIF) 2014 – 2020 [b]	1,000	1,577	5,000
Other EU receipts	—	92	113
	10,000	**9,691**	**17,843**

Note [a] The Department also received advance funding from the EU in 2020 which is administered through suspense accounts.

[b] Responsibility for the Asylum, Migration and Integration Fund (AMIF) transferred to the Department of Children, Equality, Disability, Integration and Youth during 2020.

6.7 Other

A fine of €2 million was paid to the European Commission in 2020 in relation to the delayed transposition of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (4AMLD).

The transposition date for the directive was 26 June 2017. The delay referred to a period between July 2017 and December 2019 relating to the enactment of primary and secondary legislation including the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018 and regulations in respect of beneficial ownership made under the European Communities Act 1972.

The delay mainly arose due to the complexity of the changes that were required under the Directive. Ireland, unlike many member states in the Union, requires primary legislation for the transposition of EU directives that contain criminal offences with imprisonment penalties of greater than three years. This particular Directive contains penalties of up to 14 years. It required detailed amendment to the 2010 Money Laundering Act. The analysis and settling of those amendments took a significant length of time and required extensive work on behalf of the Office of Parliamentary Counsel, the Office of the Attorney General and the Departments involved.

Appendix A Accounts of bodies and funds under the aegis of the Department of Justice

The following table lists the bodies and funds under the aegis of the Department. It indicates, as at end March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Criminal Assets Bureau	2019	15 Dec 2020	5 Jan 2021	8 Jan 2021
Garda Síochána Ombudsman Commission	2019	14 Dec 2020	17 Dec 2020	8 Jan 2021
Insolvency Service of Ireland	2019	21 Dec 2020	19 Jan 2021	11 Mar 2021
Legal Aid Board	2019	21 Dec 2020	22 Jan 2021	Pending
Office of the Data Protection Commission	2019	30 Jun 2020	21 Jul 2020	21 Jul 2020
Private Security Authority	2019	5 Jun 2020	1 Oct 2020	Pending
Property Services Regulatory Authority	2019	30 Nov 2020	14 Dec 2020	2 Mar 2021
Legal Services Regulatory Authority	2019	29 Dec 2020	10 Feb 2021	Pending

Appropriation Account 2020

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required 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 2020 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €649,000 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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Depreciation

Leasehold premises improvements are depreciated at a rate of 5% per annum on a straight line basis.

Depreciation is charged on a monthly basis.

Capital assets thresholds

As provided for in Circular 22 of 2020, the Irish Human Rights and Equality Commission has applied a threshold of €1,000 for the capitalisation of its capital assets.

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 Irish Human Rights and Equality Commission.

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

Shared services

Payroll and human resource services are provided to the Irish Human Rights and Equality Commission on a shared services basis by the National Shared Services Office. I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of payroll and human resource shared service.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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 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

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 and by the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against budgets
- a risk management system operates within the Irish Human Rights and Equality Commission
- 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 Irish Human Rights and Equality 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 and Audit and Risk Committee

I confirm that the Irish Human Rights and Equality Commission has an internal audit function (currently outsourced) with appropriately trained personnel. Its work is informed by analysis of the financial risks to which the Irish Human Rights and Equality Commission is exposed and its annual internal audit plans, approved by me and the Audit and Risk Committee, 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 and Risk Committee.

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

Procurement compliance

I confirm that the Irish Human Rights and Equality 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.

In 2020 the Irish Human Rights and Equality Commission complied with the guidelines with the exception of four supply arrangements (in excess of €25,000), totalling €161,372 (ex. VAT). Details are set out below:

- One contract with a value of €34,322 was put in place for insurance.
- Three contracts with a total value of €127,050 were put in place for specialist legal advice.

The Irish Human Rights and Equality Commission has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Irish Human Rights and Equality 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 Irish Human Rights and Equality Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by senior management, the Audit and Risk Committee and the Irish Human Rights and Equality Commission regularly. 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 an overall satisfactory conclusion was received, a number of recommendations were made 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, the Audit and Risk Committee and the Commission, where relevant, in a timely manner. 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

I confirm that the Irish Human Rights and Equality Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Irish Human Rights and Equality 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, the Audit and Risk Committee and the senior management within the Irish Human Rights and Equality Commission responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Two Covid-19 assessments were completed. The first was a health and safety risk assessment of our Green Street offices, following the installation of Covid-19 suppression controls. This assessment was undertaken by an independent third party contactor and concluded that the mitigating actions taken by senior management had reduced the likelihood and impact of Covid-19 risks.

The second assessment was undertaken by our internal audit function as part of an audit review of internal financial controls which incorporated the Office of the Comptroller and Auditor General Audit Insights document on *The impact of Covid-19 on the Control Environment (September 2020)*. An overall satisfactory conclusion was received, a number of recommendations were made that are in the course being implemented.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Laurence Bond
Accounting Officer
Irish Human Rights and Equality Commission

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 25 Irish Human Rights and Equality Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2020 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 25 Irish Human Rights and Equality Commission for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Irish Human Rights and Equality 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 together 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 *Preface to the Appropriation Accounts*.

Seamus McCarthy
Comptroller and Auditor General

28 June 2021

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Irish Human Rights and Equality Commission Function	6,814	6,154	5,973
Gross expenditure		**6,814**	**6,154**	**5,973**
	Deduct			
B	**Appropriations-in-aid**	**81**	**70**	**92**
Net expenditure		**6,733**	**6,084**	**5,881**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**648,867**	**780,875**

Laurence Bond
Accounting Officer
Irish Human Rights and Equality Commission

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Pay		2,944	2,821
Non pay		3,210	3,152
Gross expenditure		**6,154**	**5,973**
Deduct			
Appropriations-in-aid		**70**	**92**
Net expenditure		**6,084**	**5,881**
Changes in capital assets			
Purchases cash	(100)		
Depreciation	178		
		78	93
Changes in net current assets			
Decrease in closing accruals		(129)	131
Direct expenditure		**6,033**	**6,105**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		8	6
Net programme cost		**6,041**	**6,111**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

		2020	2019
		€000	€000
Vote 18	National Shared Services Office	8	6
		8	**6**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	1,681	1,759
Current assets			
Bank and cash		214	—
Prepayments		190	143
Other debit balances	2.2	4	22
Net Exchequer funding	2.4	—	219
Total current assets		**408**	**384**
Less current liabilities			
Bank and cash		—	127
Accrued expenses		34	116
Other credit balances	2.3	140	114
Net Exchequer funding	2.4	78	—
Total current liabilities		**252**	**357**
Net current assets		156	27
Net assets		**1,837**	**1,786**
Represented by:			
State funding account	2.5	**1,837**	**1,786**

2.1 Capital assets

	Leasehold improvements	Furniture and fittings	IT and office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,746	346	270	2,362
Additions	—	14	86	100
Cost or valuation at 31 December 2020	1,746	360	356	2,462
Accumulated depreciation				
Opening balance at 1 January 2020	334	134	135	603
Depreciation for the year	87	36	55	178
Cumulative depreciation at 31 December 2020	421	170	190	781
Net assets at 31 December 2020	**1,325**	**190**	**166**	**1,681**
Net assets at 31 December 2019	1,412	212	135	1,759

2.2 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable travel pass scheme expenditure	—	19
Cycle to work scheme	1	—
Payroll paid in advance	3	3
	4	**22**

2.3 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	49	38
Pay related social insurance	34	31
Professional services withholding tax	44	27
Pension contributions	4	9
Universal social charge	9	7
Value added tax	—	—
	140	112
Payroll deductions held in suspense	—	2
	140	**114**

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	649	781
Exchequer grant undrawn	(571)	(1,000)
Net Exchequer funding	**78**	**(219)**
Represented by:		
Debtors		
Bank and cash	214	—
Debit balances	4	22
	218	22
Creditors		
Bank and cash	—	(127)
Due to the State	(140)	(112)
Credit balances	—	(2)
	(140)	(241)
	78	**(219)**

2.5 State funding account

	Note		2020	2019
		€000	€000	€000
Net assets at 1 January			1,786	2,010
Disbursements from the Vote				
Estimate provision	Account	6,733		
Surplus to be surrendered	Account	(649)		
Net vote			6,084	5,881
Expenditure (cash) borne elsewhere	1.1		8	6
Net programme cost	1		(6,041)	(6,111)
Balance at 31 December			**1,837**	**1,786**

2.6 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services [a]	1,217	1,558
Non-capital grant programmes	13	232
Legal and other projects	115	107
Total of legally enforceable commitments	**1,345**	**1,897**

Note [a] Lease of premises commitment is €269,984 per year up to 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 25 Irish Human Rights and Equality Commission is classified as administration expenditure applied towards a single programme: Irish Human Rights and Equality Commission Function.

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	3,721	2,944	2,821
ii	Travel and subsistence	63	17	62
iii	Training and development and incidental expenses	1,856	1,738	1,650
iv	Postal and telecommunications services	50	34	56
v	Office equipment and external IT services	305	413	443
vi	Office premises expenses	520	614	509
vii	Consultancy services and value for money and policy reviews	299	394	432
		6,814	**6,154**	**5,973**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €3.721 million; outturn €2.944 million

The underspending of €776,836 on salaries, wages and allowances was due to IHREC not reaching the intended employment level of 64 staff members (FTE) in 2020. At the start of the year, IHREC had 58 staff members (FTE). As at 31 December 2020 IHREC had 63 staff members (FTE). Of these, seven were recruited in the final quarter of the year so the full cost impact will only be seen in 2021. We will continue to grow in staff numbers over the coming years in line with our sanctioned pay allocation.

v Office equipment and external IT services

Estimate provision €305,000; outturn €413,000

The increase in expenditure of €108,184 on office equipment and external IT services was due to investment in equipment to support remote working and to facilitate higher staff numbers employed in 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	81	58	77
2	Miscellaneous	—	12	15
	Total	**81**	**70**	**92**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**63**	**58**

5.2 Pay

	2020	2019
	€000	€000
Pay	2,639	2,519
Higher, special or additional duties allowances	30	42
Employer's PRSI	275	260
Total pay	**2,944**	**2,821**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances [a]	3	1	22,829	11,741

Note [a] 2020 highest individual payment includes arrears.

Note 6 Miscellaneous

6.1 Compensation and legal costs

IHREC is empowered under Section 40 of the Irish Human Rights and Equality Commission Act 2014 to provide assistance to persons where they are pursuing proceedings under equality and/or human rights law.

During 2018, the Commission decided to grant an indemnity to one Section 40 client in respect of High Court proceedings. The High Court overturned the Labour Court decision and ruled in the client's favour.

The matter is now the subject of a further appeal to the Court of Appeal where the Commission is legally representing the client. In 2020, the Commission, with sanction from the Department of Public Expenditure and Reform, decided to grant an indemnity in respect of the Court of Appeal proceedings. No expenditure has been incurred under the indemnity to date.

In addition, in 2020, with approval from the Department of Public Expenditure and Reform, the Commission granted one further Section 40 client indemnity in respect of the High Court proceedings.

Appropriation Account 2020

Vote 26

Education

Introduction

As Accounting Officer for Vote 26, 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 2020 for the salaries and expenses of the Office of the Minister for Education, for certain services administered by that Office, and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €137.912 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

Transfer of functions

The Department of Further and Higher Education, Research, Innovation and Science was established on 2 August 2020 with further and higher education functions transferred from the Department of Education with an effective date of 21 October 2020. Prior to the decision to transfer those functions, the Vote for Education and Skills was presented under three expenditure programmes. Two of the programmes were transferred to the Department of Further and Higher Education, Research, Innovation and Science: programme B skills development; and programme C higher education.

The expenditure programme for first, second and early years education remains the responsibility of the Department of Education.

Work is ongoing in 2021 to address the transfer of residual functions from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science. It is envisaged that the second phase of the transfer of functions process will involve the development of primary legislation.

The full expenditure for 2020 in relation to the two programmes transferred to the Department of Further and Higher Education, Research, Innovation and Science is shown in the appropriation account of the Vote for Further and Higher Education, Research, Innovation and Science (Vote 45).

The costs relating to office equipment and furniture and fittings fixed assets, used by both Vote 26 and Vote 45, are recorded in this appropriation account. The assets are reported in the Vote 26 statement of capital assets. A notional depreciation charge has been applied to Vote 45 under Note 1.1 Net allied services to reflect the use of these shared assets by Vote 45.

Vote 26 is providing a shared service to Vote 45 for a number of corporate areas including HR, finance, accommodation and services, audit and IT. A notional charge has been applied to Vote 45 under Note 1.1 Net allied services to reflect the staff costs attributable to the shared service.

A memorandum of understanding is currently being drafted to formalise this arrangement between the two Departments.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services.

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

The position in regard to the financial environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- 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 Department 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, European Social Fund (ESF) audit and Audit Committee

I confirm that the Department 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 Department 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 recommendations included in internal audit reports are tracked for implementation by management.

The ESF Audit Authority is a section within the internal and EU Audit Unit and is functionally independent and operates in accordance with its own written charter which I have approved. It reports to the Audit Committee and to the European Commission on the conduct of its audit programme in respect of compliance with the regulatory requirements of the European Union in relation to the management, control and audit of ESF funds in Ireland.

Non-compliance with procurement rules

I confirm that the Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant procurement guidelines. The Department complied with the guidelines with the exception of four contracts (in excess of €25,000), totalling €476,884 (ex VAT) details as set out below.

- Two contracts in the value range €25,000 to €100,000, totaling €89,226 due to contracts being rolled over for business continuity reasons pending completion of a tendering process.
- Two contracts cumulatively worth €387,658 in the value range €100,000 to €250,000 where the contract was extended for urgency/business continuity reasons pending completion of a tendering process.

All cases are being kept under active review and action is being taken where feasible. The Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The risks are signed off at head of business unit level and noted by the Management Board member responsible for that business area. The register details the controls and actions needed to mitigate risks and the register is used, along with other relevant processes, to ensure that risks are managed or mitigated.

In addition, the Department has a Risk Committee, which assists me and the Management Board to fulfil their risk management responsibilities. The risk committee has a number of functions including

- defining and maintaining risk management policy and standards for the management of corporate risks
- ensuring that roles and responsibilities for risk management are clearly defined and communicated across the Department
- reviewing new risks which carry a medium (amber) or high (red) risk rating and the proposed mitigations

- presenting periodic reports to the Management Board summarising the status of the risk management programme and
- highlighting major areas of risk (if any).

The Department's governance framework sets out the governance procedures, processes and principles that underpin the work of the Department. It is kept under ongoing review.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

ICT Security

The Department has a strong commitment to the security of its ICT systems and implements multiple cybersecurity protocols and measures including User Awareness, Perimeter Security, Anti-virus/Anti-Malware, Email and Web filtering, System Patching, Risk Management Policies, Regular Vulnerability Assessments/Penetration Testing, Mobile Device Management, Access Management, Incident Management, Security Incident and Event Monitoring, Information Security Governance, GDPR Awareness, Disaster Recovery, Offline backups, Supplier Management and Encryption.

The Department's cyber security protocols are supported by the work of the National Cyber Security Centre and the National Computer Security Incident Response Team, (CSIRT), which provides early warnings, alerts, announcements and dissemination of information about risk and incidents to the Department.

The Department is also supported by security expertise from multiple third party security organisations. Relevant ICT staff members have security qualifications and ICT security arrangements are subject to review by the Internal Audit Unit.

Covid-19 pandemic

As a result of Covid-19, my Department's staff were required to mainly work from home since mid-March 2020. Internal audit has conducted an assessment of the impact of Covid-19 on internal financial controls and mobile security and has provided me with reasonable assurance that the financial control risks are being adequately managed. Furthermore, the move to remote working has accelerated the use of electronic documentation for audit trail and work efficiency purposes. The results of these assessments were presented to the Audit Committee on 24 March 2021.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2020 that resulted in losses that require disclosure in the appropriation account.

Payroll shared services

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer for The National Shared Services Office has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

Education sector corporate governance

Under statutory instrument 451 of 2020, responsibility for seven of the eighteen aegis bodies under the Department of Education transferred to the Department of Further and Higher Education, Research, Innovation and Science from 21 October 2020.

The state bodies remaining under the aegis of the Department of Education are overseen by relevant policy divisions within the Department, who are supported by other relevant Divisions across the Department, including the Department's Sectoral Governance Unit.

Responsibility for delivery on the mandate and functions of the Department's aegis bodies rests in the first instance with each Board and the Chairperson of the respective board. The relationship between the Department and each of the bodies under the aegis is typically governed by:

- the legislative underpinning of the body, and
- Department of Public Expenditure and Reform's 2016 *Code of Practice for the Governance of State Bodies* in conjunction with the supporting annexes to that code.

During 2020, the Department of Education rolled out a formal review process, the Compliance Assurance Return (CAR) to aid the Department in being assured as to the extent to which its in-scope aegis bodies adhere to the core components of the 2016 Code of Practice. This review process also provided assurance on the extent to which the aegis bodies are complying with evolving governance and statutory requirements.

The governance material gathered from the assurance return process is also utilised to enable the Department further consider appropriate governance work programmes to roll out in future years. It is intended that the assurance return will remain as a feature of the governance oversight work programme the Department rolls out at intervals in future years.

The Department continues to work with its aegis bodies to ensure, where appropriate, that the oversight conditions laid out in the Code of Practice are satisfied and that robust performance delivery agreements or equivalent are in place for each body. As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the Code have been agreed and documented in order to satisfy the codes "comply or explain" requirements.

Within the wider education sector, a sectoral code of practice aligned to the specific regulatory frameworks of the Education and Training Boards (ETBs) is in place.

The Department continues to avail of membership of a Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance and aids the Department with the supply of timely advice and information supports to enhance good governance and to aid in the continuing professional development of the Department's staff.

Public sector reform

In 2020, the Department continued the roll out of its shared services plan, investigating the opportunities for shared service initiatives across the entire education sector and actively participating in the roll out of traditional shared services across the Civil Service. The key projects which have been progressed during 2020 are as follows.

- **Payroll shared services for the ETB sector**: As of September 2021, nine out of sixteen ETBs are now receiving payroll and four travel and subsistence services from the Shared Service Centre. It is expected that the roll out of services will continue through 2021 with two additional ETBs receiving payroll services during 2021. The final ETBs will transition to shared services during 2022 and Q1 of 2023.

- **Financial shared services for the ETB sector**: The public procurement of a software solution to underpin this initiative concluded unsuccessfully in Q2 2020. The team has subsequently stabilised the software for six ETBs and is consolidating the remaining ETBs on to that platform. They have also re-engaged with the market and plan to publish a new public procurement in 2021. The dates for the design, implementation and roll-out of shared services are under review at present.

- **Schools employee payroll shared services project**: In 2020, extensive market engagement continued with suppliers providing significant information on their product development paths helping to inform the technical requirements for this project. It is expected to fully develop the functional and technical specifications in early 2021 with a view to going to the market by Q4 2021.

- **Office of Government Procurement (OGP) model**: Corporate procurement planning (CPP) and development of other multi-annual procurement plans (MAPPS) in the ETB sector were further developed in 2020 to support the OGP model. This work has captured useful forecast information which will drive the demand for frameworks and contracts at a central level helping to address the compliance challenges over time.

In addition to the above services, the Department's shared services programme also provides services to the Department of Further and Higher Education Research, Innovation and Science, including the delivery of apprenticeship and learner payroll for ETBs and HR/payroll for the higher education sector shared service projects.

Seán Ó Foghlú
Accounting Officer
Department of Education

17 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 26 Education

Opinion on the appropriation account

I have audited the appropriation account for Vote 26 Education for the year ended 31 December 2020 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 26 Education for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Education 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

23 September 2021

Vote 26 Education

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	First, second and early years education	8,710,485	8,595,589	8,244,663
	Skills Development	—	—	*432,548*
	Higher Education	—	—	*1,696,203*
Gross expenditure		**8,710,485**	**8,595,589**	**10,373,414**
	Deduct			
	Appropriations-in-aid	**331,931**	**354,947**	**511,021**
Net expenditure		**8,378,554**	**8,240,642**	**9,862,393**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**137,911,743**	**6,263,475**

Seán Ó Foghlú
Accounting Officer
Department of Education

17 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		8,496,735	10,272,045
Pay		83,036	83,193
Non pay		15,818	18,176
Gross expenditure		**8,595,589**	**10,373,414**
Deduct			
Appropriations-in-aid		**354,947**	**511,021**
Net expenditure		**8,240,642**	**9,862,393**
Changes in capital assets			
Purchases cash	(97,589)		
Depreciation	1,668		
Loss on disposal	4	(95,917)	(160,359)
Changes in net current assets			
Increase in closing accruals	1,092		
Decrease in stock	4	1,096	13,861
Direct expenditure		**8,145,821**	**9,715,895**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		23,799	28,198
Notional rents		3,221	3,667
Net programme cost		**8,172,841**	**9,747,760**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 26 borne elsewhere, less the cost of services provided to Vote 45.

		2020 [a]	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	127	169
Vote 12	Superannuation and Retired Allowances	22,088	24,123
Vote 13	Office of Public Works [b]	3,079	3,516
Vote 18	National Shared Services Office	150	148
Central Fund - ministerial pensions		238	242
Apportioned cost of shared services for Vote 45		(1,883)	—
		23,799	**28,198**

Notes [a] The 2020 net allied services expenditure figures do not include figures related to aegis bodies or agencies of the Department. The net allied services expenditure has been assigned directly to the Vote and where this was not possible it was apportioned based on agreed allocation of costs between both Vote 26 and Vote 45.

[b] The 2019 figures have been restated to remove net allied services expenditure of €646,000 in respect of properties that are occupied by aegis bodies funded by Vote 26.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	285,994	279,536
Current assets			
Bank and cash	2.2	148,319	87,014
Stocks		80	84
Prepayments	2.3	17,162	18,888
Overpayments for recoupment	5.5	7,168	6,956
Secondment costs for recoupment		611	415
Amounts due from the EU		10	17
Other debit balances	2.4	3,399	33,454
Accrued income		1,986	5,517
Total current assets		**178,735**	**152,345**
Less current liabilities			
Accrued expenses		33,795	41,854
Salary recoupment to other departments and agencies		48	78
EU moneys for distribution		1	196
Other credit balances	2.5	151,216	119,113
Net Exchequer funding	2.6	511	1,176
Total current liabilities		**185,571**	**162,417**
Net current assets		(6,836)	(10,072)
Net assets		**279,158**	**269,464**
Represented by:			
State funding account	2.7	**279,158**	**269,464**

2.1 Capital assets

	Land and buildings	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	161,928	7,097	23,391	112,717	305,133
Additions	50,233	—	1,375	47,314	98,922
Assets brought into use	71,747	—	1,012	(72,759)	—
Disposals	(80,088)	(3)	(297)	—	(80,388)
Adjustment [a]	905	(54)	(124)	(11,609)	(10,882)
Cost or valuation at 31 December 2020	204,725	7,040	25,357	75,663	312,785
Accumulated depreciation					
Opening balance at 1 January 2020	—	6,733	18,864	—	25,597
Depreciation for the year	—	40	1,628	—	1,668
Depreciation on disposals	—	(3)	(293)	—	(296)
Adjustments	—	(54)	(124)		(178)
Cumulative depreciation at 31 December 2020	—	6,716	20,075	—	26,791
Net assets at 31 December 2020	**204,725**	**324**	**5,282**	**75,663**	**285,994**
Net assets at 31 December 2019	161,928	364	4,527	112,717	279,536

Note [a] In 2020, the Department conducted a review of assets, the outcome of which resulted in a net adjustment of €10.882 million comprising of an adjustment of €11.609 million to expenditure on assets under development from previous years, and the inclusion of the valuations of three Redress sites (€905,000) included in the 2019 land register which were completed during 2020. In addition, furniture and fittings (€54,000) and office equipment assets (€124,000) were removed from the register.

General information note

There are no State-owned lands or buildings controlled by the Department of Education without a valuation. Land and buildings owned by the Department are controlled and managed as follows.

1 Transfer of school properties 2020

The Department treats the transfer of the control of an asset to a school authority as a disposal for accounting purposes in this account. Ownership is not transferred. The school properties, or parts thereof, which transferred during 2020 are included in the table below.

Name of school	Valuation [a]
	€000
Ghoirt Álainn, Co. Cork	6,844
Colaíste Bhaile Chláir, Co. Galway	8,987
Swords Community College, Co. Dublin	29,988
Clarin College, Co. Galway	24,273
Wicklow Gaeilscoil Chill Mhantain and St. Coen's	9,996
Total	**80,088**

Note [a] The total figure included for technical disposals comprises the cost of the site on which the school is built and the actual costs incurred in bringing the school to its present condition including an accrual for works completed in 2020 not yet paid and for retention monies.

2 Primary level

There were 3,241 national schools in operation on 31 December 2020. The majority of these schools are denominational and are owned by the relevant diocesan authority. The exceptions are as follows.

- Sites for 38 first-level schools are owned and controlled/managed by the Minister for Education.
- In the case of 154 schools, the schools are operating on sites or buildings owned or leased by the Department but the school is controlled/managed by the Board of Management. 16 are operating in temporary or permanent accommodation on sites not owned by the Department.

3 Post-primary level

There are a total of 730 post primary schools. 363 schools are privately owned. The remainder are operating as follows.

- 14 comprehensive schools, 82 community schools and 20 secondary schools owned by the Minister for Education are controlled/managed by Boards of Management.
- There are 251 post primary schools which are primarily vested in Education and Training Boards under the Education and Training Board Act 2013. 26 of these schools are in the ownership of the Minister for Education.
- Sites for 25 second-level schools are owned and controlled/managed by the Minister for Education.

4 Other

Following the enactment of the Children Act 2001, the only outstanding matter relating to one children's detention centre is the notification to the Property Registration Authority by the CSSO of the change of ownership of the school property from the Minister for Education to Tusla (The Child and Family Agency). The CSSO have been instructed by the Department to notify the Property Registration Authority of the change of ownership. This property is not included as an asset in Note 2.1 above as the property is not in the control of the Minister, rather it is in the control of the institution's own authority.

The Minister is one of two guarantors of the Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh which is used for the Middletown Centre for Autism.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	147,814	86,914
Commercial bank account balances	502	97
Petty cash	3	3
	148,319	**87,014**

2.3 Prepayments

at 31 December	2020	2019
	€000	€000
Advance to Waterford Institute of Technology [a]	—	8,729
Advance to Bus Éireann – school transport	8,905	422
Advance to State Examinations Commission	2,038	2,042
ICT support and licensing contracts	1,409	1,480
Rental of temporary school accommodation	1,257	3,322
School broadband contracts	683	586
Other	2,870	2,307
	17,162	**18,888**

Note [a] Advance to Waterford Institute of Technology transferred to Vote 45.

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Agency payments OPW	21	16
Amounts due from the Redress Special Account	49	288
Payroll suspense	216	31,137
Cycle to work scheme	61	49
Energy Building Programme	2,545	—
Travel pass scheme	60	342
Recoupable salaries	130	88
Schools Broadband Programme	250	1,440
Shared offices' costs recoupment	64	64
Superannuation related payovers	3	3
Travel and subsistence advances	—	4
Miscellaneous	—	23
	3,399	**33,454**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	75,808	65,203
Pay related social insurance	51,442	35,121
Universal social charge	14,502	10,835
Local property tax	295	283
Professional services withholding tax	792	1,452
Value added tax	2,381	5,078
Pension contributions	51	56
	145,271	118,028
Transfer of functions	3,684	—
Agency payments to OPW	1,320	385
Cycle to work scheme	1	2
Education trusts for distribution	—	39
Energy Building Programme	—	504
Exchequer extra receipts	—	155
Payroll suspense	422	—
Miscellaneous	518	—
	151,216	**119,113**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	137,912	6,264
Exchequer grant undrawn	(137,401)	(5,088)
Net Exchequer funding	**511**	**1,176**
Represented by:		
Debtors		
Bank and cash	148,319	87,014
Other debit balances	3,399	33,454
Amounts due from the EU	10	17
	151,728	120,485
Creditors		
Due to the State	(145,271)	(118,028)
EU moneys for distribution	(1)	(196)
Other credit balances	(5,945)	(1,085)
	(151,217)	(119,309)
	511	**1,176**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			269,464	237,569
Disbursements from the Vote Estimate provision	Account	8,378,554		
Surplus to be surrendered	Account	(137,912)		
Net vote			8,240,642	9,862,393
Expenditure (cash) borne elsewhere	1.1		23,799	28,198
Non cash expenditure – capital assets [a]	1		(85,127)	(114,603)
Non cash expenditure – notional rent	1		3,221	3,667
Net programme cost			(8,172,841)	(9,747,760)
Balance at 31 December			**279,158**	**269,464**

Note [a] The non-cash items comprise

	€000
• Accounting treatment for the disposal of construction assets	(80,088)
• Restatement (reduction) of the capital assets under development total following a review to remove pre 2020 expenditure	(11,609)
• Net decrease in capital accruals	4,332
• Cost of assets included as additions to the 2020 asset register but not paid for until 2021	1,333
• Valuation of three redress properties	905
	(85,127)

2.8 Commitments

at 31 December

	2020	2019
	€000	€000
Global commitments		
Procurement of goods and services	7,123	7,787
Non-capital grant programmes [a]	2,140,604	3,968,087
Capital grant programmes [b]	500	110,100
Capital projects [c]	310,792	335,588
Public private partnership projects	1,107,272	1,941,499
Total of legally enforceable commitments	**3,566,291**	**6,363,061**

Non-capital grant programmes	**2020**	**2019**
	€000	**€000**
Opening balance [d]	1,953,710	3,878,593
Grants paid in the year	(1,893,382)	(3,900,481)
New grant commitments per 2021 estimates volume	2,140,604	3,968,087
Net grant (under)/overspend	(60,328)	21,888
Closing balance	**2,140,604**	**3,968,087**

Capital grant programmes	**2020**	**2019**
	€000	**€000**
Opening balance [d]	100,500	111,100
Grants paid in the year	(99,843)	(110,626)
New grant commitments per 2021 estimates volume	500	110,100
Net grant (underspend)	(657)	(474)
Closing balance	**500**	**110,100**

Note

[a] Non-capital grant programmes include grants that will be made to aegis bodies and other organisations including schools to fund current expenditure including pay.

[b] Capital grant programmes relate to grants that will be made to aegis bodies for all capital projects, including education and training boards.

[c] Capital projects are those managed and overseen by the Department itself.

[d] The 2020 opening balances for non-capital and capital grant programmes reflect the commitments relating to the functions that remained under Vote 26 following the transfer of functions from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science. The opening balances have been amended to reflect changes arising from the *Further Revised Estimates Volume* that was published in November 2020.

Major capital projects

Capital projects involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Primary and post primary schools (subhead A.15)	**726,076**	**153,099**	**178,698**	**1,057,873**	**906,812**

Significant variations

A schedule of all major capital commitments projects of €10 million or more is provided at Appendix B with an explanation where the projected total expenditure increased/decreased by more than €500,000 from 2019 to 2020.

Unitary payments of public private partnership projects

The Department has to date entered into six separate contracts to design, build, finance, maintain and operate bundles of schools under the public private partnership (PPP) model. PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed. In addition to the table below, a brief summary of each PPP project is provided at Appendix C.

Name of PPP project	Cumulative expenditure to 31 December 2019	Expenditure in 2020 [a]	Legally enforceable commitments to be met in subsequent years	Project total 2020	Project total 2019
	€000	€000	€000	€000	€000
Five pilot schools	193,775	10,861	77,586	282,222	283,048
1st bundle	91,024	9,138	141,590	241,752	243,491
2nd bundle	112,476	11,791	203,360	327,627	336,263
3rd bundle	100,043	14,839	291,166	406,048	408,612
4th bundle	36,614	7,489	163,012	207,115	208,959
5th bundle	15,888	8,098	230,558	254,544	258,580
	549,820	**62,216**	**1,107,272**	**1,719,308**	**1,738,953**

Note [a] The expenditure reflected at the end of 2020 relates specifically to capital payments i.e. unitary charges. The expenditure in the table above is included in the overall outturn of €65.422 million on subhead A.16. The subhead also includes certain grant payments to PPP provided schools.

Significant variations in PPP project costs

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2019 to 2020.

Indexation

The Department makes monthly unitary charge payments to the relevant PPP company on all operational PPP projects. The unitary charge payment is made up of two elements, a fixed cost element and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI). An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

Refinancing

PPP project funding may be refinanced, with the consent of the Department, during or after the construction phase. The refinancing gain is shared between the PPP company and the Department under terms outlined in the PPP project agreement. Refinancing was successfully achieved for schools bundle 4 in December 2018; for schools bundle 3 in January 2019; and for schools bundle 2 in December 2020.

Five pilot schools bundle

The decrease in costs from 2019 to 2020 of €826,000 relates to the yearly indexation review and a revision to the calculation of the projections.

Schools bundle 1

The decrease in costs from 2019 to 2020 of €1.739 million relates to the yearly indexation review and a revision to the calculation of the projections.

Schools bundle 2

The decrease in costs from 2019 to 2020 of €8.636 million relates to the yearly indexation review as well as the refinancing of schools bundle 2 in December 2020.

Schools bundle 3

The decrease in costs from 2019 to 2020 of €2.564 million relates to the yearly indexation review and a revision to the calculation of the projections.

Schools bundle 4

The decrease in costs from 2019 to 2020 of €1.844 million relates to the yearly indexation review and a revision to the calculation of the projections.

Schools bundle 5

The decrease in costs from 2019 to 2020 of €4.036 million relates to the yearly indexation review and a revision to the calculation of the projections.

Liquidations and examinerships 2020

All but one of the construction projects impacted by the liquidation and/or examinership of Carillion and three other contractors achieved substantial completion in 2020 despite the challenges of working in a Covid-19 environment. The outstanding project is expected to be completed in Q2 2021.

Expenditure on rental of temporary school premises

During 2020, expenditure under subhead A.15.3 included amounts totalling €29.4 million in respect of the rental of temporary school premises (2019: €29.5 million).

2.9 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	**8,479**	**3,806**

2.10 Contingent liabilities

Middletown Centre for Autism

A pension liability in the region of €480,000 as at the end of 2020 (2019 : €335,000), may arise in relation to an agreement between the Department of Education for Northern Ireland Local Government Pension Scheme and the Department of Education. In the agreement, dated 16 November 2007, the Departments guaranteed payment in full of any pension liabilities of Middletown Centre for Autism Ltd in the event that the Centre ceases to exist or is otherwise unable to discharge its pension liabilities. The Centre continues to operate and this liability is not expected to arise in the immediate future.

Litigation regarding Leaving Certificate 2020 and calculated grades

At year end 2020, there were over 60 sets of judicial review proceedings in train in regard to matters arising from Leaving Certificate 2020. The lead case in relation to challenges to the process of national standardisation with the calculated grades scheme was at hearing at year end. The High Court delivered its judgement in this case in early March 2021 and the matter may yet be subject to appeal. Two further cases which had been determined by the High Court in 2020 were the subject of appeals to the Court of Appeal at year end. There will be significant expenditure incurred on legal costs in 2021 arising from litigation initiated in 2020 in this area. The expenditure cannot be quantified at this time pending the final outcomes in the respective cases.

Schools remediation programme

The Department continues to pursue legal proceedings in relation to defects discovered in schools built by Western Building Systems. The Department has provided funding for remediation of these schools.

In 2018, 40 schools were assessed as requiring remediation work due to the identification of structural deficiencies. Remediation work has taken place on these schools allowing for the removal of most of the precautionary measures. The Department is continuing to complete the required remediation work in the remaining schools on a phased basis.

The costs of remediation were met from a contingency provision within the capital budget.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure for 2020 has been included as part of programme A. Administration expenditure for 2019 has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	59,221	63,906	65,570
ii	Travel and subsistence	1,630	657	2,056
iii	Training and development and incidental expenses	1,510	1,620	1,837
iv	Postal and telecommunications services	1,907	2,404	2,724
v	Office equipment and external IT services	8,084	7,717	7,100
vi	Office premises expenses	1,388	1,351	1,492
vii	Consultancy and other services	114	—	—
viii	National Educational Psychological Service	22,117	21,198	20,590
		95,971	**98,853**	**101,369**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €1.63 million; outturn €657,000

The decrease in expenditure of €973,000 relative to the estimate provision was due to reduced foreign and domestic travel on official Departmental business as a direct impact of the Covid-19 pandemic.

iv Postal and telecommunications services

Estimate provision €1.907 million; outturn €2.404 million

The increase in expenditure of €497,000 relative to the estimate provision is mainly due to the pro-rata apportionment methods applied to allocations for the transfer of function to the Department of Further and Higher Education, Research, Innovation and Science.

vii Consultancy and other services

Estimate provision €114,000; outturn €nil

This allocation is intended to cover the cost of consultancy for business units that do not have their own budget for this type of expenditure. In 2020, there was no requirement to draw from this subhead.

Programme A First, Second and Early Years Education

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	79,326	83,036	72,778
A.2	Administration − non pay	16,645	15,817	15,761
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers	2,617,895	2,603,395	2,511,757
A.4	Salaries, wages and allowances (including incidental payments) of secondary comprehensive and community school teachers	1,449,242	1,432,071	1,331,603
A.5	Grants to Education and Training Boards in respect of ETB teachers' salaries	632,789	628,141	727,743
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	619,054	613,725	564,665
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	113,917	112,036	108,810
A.8	Superannuation etc. in respect of teaching and non-teaching staff	1,271,288	1,250,804	1,233,319
A.9	School transport services	245,669	224,791	219,200
A.10	Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions	535,911	547,792	463,139
A.11	Grants to education bodies working in the primary and post primary sectors	87,078	53,955	97,988
A.12	Teacher education	38,095	29,190	29,052
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	3,329	2,797	2,476
A.14	Miscellaneous grants and services	150,547	149,777	95,213
A.15	Primary and post primary infrastructure	780,000	782,840	694,683
A.16	Public private partnership costs	69,700	65,422	76,476
		8,710,485	**8,595,589**	**8,244,663**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €114.896 million lower than originally provided.

A.9 School transport services

Estimate provision €245.669 million; outturn €224.791 million

The decrease in expenditure of €20.878 million relative to the estimate provision was primarily due to the impact of Covid-19 including

- a phased implementation of social distancing on post primary school transport services resulting in reduced expenditure compared to Covid-19 allocation provided (€10.252 million)
- reduced expenditure compared to the non Coivd-19 allocations, mainly due to school closures (€11 million).

A.11 Grants to education bodies working in the primary and post primary sectors

Estimate provision €87.078 million; outturn €53.955 million

The decrease in expenditure of €33.123 million relative to the estimate provision was primarily due to the impact of Covid-19 including

- the cancellation of the junior cycle examinations and components of the examinations such as oral/practical/coursework and deferred Leaving Certificate written examinations in 2020 due to Covid-19 resulted in savings for the State Examinations Commission (€26 million)
- the National Council for Special Education (NCSE) recorded savings across a number of areas including slower than planned recruitment and savings under the School Inclusion Model, School Therapy project and travel costs (€5.89 million).

A.12 Teacher education

Estimate provision €38.095 million; outturn €29.19 million

The decrease in expenditure of €8.905 million relative to the estimate provision primarily arose as a direct result of the Covid-19 pandemic.

- Savings due to continuing professional development courses being held online and outside of class contact time rather than face-to-face (€8.37 million).
- Savings due to lower than anticipated take up on a number of Centre for School Leadership (CSL) programmes and the movement online for the mentoring programme and other professional learning events largely as a result of the impact of Covid-19 on schools (€900,000).
- Savings were offset by increased expenditure in other areas including literacy summer camps for students with special educational needs and students attending DEIS schools (€720,000).

A.13 Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission

Estimate provision €3.329 million; outturn €2.797 million

The decrease in expenditure of €532,000 relative to the estimate provision was primarily due to capital expenditure allocated for a memorial for the victims of institution abuse not being carried out in 2020.

A.16 Public private partnership costs

Estimate provision €69.7 million; outturn €65.422 million

The decrease in expenditure of €4.278 million relative to the estimate provision was primarily due to

- lower than anticipated inflation levels in 2020 resulting in lower indexation costs on unitary charge payments across the schools bundles (€1.3 million)
- lower than anticipated costs in respect of minor works and operational costs across the school bundles (€950,000)
- reduced unitary charges in respect of agreed service and availability failures across all school bundles (€600,000)
- lower than anticipated drawdown of the ICT and Percentage for Art grants (€500,000)
- savings related to a programme level contingency sum of €1.05 million for unanticipated costs that was not drawn down.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
B.1	Superannuation contributions	160,438	172,429	170,623
B.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts [a]	325	728	74,185
B.3	Receipts from additional superannuation contributions on public service remuneration	163,946	169,289	254,294
B.4	Secondments/overpayments	3,824	5,047	5,598
B.5	Miscellaneous	3,398	7,454	6,321
	Total	**331,931**	**354,947**	**511,021**

Note [a] A breakdown of EU receipts of €728,000 under B.2 is provided in the table under Note 6.5 EU funding.

Significant variations

The following outlines the reasons for significant variations in appropriations in aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €23.016 million higher than the estimate forecast. Explanations for variances are set out below:

B.1 Superannuation contributions

Estimate €160.438 million; realised €172.429 million

The increase of €11.991 million relative to the estimate provision was primarily due to:

- additional pay costs arising from Covid-19 financial supports increasing school payroll costs and higher than estimated superannuation receipts due to the pay deal increases granted (€12.533 million)
- this increase was partially offset by fewer than anticipated one-off receipts which occur for a variety of reasons, which resulted in a shortfall in receipts of approximately €540,000.

B.2 Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts

Estimate €325,000; realised €728,000

The increase of €403,000 relative to the estimate was primarily due to:

- a payment in respect of the Centre for European Schooling being higher than anticipated (€126,000)
- Peace IV Programme receipts which were profiled under B.5 miscellaneous that are now accounted for under this subhead (€257,000).

B.4 Secondments/overpayments

Estimate €3.824 million; realised €5.047 million

The increase of €1.223 million relative to the estimate was primarily due to overpayment recovery receipts being higher than anticipated. It is difficult to predict with any degree of certainty the level of these receipts as recoupment of overpayments may be on a once-off basis or on a phased basis.

B.5 Miscellaneous

Estimate €3.398 million; realised €7.454 million

The increase of €4.056 million relative to the estimate primarily arose in respect of additional miscellaneous receipts not included in the original estimate. Due to the varied nature of receipts in this category, it is difficult to predict with any degree of certainty the level of receipts that may fall to be collected in a calendar year.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January [a]	—	848
Recoupment of unspent funding from HEA/IRC	—	716
Receipts from conscience money	2	—
Transferred to the Exchequer	(2)	(1,409)
Balance at 31 December	**—**	**155**

Note [a] The 2019 closing balance relates to the functions that transferred to Vote 45 following the transfer of functions from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Department	1,335	1,378
First and second level	90,966	89,326
Third level [a]	—	20,536
Agencies [b]	458	805
Total	**92,759**	**112,045**

Note [a] Third level posts are reported under Vote 45 for 2020 following the transfer of functions from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science.

[b] The 2019 agency numbers include posts that are reported under Vote 45 for the 2020 Appropriation Accounts.

5.2 Pay costs

Departmental staff [a]	2020	2019
	€000	€000
Pay	78,364	77,736
Higher, special or additional duties allowances	392	352
Other allowances	35	45
Overtime	773	618
Employer's PRSI	6,268	5,727
Total pay [b]	**85,832**	**84,478**

Note [a] The financial details in this table relate solely to salaries and allowances paid to employees of the Department and staff in the National Educational Psychological Service.

[b] The total pay figure is reflected under A.1 (€83.036 million) and A.14 (€2.796 million for shared services implementation projects).

First and second level education staff	2020	2019
	€000	€000
Pay	4,996,761	4,892,090
Higher, special or additional duties allowances	—	—
Other allowances	4,700	—
Overtime	—	—
Employer's PRSI	391,054	360,142
Total pay [a]	**5,392,515**	**5,252,232**

Note [a] The total pay figure includes the cost of ETB teacher salaries, ETB special needs assistant salaries and ETB non-teaching staff as per the draft 2020 ETB financial statements. Employers' PRSI for ETB teachers, ETB special needs assistants and ETB non-teaching staff is included under pay.

Third level education staff	2020 [a]	2019
	€000	€000
Pay	—	1,747,301
Higher, special or additional duties allowances	—	—
Other allowances	—	309
Overtime	—	351
Employer's PRSI	—	250,569
Total pay	**—**	**1,998,530**

Note [a] Third level pay for 2020 is reported under Vote 45.

Agency staff	2020	2019
	€000	€000
Pay	25,982	47,908
Higher, special or additional duties allowances	152	77
Other allowances	67	154
Overtime	753	1,526
Employer's PRSI	1,481	3,337
Total pay [a]	**28,435**	**53,002** [b]

Note [a] Total pay for 2020 includes pay costs for agencies that are under the remit of this Vote.

[b] Total pay figure for 2019 includes pay costs for agencies that are now under the remit of Vote 45 following the transfer of functions from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	106	12	20,614	24,770
Other allowances	18	—	5,413	5,029
Overtime	252	3	17,722	19,861
Extra remuneration in more than one category	34	4	14,849	20,614

The details of allowances and overtime payments in this table relate solely to Departmental administrative and National Educational Psychological Service staff.

Circular 20/2020 requires that the details of allowances and overtime paid to agencies under the aegis of the Department be shown separately. The Department has not been in a position to provide this information for the 2020 accounts. This will be reviewed for the 2021 accounts.

5.4 Other remuneration arrangements

32 retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €157,000 (2019: €145,000) which included travel and subsistence costs of €18,000 (2019: €33,000). The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Administration staff salary overpayments			
Overpayments	109	382,179	221,253
Recovery plans in place	39	129,026	101,938

Three overpayment recovery plans in respect of one individual to the value of €362 were transferred in the year to another department.

Teacher/non-teacher and retired personnel overpayments			
Overpayments	4,991	5,871,335	5,601,665
Recovery plans in place	468	1,325,066	1,570,701

During the course of 2020, a total of 1,378 overpayment cases were repaid in full with a repayment value of €1.242 million.

Supplementary pension overpayments			
Overpayments	109	914,529	1,029,461
Recovery plans in place	95	778,430	924,980

Overpayments as a result of an under-deduction of the Public Service Pension Reduction

Some 89 pensioners' cases were identified in Q3 2018 where an under-deduction in the public service pension reduction took place resulting in overpayments. The Department of Public Expenditure and Reform (DPER) are leading the resolution to this issue. The Department of Education continues to liaise with DPER in relation to these overpayments. The final amount has not yet been identified and repayment plans are not yet in place.

5.6 Severance/redundancy

During 2020, 48 individuals were paid redundancy via the Department's School Payrolls, in the Department’s capacity as paymaster for certain schools. The total redundancy payment was €549,296 and included payment for both statutory and non-statutory redundancy sums as appropriate. 22 individuals received redundancy payments in excess of €10,000. The highest redundancy received by an individual in 2020 was €39,682. There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any of the 48 individuals.

During 2020, a total of four individuals were paid redundancy via the Department’s administrative payrolls. The total amount paid was €179,802 and included payment for redundancy and severance sums as appropriate. Four redundancy payments exceeded €10,000. The highest value sum paid in 2020 was €103,328. There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any of the four individuals.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to 31 December 2020	Expenditure in 2020	Expenditure in 2019
		€000	€000	€000
Commission to Inquire into Child Abuse	1999	84,267	598	1,433
Residential Institutions Redress Scheme [a, b]	2002	1,244,495	1,780	1,203
		1,328,762	**2,378**	**2,636**

Note [a] In addition to the overall expenditure of €1.244 billion on the Residential Institutions Redress Scheme at the end of 2020, a further €10 million expenditure was incurred in respect of court settlements pursuant to the 2002 Indemnity agreement, whereby religious congregations are not liable for any cases settled in court and outside of the redress scheme.

[b] At the end of 2020, the cumulative administration costs for the Residential Institutions Redress Board was €63.8 million and €9.99 million for the Residential Institutions Review Committee.

Total contributed by religious congregations

Contributions from the 18 religious congregations that managed most of the children's residential institutions have been made under two distinct rounds. They are:

- the legally binding 2002 Indemnity agreement that provided for contributions of €128 million; and
- the additional voluntary offers made in the aftermath of the publication of the Ryan Report in 2009, including cash and properties which were valued by the congregations at €352.61 million.

The table below summarises the total amounts offered under the two rounds and the amounts received to date. These amounts comprise both cash contributions and the value of property transfers.

	Offered €million	Realised €million
2002 Indemnity agreement	128.00	124.94
2009 Voluntary offers	352.61 [a]	113.56 [b]
Total	480.61	238.50

Note [a] The €352.61 million figure is as valued by the congregations.

[b] The transfer of 15 properties has been completed but valuations have yet to be obtained in two cases.

Total amount outstanding from religious congregations

All cash offered under the 2002 indemnity agreement, amounting to €65 million, has been received. Two properties have yet to fully transfer under the terms of the agreement.

By the end of 2020 voluntary cash contributions offered in 2009 or subsequent years, amounting to €110.98 million have been received. This included the first instalment of an additional cash contribution of €1 million towards the development of the National Children's Hospital as provided for in Section 43 of the Residential Institutions Statutory Fund (RISF) Act 2012. Other contributions may also be received, arising from the disposal of certain properties which were not accepted for transfer to the State, but the amounts involved are not yet known. It is important to note these are voluntary cash contributions.

A total of 15 of the properties offered voluntarily in 2009 have fully transferred and significant progress has been made in relation to the three remaining properties. Further work is required to progress the offer by the Congregation of Christian Brothers. This offer included playing fields.

The full 2009 value of the voluntary offers is unlikely to be achieved because certain offers were not accepted and because the value of the properties transferred, or disposed of, was in most cases lower than the value placed on them by the congregations. This position may change as remaining property transfers are finalised.

Total future commitments

The Redress Board and the Commission to inquire into Child Abuse are expected to close during 2022. It is expected that the additional expenditure will be in the order of €2 million.

The legislation establishing the Commission to Inquire into Child Abuse and the Residential Institutions Redress Board provided that the records of individuals would be kept confidential and destroyed on the dissolution of the bodies. However, the Government subsequently decided that the records were of such potential historical significance that they should be retained and sealed in the National Archives. As a result, the Redress bodies cannot be dissolved until the matter of the final destiny of their records is resolved. In October 2020, the Government announced that a National Centre of Research and Remembrance would be established, which would be given responsibility for records relating to institutional abuse, including those of the Commission to Inquire into Child Abuse and the Redress Board. Therefore, the closure of the bodies is now dependent on the progression of this whole of government approach.

Special account established under Section 43 of the RISF Act 2012

Section 43 of the 2012 Act provides that contributions from congregations that are in excess of the €110 million limit set down in Section 29 of that Act are to be placed in a special account in the name of the Minister for Health to be used only for purposes related to the development of a new national paediatric hospital. In 2019, a contribution of €430,000 was placed in this special account. In 2020, further contributions amounting to €550,000 were lodged to the special account.

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public	107	1,083	715	1,038	2,836	2,062
Claims by employees	—	—	—	—	—	46
		1,083	**715**	**1,038**	**2,836**	**2,108**

In the course of the day-to-day running of the Department, the total legal costs incurred by the Department in 2020 was €3.436 million (2019: €2.508 million) which includes the legal costs and compensation awards listed above. The table above identifies legal costs and fees paid directly by the Department and does not reflect legal costs of other bodies supported by voted subheads.

6.3 Fraud and suspected fraud

	Number of cases	2020	2019
		€000	€000
Fraud	4	12	110
Suspected fraud/irregularities	6	—	1
		12	**111**

In the period between the publication of the 2019 appropriation account and the signature of the 2020 appropriation account, the Department was made aware of ten new cases of suspected fraud/irregularities. Of these, three cases have been closed. The other seven cases remain open with no value yet identified in six cases.

6.4 Arbitration and conciliation

Expenditure in 2020 includes payments of €2,796,059 (2019: €3,621,820) made to contractors and others to cover costs as a result of conciliation and arbitration proceedings. There were 13 cases in 2020 (2019: 16 cases). Figures include VAT, legal and professional fees.

6.5 EU funding

Receipts in relation to EU funding received during 2020 and lodged to appropriations-in-aid is detailed in the table below:

EU funding category	2020	2019
	€000	€000
D2.1 ESF pay	—	50,464
D2.1 ESF non pay	—	23,362
D2.3 EC education projects	471	359
D5.5 Miscellaneous PEACE IV Programme refund	257	370
	728	**74,555**

EC education projects

Receipts in 2020 under EC education projects included compensatory payments for administrative expenses incurred in providing for the Centre for European Schooling, Dunshaughlin, Co. Meath, activities under Ireland's participation in the European Commission's Eurydice information network and the Eurostudent VII project 2018-2021.

PEACE IV Programme refund

Receipts received in 2020 related to expenditure incurred as part of the PEACE IV programme which operates on the basis of recoupment of 80% from the Commission. Ireland contributes 21% of overall programme costs, while the Northern Ireland Executive contributes the remainder.

6.6 Direct EU funding to bodies under the Department's aegis

In addition to the grant from the Vote, direct EU aid to bodies under the aegis of the Department during 2020 was as shown below.

Aegis body	2020	2019
	€000	€000
National Council for Curriculum and Assessment (NCCA)	43	11
National Centre for Guidance in Education (NCGE)	—	61
Higher Education Authority (HEA)	—	286
Quality and Qualifications Ireland (QQI)	—	754
Irish Research Council (IRC)	—	435
Léargas	—	16,020
	43	**17,567**

Aegis body	Purpose of funding	2020
		€000
National Council for Curriculum and Assessment (NCCA)	SUSKIDS, a project to enable professionals and families to transfer sustainable knowledge and skills to Down Syndrome individuals	43

6.7 Write-offs

The following sums were written off in the year.

	2020	2019
	€000	€000
Schools Broadband Programme	1,190	—
Payroll overpayments	15	39
	1,205	**39**

6.8 Late payment interest

	2020	2019
	€000	€000
Total net interest paid	**6**	**7**

6.9 Educational trusts

Educational trusts totalling €2.083 million were invested on behalf of the Department in a common investment fund under the stewardship of the Charities Regulator at the close of 2020 (2019: €2.2 million). The Minister for Education remains the trustee of these educational trusts.

Appendix A Accounts of bodies and funds under the aegis of the Department of Education

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at September 2021, the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Education and Training Boards (ETBs)				
Cavan and Monaghan	2019	28 Jul 2020	4 Aug 2020	9 Nov 2020
City of Dublin	2019	24 Dec 2020	7 Jan 2021	3 Mar 2021
Cork	2019	10 Sep 2020	30 Oct 2020	17 Dec 2020
Donegal	2019	30 Sep 2020	30 Oct 2020	14 Dec 2020
Dublin and Dún Laoghaire	2019	24 Dec 2020	5 Jan 2021	2 Mar 2021
Galway and Roscommon	2019	23 Oct 2020	6 Nov 2020	16 Dec 2020
Kerry	2019	15 Dec 2020	5 Jan 2021	26 Feb 2021
Kildare and Wicklow	2019	24 Dec 2020	5 Jan 2021	1 Mar 2021
Kilkenny and Carlow	2019	31 Aug 2020	6 Nov 2020	17 Dec 2020
Laois and Offaly	2019	30 Sep 2020	6 Nov 2020	14 Jan 2021
Limerick and Clare	2019	24 Dec 2020	5 Jan 2021	1 Mar 2021
Longford and Westmeath	2019	30 Jun 2020	2 Jul 2020	10 Nov 2020
Louth and Meath	2019	19 Nov 2020	23 Nov 2020	6 Jan 2021
Mayo, Sligo and Leitrim	2019	23 Dec 2020	5 Jan 2021	25 Feb 2021
Tipperary	2019	27 Oct 2020	30 Oct 2020	4 Dec 2020
Waterford and Wexford	2019	18 Nov 2020	20 Nov 2020	17 Dec 2020
Aegis bodies				
National Council for Curriculum and Assessment (NCCA)	2020	28 Jun 2021	29 Jun 2021	15 Jul 2021
National Council for Special Education (NCSE)	2019	30 Sep 2020	12 Oct 2020	23 Oct 2020
State Examinations Commission (SEC)	2019	31 Aug 2020	14 Sep 2020	2 Oct 2020
The Teaching Council	2019	23 Mar 2020	29 Jul 2020	To be laid
Educational Research Centre	2019	15 Dec 2020	13 Jan 2021	9 Mar 2021
Caranua	2020	19 Mar 2021	23 Mar 2021	23 Jul 2021
Redress Special Account	2020	4 Aug 2021	6 Sep 2021	9 Sep 2021

Appendix B Major capital commitment projects involving total expenditure of €10 million or more

		Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
Subhead A.15		**€000**	**€000**	**€000**	**€000**	**€000**
1	Hansfield Educate Together Secondary School, Dublin 15	17,369	1	187	17,557	17,556
2	Gaelscoil na nDeise, Carrickphierish Campus, Waterford	15,170	26	26	15,222	15,222
3	St Colmcille's, Dublin 16	16,275	—	342	16,617	16,617
4	Ardgillan Community College, Balbriggan, Co. Dublin	13,653	—	103	13,756	13,756
5	Temple Carrig Secondary School, Wicklow	12,804	—	391	13,195	13,195
6	St John's Primary School, Rathmullen	12,810	—	1,545	14,355	14,355
7	Coláiste Ghlór na Mara, Balbriggan, Co. Dublin	14,714	—	222	14,936	14,936
8	Bremore Educate Together Balbriggan, Co. Dublin	22,664	171	1,226	24,061	24,057
9	Le Chéile Secondary School, Mulhuddart, Dublin 15	19,802	139	197	20,138	20,138
10	Portlaoise Parish School, Co. Laois	16,270	5	723	16,998	16,993
11	Newpark Comprehensive, Blackrock, Co. Dublin	14,036	19	481	14,536	14,517
12	Carrigaline Post Primary School, Co. Cork	14,500	—	213	14,713	14,713
13	Limerick Educate Together, Mungret, Limerick	12,503	—	205	12,708	12,708
14	St Aidan's Parish School, Enniscorthy, Co. Wexford	10,793	88	362	11,243	11,228

		Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
		€000	€000	€000	€000	€000
15	Michael Street National School, New Ross, Co Wexford	11,059	6	409	11,474	11,474
16	Sancta Maria College, Rathfarnham, Co Dublin	11,845	1,630	3,164	16,639	16,456
17	Clonkeen College, Blackrock, Co. Dublin	12,816	—	76	12,892	12,892
18	Kinsale Community College, Co. Cork	11,854	38	26	11,918	11,918
19	Christian Brothers Secondary School, Thomas street, Wexford	15,443	211	186	15,840	15,836
20	Arklow Vocational School, Co. Wicklow	12,287	—	163	12,450	12,450
21	Scoil Phobail, Clifden, Co. Galway	10,298	—	152	10,450	10,450
22	Scoil Naofa Oilbhear Pluincead, Malahide, Co. Dublin	11,457	5,078	821	17,356	15,318
23	Stewarts School Palmerstown, Dublin 20	14,847	2,138	2,494	19,479	16,192
24	Kingswood Community College, Tallaght, Dublin 24	20,562	732	175	21,469	20,579
25	Coláiste Mhuire, Knockbeg, Carlow	16,029	657	497	17,183	16,480
26	Presentation College Athenry, Co. Galway [c]	20,215	324	209	20,748	20,622
27	Pobalcoláiste Chú Chulainn, Dundalk, Co. Louth [c]	17,342	280	40	17,662	17,484
28	Maynooth Post Primary Schools, Co. Kildare [b, c]	24,673	22,994	4,159	51,826	50,815
29	Gaelscoil Teach Giuise, Tallaght, Dublin 24	11,807	2	22	11,831	11,829
30	Mercy Convent Primary School, Naas, Co. Kildare	6,276	505	4,186	10,967	10,755
31	St. Mochta's National School, Clonsilla, Dublin 15	12,331	(76)	246	12,501	12,501

		Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
		€000	€000	€000	€000	€000
32	Tullamore College, Tullamore, Co. Offaly	11,514	(88)	115	11,541	11,526
33	Holy Family Special School, Cootehill, Co. Cavan	6,266	5,141	4,428	15,835	15,333
34	CBS Primary School, New Road, Ennis, Co. Clare	11,269	71	285	11,625	11,592
35	Saplings Mullingar, Lynn Road, Mullingar, Co. Westmeath	12,175	274	234	12,683	12,682
36	Citywest Educate Together National School, Fortunestown Lane, City West, Dublin 24	13,987	337	234	14,558	14,444
37	Claregalway Educate Together National School, Lakeview Claregalway,Co. Galway	14,390	688	199	15,277	15,247
38	Gairmscoil Mhuire, Athenry, Co. Galway	19,646	2,794	508	22,948	22,333
39	Lusk Community College, Lusk, Co. Dublin	11,939	4,590	86	16,615	15,520
40	Davis College, Mallow, Co. Cork [b,c]	6,792	5,184	694	12,670	10,712
41	Coláiste Chiaráin, Croom, Co. Limerick [b]	11,496	8,651	(12)	20,135	18,784
42	Scoil Bhríde National School, Knockmay, Portlaoise, Co. Laois	9,931	—	127	10,058	10,058
43	SN Lusca, Lusk Co. Dublin	10,868	113	107	11,088	10,962
44	St. Columba's Boys National School, Douglas West, Co. Cork	11,665	2,727	503	14,895	12,211
45	St. Patrick's School, Bohreen Hill, Enniscorthy, Co. Wexford	6,789	8,040	1,817	16,646	15,309

		Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
		€000	€000	€000	€000	€000
46	Clonakilty Community College, Clonakilty, Co. Cork [a]	4,260	6,974	587	11,821	11,377
47	Powerstown Educate Together National School, Tyrrelstown, Dublin 15	10,796	—	220	11,016	11,016
48	Swords Post Primary, Swords, Co. Dublin [a]	15,365	11,348	827	27,540	22,487
49	Naas Community College, Naas, Co. Kildare [b]	2,256	5,961	16,040	24,257	23,613
50	Coláiste Chiaráin, Summerhill, Athlone, Roscommon [a]	12,901	10,712	1,079	24,692	24,194
51	Gracepark, Educate Together National School, Drumcondra, Dublin 9 [a]	4,686	7,430	346	12,462	10,427
52	Gaelcholaiste Charrig Ui Leighin, Carrig Ui Leighin, Co. Corcaigh [b,c]	7,878	14,114	16,050	38,042	36,133
53	St. Paul's National School, Navan, Co. Meath [a]	3,087	5,053	4,146	12,286	12,006
54	Maynooth Boys National School, Maynooth, Co. Kildare [d]	619	280	11,014	11,913	—
55	St Conleths and Marys National School, Newbridge, Co. Kildare [b]	722	255	14,348	15,325	—
56	St Patrick's National School, Corduff, Dublin 15 [d]	628	1,162	16,086	17,876	—
57	St Pauls Secondary School, Monasterevin, Co. Kildare [d]	1,173	1,270	19,878	22,321	—
58	St David's Holy Faith Secondary, Kimberly Road, Greystones, Co. Wicklow [d]	494	638	14,677	15,809	—

		Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
		€000	€000	€000	€000	€000
59	St. Mary's Secondary School, Ballina, Co Mayo [d]	968	265	13,574	14,807	—
60	St Colman's Community College, Middleton, Co. Cork [e]	9,032	7,554	904	17,490	16,979
61	Ratoath College, Ratoath, Co. Meath [e]	5,102	4,234	1,287	10,623	5,201
62	Scoil Ui Mhuiri, Dunleer, Co. Louth [f]	7,252	2,179	609	10,040	8,597
63	St Conleth's Community College, Newbridge, Co. Kildare [b,c]	11,449	94	136	11,679	10,921
64	Dublin 7 Educate Together, Fitzwilliam Place North, Dublin 7 [d]	1,071	86	14,279	15,436	—
65	Ballymakenny College, Drogheda [g]	13,106	—	38	13,144	13,106
	Total	**726,076**	**153,099**	**178,698**	**1,057,873**	**906,812**

Note
[a] Both the cumulative expenditure to 31 December 2019 and the expected total lifetime spend of the project in 2019 has been restated for five projects, that went onsite in 2019, to include non-committal expenditure that was not previously recorded as expenditure in the major capital commitments table.
[b] In 2020, Project Executives restated the contractual commitments reported in 2019 for six projects. Expected total lifetime spend of project in 2019 has been restated as a result.
[c] In 2020, Project Executives restated the cumulative expenditure to 31 December 2019 for six projects.
[d] Seven new schools' projects were contractually committed to in 2020.
[e] New completion works contract signed in 2020. No commitment at the end of 2019 as the contract was being re-tendered.
[f] New completion works contract in 2020 has resulted in project cost exceeding €10 million.
[g] Project was inadvertently excluded from the major capital commitments table in prior years.

Significant variations subhead A.15

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2019 to 2020:

22 Scoil Naofa Oilbhear Pluincead, Malahide, Co. Dublin

Increase in expected total spend: €2.038 million

The increase in commitments of €1.785 million was due primarily to change orders relating to the removal of extensive amounts of contaminated soil and the extension of time claim. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

23 Stewarts School, Palmerstown, Dublin 20

Increase in expected total spend: €3.287 million

The increase in commitments of €3.165 million was due primarily to a conciliation settlement of just over €2.3 million and due to change orders in relation to additional plastering work, additional landscaping, provision of ramps and railings to make grounds easier to access, additional steel for canopies over entrance doors and automation of school gates and design team fees. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

24 Kingswood Community College, Tallaght, Dublin 24

Increase in expected total spend: €890,000

The increase in commitments of €878,000 was primarily due to change orders in relation to the provision of a new boundary wall and barriers upgrading of fire rating on doors and screens throughout the school, upgrading of fire rating on doors and screens throughout the school, provision of an ESB substation, building works in relation to the provision of Netwatch Security, providing safety barriers on flat roofs and installation of fitted furniture. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

25 Coláiste Mhuire, Knockbeg, Carlow

Increase in expected total spend: €703,000

The increase in commitments of €689,000 was due primarily to change orders relating to the elimination of extensive dry rot, upgrade of the school's water treatment plant and repairs to the school driveway including provision of bus parking area for school buses and additional design team fees. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

28 Maynooth Post Primary Schools, Co. Kildare

Increase in expected total spend: €1.011 million

The increase in commitments of €660,000 are a direct result of this being a series of completion works contracts where the previous contractor went into liquidation. Additional costs arising included unforeseen issues identified during the course of the contracts and in advance, and the risk attached to the new contractors taking over the original contract. Additional design team fees also arose because of developing the scope for and the process of appointment of the new contractors. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

33 Holy Family Special School, Cootehill, Co. Cavan

Increase in expected total spend: €502,000

The increase in commitments of €225,000 was primarily due to service and utilities fees. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

38 Gairmscoil Mhuire, Athenry, Co. Galway

Increase in expected total spend: €614,000

The increase in commitments of €390,000 involved the installation of a temporary footpath to ensure safety for students on the opening of the school while awaiting the delivery of a footbridge by Galway County Council and includes for security, fencing, changes to room layout and additional design team fees. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

39 Lusk Community College, Lusk, Co. Dublin

Increase in expected total spend: €1.095 million

The increase in commitments of €1.028 million was primarily due to change orders relating to the provision of additional temporary accommodation, semi decanting of special needs unit, upgrade of fire alarm in existing building plus provision of smoke detectors, change of use of room from construction to metalwork and disposal of soil and rubble from the site, The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

40 Davis College, Mallow, Co. Cork

Increase in expected total spend: €1.958 million

The increase in commitments of €1.725 million was primarily due to change orders relating to unforeseen site conditions and issues relating to sewerage, traffic management, landscaping the provision of walkways and other additional works. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

41 Coláiste Chiaráin, Croom, Co. Limerick

Increase in expected total spend: €1.351 million

The increase in commitments of €413,000 million was primarily due to change orders relating to unforeseen ground conditions and issues with utilities. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

44 St. Columba's Boys National School, Douglas West, Co. Cork

Increase in expected total spend: €2.684 million

The increase in commitments of €2.593 million was primarily due to a conciliation award, in relation to disputed claims mainly relating to structural steel, alterations to brickwork, additional excavations due to ground conditions and other general items. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

45 St. Patrick's School, Bohreen Hill, Enniscorthy, Co. Wexford

Increase in expected total spend: €1.337 million

The increase in commitments of €997,000 was primarily due to change orders relating to the provision of a hydrotherapy pool, relocation of physiotherapy room, installation of radiant panels and CO2 sensors and bridging of roof joists and additional design team fees. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

48 Swords Post Primary, Swords, Co. Dublin

Increase in expected total spend: €5.053 million

The increase in commitments of €4.848 million was primarily due to costs associated with the installation of interim accommodation, road infrastructure, includes changes to room layout, additional data points, additional land drainage and timber hoarding. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

49 Naas Community College, Naas, Co. Kildare

Increase in expected total spend: €644,000

The increase in commitments of €256,000 relates primarily to increased design team fees arising from the inclusion of a clerk of works for the project. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

51 Gracepark, Educate Together National School, Drumcondra, Dublin 9

Increase in expected total spend: €2.035 million

The increase in commitments of €1.795 million was primarily from the provision/installation of a temporary school on site, including site set up, erection, rental, dismantle and also included the relocation of accommodation necessary to construct the new school temporary car park, connections to street lighting and water connection. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

52 Gaelcholáiste Charrig Uí Leighin, Carrig Uí Leighin, Co. Corcaígh

Increase in expected total spend: €1.909 million

The increase in commitments of €1.753 million was primarily due to change orders relating to unforeseen ground conditions and design issues. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

60 St Colman's Community College, Middleton, Co. Cork

Increase in expected total spend: €511,000

The increase in commitments of €365,000 is a direct result of this being a completion works contract where the previous contractor went into liquidation. Additional costs arising included unforeseen issues identified during the course of the contract and in advance, and the risk attached to the new contractor taking over this contract. Additional design team fees also arose because of developing the scope for and the process of appointment of the new contractor. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

61 Ratoath College, Ratoath, Co. Meath

Increase in expected total spend: €5.422 million

The increase in commitments of €5.326 million are a direct result of this being a completion works contract where the previous contractor went into liquidation. Additional costs arising included unforeseen issues identified during the course of the contract and in advance, and the risk attached to the new contractor taking over this contract. Additional design team fees also arose because of developing the scope for and the process of appointment of the new contractor. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

62 Scoil Uí Mhuiri, Dunleer, Co. Louth

Increase in expected total spend: €1.443 million

The increase in commitments of €1.367 million are a direct result of this being a completion works contract. Additional costs arose from issues identified during the course of the completion contract and in advance, including the addition of items which had been omitted from the original contract, and the risk attached to the new contractor taking over this contract. Additional design team fees also arose because of developing the scope for and the process of appointment of the new contractor. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

63 St Conleth's Community College, Newbridge, Co. Kildare

Increase in expected total spend: €758,000

The increase in commitments of €677,000 was primarily due to a settlement of the final account claims submitted in relation to those works. The increase in expected total spend is also attributed to additional non-committed expenditure being incurred in 2020.

Appendix C Information Note on Public Private Partnerships Projects (PPPs)

As at the end 2020, the Department has six separate contracts to design, build, finance and maintain education accommodation under the Public Private Partnership (PPP) model. PPPs are a structured arrangement between public sector bodies and private sector investors for providing infrastructure projects which would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made upfront. The costs are paid by the Department in the form of a monthly Unitary Charge spread over 25 years, the first Unitary Charge is payable once construction has been completed.

Education PPP projects to date have been, and continue to be, designed, built, financed and maintained (DBFM) by the selected tenderer.

There are six schools projects – Pilots, School Bundles 1, 2, 3, 4 and 5. All six contracts provide for a 25 year operational period. The buildings will remain in State ownership for the duration of the contract, with the PPP Company granted a licence to build the facilities and maintain them for a period of 25 years.

Five Pilot Schools PPP

The five post primary schools in the Pilots School PPP bundle are located in Dunmanway and Ballincollig, Co. Cork; Tubbercurry, Co. Sligo; Clones, Co. Monaghan and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects Ltd in November 2001. The operational phase of the schools commenced in January 2003.

1st Bundle PPP Schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools); Banagher and Ferbane (both in Co. Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

2nd Bundle PPP Schools

A contract for the design, build, financing and operation of five post primary schools and one primary school in Burkeen, Wicklow Town, Co. Wicklow; Athboy, Co. Meath; Kildare Town, Co. Kildare; Abbeyfeale, Co. Limerick and Bantry, Co. Cork (two schools) was signed with Maquarie Partnerships for Ireland in June 2010. These schools became operational between July 2011 and October 2011.

3rd Bundle PPP Schools

There are seven post primary schools and one primary school in the 3rd Bundle PPP Project. They are located in Ballinamore, Co. Leitrim; Letterkenny, Co. Donegal; Gorey, Co. Wexford; Doughiska, Co. Galway (two schools); Doon, Co. Limerick; Tramore, Co. Waterford and Athlone, Co. Westmeath. The contract for the design, build, financing, operation and maintenance of the schools was signed with BAM PPP PGGM Infrastructure Cooperative UA in November 2012. All eight schools became operational between November 2013 and May 2014.

4th Bundle PPP Schools

There are four post primary schools in the 4th Bundle PPP Project. They are located in Tulla, Co. Clare; Skibbereen, Co. Cork; Dundalk, Co. Louth and Carrick-on-Suir, Co. Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. These schools became operational between March and May 2016.

5th Bundle PPP Schools

There are four post primary schools, one primary school and one further education college in the 5th Bundle PPP Project. They are located in Carlow (one school and one IFE); Kells, Co. Meath; Bray, Co. Wicklow (two schools) and Wexford. The contract for the design, build, financing and maintenance of the schools was signed in July 2016 with Inspired Spaces Bundle 5 (Ireland) Ltd. Two schools in Bray and one in Wexford achieved service commencement in 2018. The school in Kells achieved service commencement in June 2019, the remaining school and IFE in Carlow achieved service commencement in July and August 2019 respectively.

Appendix D Direct funding from Vote 26 to Education and Training Boards (by subhead)

The following table lists the direct funding to Education and Training Boards (ETBs) during 2020 by subhead with comparative figures for 2019.

		2020 ETB funding amount €000	2019 ETB funding amount €000
Programme A - First, second and early years education			
A.3	Salaries, wages and allowances (including incidental payments) of primary teachers	25	85
A.5	Grants to Education and Training Boards in respect of ETB teachers' salaries	628,141	727,743
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	45,227	40,594
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	82,434	78,928
A.8	ETB pensions	—	243
A.9	School transport services	610	738
A.10	Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions	101,873	83,374
A.11	Grants to education bodies working in the primary and post primary sectors	380	382
A.12	Teacher education	2,079	1,948
A.14	Miscellaneous grants and services	18,602	9,045
A.15	Primary and post primary infrastructure	169,022	92,250
A.16	Public private partnerships costs (PPP)	12	665
Grant total paid to ETBs		**1,048,405**	**1,035,995**

Appropriation Account 2020

Vote 27

International Co-operation

Introduction

As Accounting Officer for Vote 27, 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 2020 for certain official development assistance, including certain grants, and for contributions to certain international organisations involved in development assistance and for the salaries and expenses in connection therewith.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.029 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 and Reform in circular 22 of 2020, have been applied in the preparation of the account, with the exception of the following:

Capital assets

The carrying value of land and buildings included in capital assets is based on a valuations conducted in 2005 as adjusted by

- improvements to land and buildings since 2005 which are reflected at cost
- land and buildings acquired since 2005 also reflected at cost.

Depreciation

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising on foreign currencies are translated into euro at the rate of exchange prevailing at the date of settlement. At programme country mission level, transactions arising on foreign currencies are translated into euro at the market rate of exchange prevailing at the beginning of that month.

Grant refunds

Refunds of grants, which were funded out of the bilateral co-operation and humanitarian assistance fund, are returned to the fund on receipt.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of HR shared service.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- 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 Department 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 and Audit Committee

I confirm that the Department 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 Department 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.

Compliance with procurement rules

I confirm that the Department 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 Department complied with the guidelines. There were no contracts considered non-competitive and non-compliant.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

Significant financial risks

By its nature, development assistance carries inherent risks, which I acknowledge and seek to manage and mitigate. Robust controls are in place at head office, as outlined above, which are supplemented by additional controls in partner countries as set out below.

Enhancing internal control environment

In addition to the controls in place at head office, the following controls are operated in partner countries to mitigate the risks inherent in development assistance

- Each embassy, in addition to the Ambassador, has a Head of Development with responsibility for the management of the aid programme.
- In addition to the Ambassador and Head of Development, the embassy management structure includes appropriately qualified and experienced development specialists and programme managers/advisers.
- There is a rigorous multi-annual planning and approval process for each country programme, which includes the development of a mission strategy which covers Ireland's political, trade and development interests in each case. Each mission strategy is assessed at the outset through an independent external quality assurance (EQA) process prior to approval; is subject to a mid-term review process to review progress against goals and objectives; and is assessed via a final independent evaluation in advance of the next strategy cycle.
- Robust annual business planning processes are in place at all missions including identification and assessment of risks to business plan implementation and the controls in place to manage these risks. Business plans and risk registers are developed in consultation with head office, and are monitored and updated, as necessary, on a quarterly basis. Significant mission risks are reported upward to the Risk Management Committee and Management Board in line with the Department's Risk Management Policy.
- Each embassy has a locally-based finance function, led by an appropriately qualified head of finance, who reports both to the Ambassador and to the Finance Division at head office.
- A detailed financial procedures manual is in place which sets out the procedures to be followed in respect of all administration and grant-related transactions.

- Internal auditors are in place in each embassy, who report to the Ambassador, and whose internal audit work is undertaken as part of the Department's overall internal audit strategy/work plan which is managed by the Evaluation and Audit Unit. The Evaluation and Audit Unit oversees the work and ensures that it is undertaken in accordance with the internationally accepted Internal Audit Standards.

In addition, in respect of head office payments for overseas development assistance (including humanitarian, multilateral and civil society funding), robust business planning mechanisms are in place, including approval of the overall budget by the Interdepartmental Committee for Development Assistance, monitoring of expenditure by the Senior Management Group on a monthly basis, and robust pre and post disbursement grant management procedures.

Continued emphasis is placed on ensuring there is robust risk management system in operation across the aid programme, including controls to alert management to changes in the perceived risk profile of any aspect of the programme so that appropriate action can be taken at the earliest opportunity.

All grants are awarded using the standard approach to grant management, which should ensure consistency of approaches to grant management across the programme.

I am committed to ensuring that we continue to strengthen our systems of risk identification and management and to ongoing monitoring and audit to minimise the potential for the misuse of funds in the future.

Arising from the Covid-19 pandemic the Evaluation and Audit Unit, along with the staff of the Department, moved to working remotely in March 2020 with all travel cancelled. This presented limitations in the manner in which the Unit's work could be completed. In May 2020, I approved the Unit's revised risk-based work plan, which reset priorities for the year, including increased emphasis on real time business advisory work. This revised work plan was delivered remotely and this approach offers a new and potentially more efficient approach to evaluation and audit work, supplemented by physical visits where possible.

Grant commitments

The Department is in the process of developing a grant management system, which will seek to track all grant commitments and provide up to date information on the obligations of the Department in relation to such contractual commitments. In the absence of such a system, the detailed disclosure sought in the appropriation accounts of the movement on grant commitments could not be quantified. However, an estimate of the obligations outstanding at 31 December 2020 has been provided in Note 2.6.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out in Ireland and in missions overseas.

Since the onset of the Covid-19 crisis, I have been closely monitoring the risks associated with the pandemic which impact on the operation of the Department in Ireland and in our overseas missions. With the Management Board, I have reviewed operating procedures to address these risks and adapt the procedures for remote working arrangements and supports from headquarters. While some programmes and services were negatively impacted by restrictions across the world, the effects of the pandemic have increased the demand for certain services and grants provided by the Department's development partners. The review of operating procedures included the establishment of the necessary measures to ensure the continued delivery of crucial services, while protecting the health and wellbeing of staff and ensuring compliance with relevant restrictions in those jurisdictions in which the Department operates.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Niall Burgess
Accounting Officer
International Co-operation

6 July 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 27 International Co-operation

Opinion on the appropriation account

I have audited the appropriation account for Vote 27 International Co-operation for the year ended 31 December 2020 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 27 International Co-operation for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Foreign Affairs 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 July 2021

Vote 27 International Cooperation

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Work on poverty and hunger reduction	550,732	547,719	543,601
Gross expenditure		**550,732**	**547,719**	**543,601**
	Deduct			
B	**Appropriations-in-aid**	**1,030**	**1,046**	**1,186**
Net expenditure		**549,702**	**546,673**	**542,415**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**3,029,239**	**1,410,728**

Niall Burgess
Accounting Officer
International Co-operation

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		515,804	511,166
Pay		18,968	17,642
Non pay		12,947	14,793
Gross expenditure		**547,719**	**543,601**
Deduct			
Appropriations-in-aid		**1,046**	**1,186**
Net expenditure		**546,673**	**542,415**
Changes in capital assets			
Purchases cash	(307)		
Depreciation	504		
Disposals cash	45		
Profit on disposal	(43)		
		199	(180)
Changes in net current assets			
Decrease in closing accruals	(43)		
Decrease in stock	4	(39)	(401)
Direct expenditure		**546,833**	**541,834**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		27	23
Net programme cost		**546,860**	**541,857**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 27 borne elsewhere.

		2020	2019
		€000	€000
Vote 18	National Shared Services Office	**27**	**23**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	11,623	11,819
Current assets			
Bank and cash	2.2	6,826	6,105
Stocks		29	33
Prepayments		1,652	2,004
Other debit balances		205	246
Net Exchequer funding	2.4	2,275	30
Total current assets		**10,987**	**8,418**
Less current liabilities			
Accrued expenses		125	520
Other credit balances	2.3	401	993
Bilateral and other co-operation fund (grant) account	7	8,905	5,388
Total current liabilities		**9,431**	**6,901**
Net current assets		1,556	1,517
Net assets		**13,179**	**13,336**
Represented by:			
State funding account	2.5	**13,179**	**13,336**

2.1 Capital assets

	Land and buildings	Equipment	Furniture and fittings	Vehicles	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	10,487	1,884	802	3,097	—	16,270
Additions	—	57	—	91	159	307
Disposals	—	(42)	(14)	(116)	—	(172)
Adjustments [a]	—	439	59	310	—	808
Cost or valuation at 31 December 2020	10,487	2,338	847	3,382	159	17,213
Accumulated depreciation						
Opening balance at 1 January 2020	—	1,385	704	2,362	—	4,451
Depreciation for the year	—	188	15	301	—	504
Depreciation on disposals	—	(42)	(14)	(114)	—	(170)
Adjustments	—	436	59	310	—	805
Cumulative depreciation at 31 December 2020	—	1,967	764	2,859	—	5,590
Net assets at 31 December 2020	**10,487**	**371**	**83**	**523**	**159**	**11,623**
Net assets at 31 December 2019	10,487	499	98	735	—	11,819

Note [a] During the year, fixed assets with a cost of €808,000 and a net book value of €3,000 were transferred from Vote 28 Foreign Affairs to Vote 27 International Co-operation. These relate to assets which were historically funded out of Vote 28.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	4,509	5,701
Commercial bank account balance	158	64
Mission bank balances and cash	2,159	340
	6,826	**6,105**

At 31 December 2020, all bank and cash balances of all missions are included in this note, while at 31 December 2019 only the balances of missions in non-partner countries were included.

2.3 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Professional services withholding tax	132	97
Value added tax	26	8
	158	**105**
Other credit balances	243	888
	401	**993**

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	3,029	1,411
Exchequer grant undrawn	(5,304)	(1,441)
Net Exchequer funding	**(2,275)**	**(30)**
Represented by:		
Debtors		
Bank and cash	6,826	6,105
Other debit suspense items	205	246
	7,031	6,351
Creditors		
Due to the State	(158)	(105)
Other credit suspense items	(243)	(888)
Bilateral and other co-operation fund (grant) account	(8,905)	(5,388)
	(9,306)	(6,381)
	(2,275)	**(30)**

2.5 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			13,336	12,755
Disbursements from the Vote				
Estimate provision	Account	549,702		
Surplus to be surrendered	Account	3,029		
Net vote			546,673	542,415
Expenditure (cash) borne elsewhere	1		27	23
Non cash expenditure – capital assets			3	—
Net programme cost	1		(546,860)	(541,857)
Balance at 31 December			**13,179**	**13,336**

2.6 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services, including rental commitments	6,054	6,590
Non-capital grant programmes	366,971	488,972
Total of legally enforceable commitments	**373,025**	**495,562**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	19,735	18,968	17,642
ii	Travel and subsistence	2,140	771	2,236
iii	Training and development and incidental expenses	2,270	1,475	1,858
iv	Postal and telecommunications services	1,810	1,362	1,366
v	Office equipment and external IT services	1,515	1,959	1,608
vi	Office premises expenses	6,505	4,943	5,103
vii	Consultancy services and value for money and policy reviews	500	395	400
viii	Promotional supports and postings supports	2,450	2,042	2,222
		36,925	**31,915**	**32,435**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €2.14 million; outturn €771,000

The underspend of €1.369 million on expenditure on travel and subsistence was due to significantly lower travel than planned due to the impact of Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €2.27 million; outturn €1.475 million

The underspend of €795,000 on expenditure on training and development and incidental expenses was due to a general reduction in operational activity across headquarters and missions as a result of operating restrictions due to Covid-19.

iv Postal and telecommunications services

Estimate provision €1.81 million; outturn €1.362 million

The underspend of €448,000 on expenditure on postal and telecommunications services was due to a delay in implementing new communications circuits for some missions.

v Office equipment and external IT services

Estimate provision €1.515 million; outturn €1.959 million

The overspend of €444,000 on expenditure on office equipment and external IT services was due to additional costs incurred in providing equipment to missions to facilitate remote ICT access to support service delivery in missions during the Covid-19 operational restrictions

Programme A Work on poverty and hunger reduction

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
		€000		
A.1	Administration − pay	19,735	18,968	17,642
A.2	Administration − non pay	17,190	12,947	14,793
A.3	Bilateral co-operation and humanitarian assistance	415,131	414,013	411,086
A.4	Contributions to international funds for the benefit of developing countries	56,724	57,137	59,459
A.5	Contributions to United Nations and other development agencies	41,952	44,654	40,621
		550,732	**547,719**	**543,601**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €3.013 million lower than provided. There was an underspend of €5.01 million on administration, which has already been explained. This was offset by additional programme expenditure, mainly due to the following.

A.5 Contributions to United Nations and other developing countries

Estimate provision €41.952 million; outturn €44.654 million

The overspend of €2.702 million on expenditure on contributions to United Nations and other developing countries was due to additional contributions to UNICEF, UN Peacebuilding Fund and the UN Resident Co-ordinator due to additional funding requests in 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	450	537	657
2	Receipts from additional superannuation contributions on public service remuneration	580	509	529
	Total	**1,030**	**1,046**	**1,186**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**570**	**560**

The number of staff at year end in 2019 has been restated for comparability purposes to include all staff, including staff allocated to the programme in the missions.

5.2 Pay

	2020 €000	2019 €000
Pay	17,096	15,981
Higher, special or additional duties allowances	21	24
Other allowances	46	29
Overtime	24	46
Employer's PRSI	1,296	1,148
Foreign social security and other costs	485	414
Total pay [a]	**18,968**	**17,642**

Note [a] In addition, staff costs for programme staff in the missions are charged to the programme cost and security staff costs in the missions are charged to security costs under incidental expenses.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	3	1	10,546	19,585
Other allowances	16	—	8,407	7,526
Overtime	3	—	8,730	11,813
Extra remuneration in more than one category	2	3	13,582	14,286

5.4 Other remuneration arrangements

Six retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €18,388.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	6	21,860	34,922
Recovery plans in place	5	17,048	18,862

Two overpayment recovery plans in respect of two individuals to the value of €3,706 were transferred to other government bodies during the year.

5.6 Severance/redundancy

During 2020, two staff members whose employment was terminated, were paid redundancy payments of €8,352 and severance payments totalling €14,790.

A redundancy payment amounting to €28,838 was paid to one locally employed staff member at an embassy abroad.

Note 6 Miscellaneous

6.1 Contributions to United Nations and other development agencies (A.5)

	2020 €000	2019 €000
United Nations Development Programme (UNDP)	7,750	7,750
United Nations Children's Fund (UNICEF)	8,200	7,200
United Nations High Commissioner for Refugees (UNHCR)	9,000	9,000
United Nations Population Fund	3,500	3,500
Office of the United Nations High Commissioner for Human Rights	2,000	2,300
UNAIDS	2,400	2,400
United Nations Development Fund for Women (UNIFEM)	1,500	1,500
UN General Trust Fund	1,100	50
UN Industrial Development Organisation	345	279
UN Relief and Works Agency for Palestine Refugees in the Near East (UNWRA)	6,000	5,000
UN Peacebuilding Fund	750	—
United Nations Environment Programme Trust Fund (UNEP)	100	300
United Nations volunteers	1,100	600
Others – various	909	742
	44,654	**40,621**

Note 7 Bilateral and other co-operation fund (grant) account

Account of receipt and payments during the year ended 31 December 2020

	2020 €000	2019 €000
Balance at 1 January	5,388	6,616
Grant	414,013	411,086
Amounts recovered during the year	623	1,470
Expenditure for the year	(412,562)	(413,784)
Bank balances held at missions	1,443	—
Balance at 31 December	**8,905**	**5,388**

Appropriation Account 2020

Vote 28

Foreign Affairs

Introduction

As Accounting Officer for Vote 28, 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 2020 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administrated by that Office, including grants and contributions to international organisations.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €8.812 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.

Transfer of functions

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2020* which took account of the alteration of the title of the Department of Foreign Affairs and Trade to the Department of Foreign Affairs with effect from 24 September 2020 (SI 382 of 2020).

The *Further Revised Estimates for 2020* also took account of the transfer of certain administration and ministerial functions from the Department of Foreign Affairs to the Department of Enterprise, Trade and Employment (SI 381 of 2020).

The transfer of functions comprised

- managing and chairing the Export Trade Council (formerly known as the Foreign Trade Council)
- convening, chairing and managing joint economic commissions, and
- developing, where appropriate, new joint economic commissions

In respect of the functions transferred to the Department of Enterprise, Trade and Employment, three posts were transferred from the Department of Foreign Affairs.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure and Reform, the *Further Revised Estimates for 2020* reflect the transfer of the Department functions on a full-year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfers of functions on a full-year basis.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following:

Capital assets

The carrying value of land and buildings included in capital assets is based on valuations conducted in 2005 adjusted as follows

- improvements to land and buildings since 2005 are reflected at cost
- land and buildings acquired since 2005 are also reflected at cost
- three mission properties are included on the basis of revaluations conducted in 2011.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Buildings are not depreciated.

Foreign exchange transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of each month. Foreign exchange transactions completed by headquarters are recorded at the rate at date of settlement of the transaction.

Accruals, prepayments, commitments and stocks at diplomatic missions

Accruals, prepayments, commitments and stocks do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Department and the National Shared Services Office for the provision of payroll and human resource functions.

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

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place. It includes the following and, in particular, that

- there is segregation of duties and system of delegation and accountability
- 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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department 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 Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. The annual 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Non-compliance with procurement rules

I confirm that the Department 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 Department complied with the guidelines with the exception of nine contracts (in 2019: 16), totalling €1,016,608 (2019: €1,447,193) details are set out below:

- Three contracts (2019: five) with a value of €580,611 (2019: €774,742) were extended beyond the original contract date without a competitive process, primarily while revised arrangements are being put in place by the Office of Government Procurement (OGP). The OGP tender process for these contracts commenced in Q1 2021.
- Two contracts (2019: six) with a value of €234,214 (2019: €395,569) had previously been awarded under a competitive process but were extended while revised arrangements are being put in place by the Department.
- Four contracts (2019: five) with a value of €201,783 (2019: €276,882) had previously been awarded but exceeded the relevant thresholds that required a competitive process. These contracts will be tendered during 2021.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Capital assets

Over recent audits, the Office of the Comptroller and Auditor General has commented on weakness in the Department's fixed asset register.

During 2019 and 2020, a full review of all the Department's global fixed asset registers was carried out. This review was undertaken to update and enhance the information recorded in the Department's fixed asset registers and reconcile it to the trial balance. The project identified assets no longer in use and items that were originally incorrectly classified as fixed assets which required removal from the registers and the trial balance (the details of the adjustment are shown in Note 2.1). The review also found a number of assets that were included in the fixed assets of Vote 28 Foreign Affairs which are properly attributable to Vote 27 International Co-operation. The majority of assets removed were historic and fully depreciated.

Missions tax compliance

It is the Department's policy to comply with local tax and social insurance obligations where missions are located. Compliance with the tax obligations of host countries are reviewed on an ongoing basis by both Finance and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function include a review of compliance with local taxes in each mission's internal audit review. The Department also includes training on local tax rules as part of its training programme for staff in advance of overseas postings.

During a mission visit, the Department identified a failure by two missions, in the same country, to fully comply with local payroll income taxes. The Department, following legal and taxation advice, made a voluntary disclosure of this non-compliance to the relevant national tax authority. A settlement amounting to €432,000 was paid. The Department did not incur any penalties or interest. The two missions are now tax compliant.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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. Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit plan.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated in a timely manner to those responsible for taking corrective action and to management and the Management Board. 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

COVID-19 pandemic

Assessments of the impact of Covid-19 were carried out in Ireland and in missions overseas.

With the Management Board, I have reviewed operating procedures to address these risks and adapt the procedures for remote working arrangements and supports from headquarters. While some programmes and services were negatively impacted by restrictions across the world, the effects of the pandemic have increased the demand for certain services and grants provided by the Department. The Department adopted a comprehensive approach to the repatriation of Irish citizens during early 2020. Our focus was on helping our citizens who are normally resident in Ireland to return home safely on commercial flights wherever possible, and where not possible, if available, on chartered repatriation flights. The review of operating procedures included the establishment of the necessary measures to ensure the continued delivery of crucial services, while protecting the health and wellbeing of staff and ensuring compliance with relevant restrictions in those jurisdictions in which the Department operates.

Arising from the Covid-19 pandemic the Evaluation and Audit Unit, along with the staff of the Department, moved to working remotely in March 2020 with all travel cancelled. This presented limitations in the manner in which the Unit's work could be completed. In May 2020, I approved the Unit's revised risk-based work plan, which reset priorities for the year, including increased emphasis on real time business advisory work. This revised work plan was delivered remotely and this approach offers a new and potentially more efficient approach to evaluation and audit work, supplemented by physical visits where possible.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Niall Burgess
Accounting Officer
Department of Foreign Affairs

31 August 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 28 Foreign Affairs

Opinion on the appropriation account

I have audited the appropriation account for Vote 28 Foreign Affairs for the year ended 31 December 2020 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 28 Foreign Affairs for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Foreign Affairs 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 together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

7 September 2021

Vote 28 Foreign Affairs

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	To serve our people at home and abroad to promote reconciliation and co-operation ('Our People')	85,184	80,756	78,039
B	Protect and advance our values and interests in Europe ('Our Place in Europe')	32,974	32,201	29,360
C	To work for a fairer, more just, secure and sustainable world ('Our Values')	54,944	56,288	61,782
D	To advance Ireland's prosperity by promoting our economic interests internationally ('Our Prosperity')	44,325	37,251	41,476
E	To strengthen our influence and capacity to deliver our goals ('Our Influence')	52,718	48,400	55,727
Gross expenditure		**270,145**	**254,896**	**266,384**
	Deduct			
F	**Appropriations-in-aid**	**44,701**	**38,264**	**69,213**
Net expenditure		**225,444**	**216,632**	**197,171**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**8,811,952**	**15,329,537**

Niall Burgess
Accounting Officer
Department of Foreign Affairs

31 August 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		68,275	75,333
Pay		104,510	101,952
Non pay		82,111	89,099
Gross expenditure		**254,896**	**266,384**
Deduct			
Appropriations-in-aid		**38,264**	**69,213**
Net expenditure		**216,632**	**197,171**
Changes in capital assets			
Purchases cash	(1,522)		
Disposals cash	44		
Profit on disposals	(44)		
Depreciation	3,413	1,891	(22)
Changes in net current assets			
Decrease in closing accruals	(415)		
Increase in closing prepayments	(4,285)		
Increase in stock	(1,415)	(6,115)	(6,284)
Direct expenditure		**212,408**	**190,865**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		24,902	24,322
Notional rents		3,200	2,953
Net programme cost		**240,510**	**218,140**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere, net of costs of shared services provided to other Votes.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	60	60
Vote 12	Superannuation and Retired Allowances	18,771	17,014
Vote 13	Office of Public Works	5,347	6,787
Vote 18	National Shared Services Office	164	144
Vote 20	Garda Síochána	194	309
Central Fund – ministerial pensions		382	372
Costs of shared services provided to other Votes		(16)	(364)
		24,902	**24,322**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	166,885	168,527
Current assets			
Stocks	2.3	11,299	9,884
Prepayments	2.4	15,088	10,803
Other debit balances	2.6	7,445	7,580
Total current assets		**33,832**	**28,267**
Less current liabilities			
Bank and cash	2.2	3,796	(1,306)
Accrued expenses	2.5	1,895	2,310
Other credit balances	2.7	2,887	2,968
Net Exchequer funding	2.8	762	5,918
Total current liabilities		**9,340**	**9,890**
Net current assets		24,492	18,377
Net assets		**191,377**	**186,904**
Represented by:			
State funding account	2.9	**191,377**	**186,904**

2.1 Capital assets

	Land and buildings	Motor Vehicles	Furniture and Fittings	Office equipment	Assets under development [b]	Total
		€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	159,293	2,972	45,676	79,478	1,942	289,361
Transfers from assets under development	—	—	—	1,634	(1,634)	—
Additions	—	356	—	441	725	1,522
Disposals	—	(178)	—	—	—	(178)
2020 fixed asset project cost adjustment [a]	—	(145)	(37,570)	(18,268)	—	(55,983)
Transfers to Vote 27	—	(310)	(59)	(439)	—	(808)
Cost or valuation at 31 December 2020	**159,293**	**2,695**	**8,047**	**62,846**	**1,033**	**233,914**
Accumulated depreciation						
Opening balance at 1 January 2020	—	2,246	44,970	73,618	—	120,834
Depreciation for the year	—	338	105	2,970	—	3,413
Depreciation on disposals	—	(178)	—	—	—	(178)
2020 fixed asset project accumulated depreciation adjustment [a]	—	(145)	(37,820)	(18,270)	—	(56,235)
Transfers to Vote 27	—	(310)	(59)	(436)	—	(805)
Cumulative depreciation at 31 December 2020	—	1,951	7,196	57,882	—	67,029
Net assets at 31 December 2020	**159,293**	**744**	**851**	**4,964**	**1,033**	**166,885**
Net assets at 31 December 2019	159,293	726	706	5,860	1,942	168,527

Note [a] During the year, a major review of fixed assets was carried out which identified items with a gross value of €55.983 million and accumulated depreciation of €56.235 million that were no longer in use, were originally incorrectly classified as fixed assets or had incorrect depreciation applied. This adjustment reflects the necessary accounting correction.

[b] Assets under development represents assets for the Passport Service Reform Programme currently in progress. These assets represent projects that were not complete at 31 December 2020.

2.2 Bank and cash

at 31 December	2020 €000	2019 €000
PMG balances	(21,246)	(10,510)
Commercial bank account balances	5,149	2,762
Mission bank balances and cash	12,301	9,054
	(3,796)	**1,306**

2.3 Stocks

at 31 December	2020 €000	2019 €000
Passport books and cards	11,163	9,280
Protocol stocks	49	53
Stationery	38	512
Prepaid postage	5	4
IT consumables	44	35
	11,299	**9,884**

2.4 Prepayments

at 31 December	2020 €000	2019 €000
Mission rents	1,948	2,036
Contributions to international organisations	9,208	7,559
Other prepayments	3,932	1,208
	15,088	**10,803**

2.5 Accrued expenses

at 31 December	2020	2019
	€000	€000
Administration accruals	1,025	2,123
Programme accruals	845	119
Travel and subsistence accruals	25	68
	1,895	**2,310**

2.6 Other debit balances

at 31 December	2020	2019
	€000	€000
Departmental and agency accounts	5,271	5,602
Imprest and personal suspense accounts	1,120	1,070
Salary advance accounts	1	13
Repatriations	626	—
Payroll control accounts	324	659
Honorary consulate debtors	97	222
Other balances	6	14
	7,445	**7,580**

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,119	1,049
Pay related social insurance	773	726
Universal social charge	231	219
Local property tax	7	8
Value added tax	70	57
Professional services withholding tax	140	82
	2,340	2,141
Sundry creditors [a]	547	827
	2,887	**2,968**

Note [a] Sundry creditors include amounts due to creditors of €479,030 and suspense accounts of €67,957.

2.8 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	8,812	15,329
Exchequer grant undrawn	(8,050)	(9,411)
Net Exchequer funding	**762**	**5,918**
Represented by:		
Debtors		
Other debit balances	7,445	7,580
	7,445	7,580
Creditors		
Bank and cash	(3,796)	1,306
Due to the State	(2,340)	(2,141)
Other credit balances	(547)	(827)
	(6,683)	(1,662)
	762	**5,918**

2.9 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			186,904	180,598
Disbursements from the Vote				
Estimate provision	Account	225,444		
Surplus to be surrendered	Account	(8,812)		
Net vote			216,632	197,171
Expenditure (cash) borne elsewhere	1.1		24,902	24,322
Non cash expenditure – notional rent	1		3,200	2,953
Non-cash items – capital assets adjustments	2.1		249	—
Net programme cost	1		(240,510)	(218,140)
Balance at 31 December			**191,377**	**186,904**

2.10 Commitments

Commitments include those amounts for which the Department may be legally liable in 2021 and subsequent years under binding enforceable contracts and relate to property rental payments abroad and commitments to purchase equipment.

at 31 December	**2020**	**2019**
	€000	**€000**
The amount is analysed as follows:		
Equipment and other administrative costs	—	150
Lease commitments [a]	94,137	91,937
Total Commitments	**94,137**	**92,087**

Note [a] Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.948 million (2019: €2.036 million) which is included in the prepayments figure of €15.088 million (Note 2.4). Lease commitments at 31 December 2020 reflect total future commitments under legally binding lease agreements.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020 Estimate provision	2020 Outturn	2019 Outturn
		€000	€000	€000
i	Salaries, wages and allowances	106,427	104,510	101,952
ii	Travel and subsistence	7,944	3,619	7,784
iii	Training and development and incidental expenses	8,148	5,062	5,550
iv	Postal and telecommunications services	6,986	4,916	7,274
v	Office equipment and external IT services	24,218	20,629	21,932
vi	Office premises expenses	32,619	35,744	35,149
vii	Consultancy services and value for money and policy reviews	100	130	58
viii	Posting supports	11,597	12,011	11,352
		198,039	**186,621**	**191,051**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €106.427 million; outturn €104.510 million

The underspend of €1.917 million on salaries, wages and allowances was due to delays in recruitment and filling posts as a result of restrictions during the Covid-19 pandemic.

ii Travel and subsistence

Estimate provision €7.944 million; outturn €3.619 million

The underspend of €4.325 million on travel expenditure was due to significantly lower travel than planned due to the impact of Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €8.148 million; outturn €5.062 million

The underspend of €3.086 million on expenditure on training and development and incidental expenses was due to a general reduction in operating activity across headquarters and mission as a result of operating restrictions due to the Covid-19 pandemic.

iv Postal and telecommunications services

Estimate provision €6.986 million; outturn €4.916 million

The underspend of €2.07 million resulted from a decrease in postage costs associated with the significant decrease in the volume of passport applications due to the Covid-19 pandemic.

Programme A Our people

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	28,193	27,685	26,909
A.2	Administration − non pay	36,918	32,860	33,866
A.3	Fulbright Commission	404	404	404
A.4	Emergency consular assistance	79	355	9
A.5	Support for Irish emigrant services	12,595	12,538	12,360
A.6	North-South and Anglo-Irish co-operation	3,745	3,673	3,729
A.7	International Fund for Ireland	2,650	2,650	150
A.8	Diaspora affairs	600	591	612
		85,184	**80,756**	**78,039**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €4.428 million lower than provided. The variation of €4.566 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

A.4 Emergency consular assistance

Estimate provision €79,000; outturn €355,000

The additional spend of €276,000 resulted from the unforeseen increase in repatriations in 2020 due to the Covid-19 pandemic.

Programme B Our place in Europe

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	24,457	24,016	23,428
B.2	Administration − non pay	6,134	4,803	4,608
B.3	Actions consequent on Title V of the Treaty of European Union	418	366	420
B.4	EU engagement	965	910	904
B.5	Irish personnel in EU and international institutions	1,000	2,106	—
		32,974	**32,201**	**29,360**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €773,000 lower than provided. The variation of €1.772 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

B.5 Irish personnel in EU and international institutions

Estimate provision €1 million; outturn €2.106 million

The additional spend of €1.106 million was due to additional cost claims from other departments relating to earlier periods that were submitted and paid during 2020.

Programme C Our values

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	13,230	12,992	12,655
C.2	Administration − non pay	6,911	5,411	4,360
C.3	Contributions to international organisations	34,803	37,885	44,767
		54,944	**56,288**	**61,782**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €1.344 million higher than originally provided. Administration expenditure was €1.738 million less than provided and has already been explained. The balance was due to the following:

C.3 Contributions to international organisations

Estimate provision €34.803 million; outturn €37.885 million

The increase of €3.082 million was due to higher than anticipated mandatory contributions to international organisations, primarily the UN.

Programme D Our prosperity

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
D.1	Administration − pay	21,492	21,105	20,749
D.2	Administration − non pay	10,488	10,387	12,579
D.3	Promoting Ireland	9,116	2,435	4,869
D.4	Contributions to national and international organisations	3,229	3,324	3,279
		44,325	**37,251**	**41,476**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €7.074 million lower than provided. The variation of €488,000 in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

D.3 Promoting Ireland

Estimate provision €9.116 million; outturn €2.435 million

The underspend of €6.681 million was due to the significant reduction in promotional activity during 2020 as a result of operating restrictions arising from the COVID-19 pandemic.

Programme E Our influence

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
E.1	Administration – pay	19,055	18,712	18,211
E.2	Administration − non pay	31,161	28,650	33,685
E.3	Information services	2,502	1,038	3,831
		52,718	**48,400**	**55,727**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €4.318 million lower than originally provided. The variation of €2.854 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

E.3 Information services

Estimate provision €2.502 million; outturn €1.038 million

The underspend of €1.464 million arose from a reduction in planned expenditure on promoting of passport and other services due to the Covid-19 pandemic.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Passports, visa and other consular services	41,770	34,067	65,295
2	Repayments of repatriation and maintenance advances	30	1	—
3	VAT refunds to diplomatic missions	—	1,266	936
4	Miscellaneous	500	707	638
5	Receipts from additional superannuation contributions on public service remuneration	2,401	2,223	2,344
	Total	**44,701**	**38,264**	**69,213**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.437 million less than the estimate. Explanations for variances are set out below:

1 Passports, visa and other consular services

Estimate €41.770 million; realised €34.067 million

Income was €7.703 million less than projected as a result of the Covid-19 pandemic. This resulted in a significant decrease in passport applications. As the passport service is demand-led, it was significantly impacted in 2020.

3 VAT refunds to diplomatic missions

Estimate €nil; realised €1.266 million

Income was ahead by €1.266 million due to higher than anticipated VAT refund and sales tax refunds from foreign governments to missions overseas. A number of these refunds relate to previous years outstanding VAT recoupments that were finalised in 2020.

4 Miscellaneous

Estimate €500,000; realised €707,000

Income was ahead by €207,000. This relates to a range of receipts by the Department including refund of security deposits on rented properties, payroll overpayment refunds, refunds from Government departments/offices and other miscellaneous items. It is difficult to project with certainty the level of these receipts in any given year.

5 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.401 million; realised €2.223 million

The shortfall of €178,000 arose as receipts were less than anticipated due to lower than anticipated payroll costs.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**1,816**	**1,745**

5.2 Pay

	2020	2019
	€000	€000
Pay	93,924	91,557
Redundancy and severance	166	95
Higher, special or additional duties allowances	149	119
Other allowances	205	146
Overtime	540	962
Employer's PRSI	5,801	5,370
Foreign social security/health insurance (missions)	3,725	3,703
Total pay	**104,510**	**101,952**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties	41	5	20,100	20,613
Other allowances	116	—	6,776	9,375
Overtime	194	17	31,033	39,055
Extra remuneration in more than one category	70	16	33,355	41,318

5.4 Other remuneration arrangements

Payments totalling €12,455 (2019: €7,452) were paid to three (2019: three) retired civil servants whose services were retained on specialised tasks.

5.5 Overpayments

	Number of recipients	2020 €	2019 €
Overpayments	65	152,447	188,299
Recovery plans in place	33	100,527	101,004

15 overpayment recovery plans in respect of 15 individuals to the value of €27,559 were transferred to eight other government bodies during the year.

5.6 Severance

Severance payments amounting to €36,528 (2019: €66,311) was paid to two (2019: one) former staff members. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms has been granted.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Legal costs paid during the year are categorised as follows:

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees	3	1	—	—-	1	299
Claims by members of the public	5	—	106	1	107	51
	8	**1**	**106**	**1**	**108**	**350**

6.2 Late payment penalties

	2020	2019
	€	€
Interest and compensation	**11,990**	**8,972**

Appendix A Accounts of Bodies and Funds under the Aegis of the Department of Foreign Affairs

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Ireland–United States Commission for Educational Exchange (Fulbright Commission) [a]	1 Oct 2019 - 30 Sep 2020	5 Mar 2021	9 Mar 2021	15 Mar 2021

Note [a] The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Governments and supports study, research, teaching and other educational activities between Ireland and the United States. The Commission receives annual funding from the Department and further funding from other sources.

Appropriation Account 2020

Vote 29

Environment, Climate and Communications

Introduction

As Accounting Officer for Vote 29, 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 2020 for the salaries and expenses of the Office of the Minister for the Environment, Climate and Communications, including certain services administered by that Office and for payment of certain grants.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €63.325 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Transfer of functions

The account has been prepared in accordance with the *Revised Estimates for Public Services 2020*, which took account of

- the transfer of broadcasting functions from the Department of Communications, Climate Action and Environment (Vote 29) to the Department Culture, Heritage and the Gaeltacht (Vote 33) with effect from 23 September 2020 (SI 372 of 2020), and
- the alteration of the title of the Department of Communications, Climate Action and Environment to the Department of the Environment, Climate and Communications with effect from 24 September (SI 373 of 2020).

In line with accounting arrangements set out by the Government Accounting section of Department of Public Expenditure and Reform, the revised estimates for 2020 reflect the transfer of the Department functions on a full year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis. Therefore, all the transferred broadcasting functions for 2020 are included in the appropriation account of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (Vote 33).

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account, except for the following.

Depreciation of capital assets

The Department calculates depreciation on an annual basis with a full year's depreciation charged to each asset in the year of acquisition.

Motor vehicles are depreciated over five years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over ten years at 10% per annum, while all other office/IT equipment is depreciated over five years at 20% per annum.

Valuation of capital assets

As provided for in circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services. I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department 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 Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, 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.

Procurement

I confirm that the Department 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 Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €985,225 (ex. VAT).

- Two contracts with a value of €379,096 (ex VAT) relate to contracts for expert advisory services for the National Broadband Plan which were extended beyond the original contractual terms pending completion of procurement competitions to provide these services. Replacement contracts for these services have been in place since June 2020.
- One contract with a value of €606,129 (ex VAT) relates to a contract for the management and operation of the National Digital Research Centre which was extended beyond the original contract term pending a procurement process, which was completed in August 2020.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. The three contracts referred to above were included in this return.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis, while risk relating to key projects are subject to ongoing review. 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 assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote working becoming the norm for all staff in the Department. As a result, the Department introduced a number of procedural and control changes. An assessment of the impact of Covid-19 was carried out and I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Mark Griffin
Accounting Officer
Department of the Environment, Climate and Communications

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Environment, Climate and Communications

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Environment, Climate and Communications for the year ended 31 December 2020 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 29 Environment, Climate and Communications for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Environment, Climate and Communications 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 together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

23 September 2021

Vote 29 Environment, Climate and Communications

Appropriation Account 2020

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Communications				
	Estimate provision	130,455			
	Deferred surrender	27,296			
			157,751	88,816	25,142
B	Energy		218,388	204,291	185,275
C	Natural resources		25,239	21,211	20,792
D	Inland fisheries		35,083	32,909	34,095
E	Environment and waste management		104,982	81,040	61,503
	Broadcasting		—	—	*260,363*
Gross expenditure					
	Estimate provision	514,147			
	Deferred surrender	27,296			
			541,443	428,267	587,170
	Deduct				
F	**Appropriations-in-aid**		25,224	13,120	236,493
Net expenditure					
	Estimate provision	488,923			
	Deferred surrender	27,296			
			516,219	**415,147**	**350,677**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €37.747 million of unspent 2020 capital allocations in respect of the capital elements of subhead A.3 was carried forward to 2021.

	2020	2019
	€	€
Surplus	101,071,705	86,313,414
Deferred surrender	(37,747,000)	(27,296,000)
Surplus to be surrendered	**63,324,705**	**59,017,414**

Mark Griffin
Accounting Officer
Department of the Environment, Climate and Communications

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		395,609	555,318
Pay		25,406	24,173
Non pay		7,252	7,679
Gross expenditure		**428,267**	**587,170**
Deduct			
Appropriations-in-aid		**13,120**	**236,493**
Net expenditure		**415,147**	**350,677**
Changes in capital assets			
Purchases cash	(1,457)		
Depreciation	1,157	(300)	578
Changes in net current assets			
Decrease in closing accruals	(231)		
Increase in stock	(32)	(263)	953
Direct expenditure		**414,584**	**352,208**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		15,506	15,974
Notional rents		1,584	1,584
Net programme cost		**431,674**	**369,766**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	—	4
Vote 12	Superannuation and Retired Allowances	11,805	12,191
Vote 13	Office of Public Works	3,588	3,687
Vote 18	National Shared Services Office	42	37
Central Fund – ministerial pensions		71	55
		15,506	**15,974**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	2,188	1,888
Current assets			
Bank and cash	2.2	75,701	43,981
Stocks	2.3	205	173
Prepayments		2,261	1,419
Accrued income		1,378	428
Other debit balances	2.4	249	168
Total current assets		**79,794**	**46,169**
Less current liabilities			
Accrued expenses		3,688	2,228
Deferred income		101	—
Other credit balances	2.5	34,740	5,399
Net Exchequer funding	2.6	41,210	38,750
Total current liabilities		**79,739**	**46,377**
Net current assets		55	(208)
Net assets		**2,243**	**1,680**
Represented by:			
State funding account	2.7	**2,243**	**1,680**

2.1 Capital assets

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,396	21,906	7,080	30,382
Additions	44	783	630	1,457
Disposals	(36)	—	—	(36)
Cost or valuation at 31 December 2020	1,404	22,689	7,710	31,803
Accumulated depreciation				
Opening balance at 1 January 2020	1,270	21,090	6,134	28,494
Depreciation for the year	24	563	570	1,157
Depreciation on disposals	(36)	—	—	(36)
Cumulative depreciation at 31 December 2020	1,258	21,653	6,704	29,615
Net assets at 31 December 2020	**146**	**1,036**	**1,006**	**2,188**
Net assets at 31 December 2019	126	816	946	1,888

Note State-owned land and buildings controlled or managed by the Department, not included here, are listed in Appendix A.

2.2 Bank and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Equipment	71	40
Publications	120	117
Stationery	14	16
	205	**173**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Salaries of seconded staff	112	108
Other suspense	137	60
	249	**168**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Withholding tax	414	563
Value added tax	311	171
Relevant contract tax	2	1
Exchequer receipts (note 4.3)	152	261
PAYE/PRSI	663	576
	1,542	1,572
Suspense		
Climate Action Fund [a]	28,000	—
Energy Efficiency National Fund (note 7.2)	1,212	—
Environment Protection Agency (note 4.3)	1,759	1,459
Emergency call answering service	1,660	1,755
Payroll	128	72
Other	439	541
	33,198	3,827
	34,740	**5,399**

Note [a] Section 37 of the National Oil Reserves Act 2007 as amended by Section 14 of the National Oil Reserves Agency (Amendment) and Provision of Treasury Services Act 2020, permits the Minister to issue an annual direction to the National Oil Reserves Agency to pay a specified amount of the levy on relevant disposals of petroleum products into the Climate Action Fund. The Fund was established on 1 August 2020 and will be accounted for separately from the Vote. Pending the opening of a Fund bank account, the 2020 transfer was temporarily lodged to a Vote suspense account and is included as a credit balance in this note. The levy is expected to be transferred to the Climate Action Fund in April 2021.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	63,325	59,017
Deferred surrender	37,747	27,296
Exchequer grant undrawn	(59,862)	(47,563)
Net Exchequer funding	**41,210**	**38,750**
Represented by:		
Debtors		
Bank and cash	75,701	43,981
Debit balances: suspense	249	168
	75,950	44,149
Creditors		
Due to the State	(1,542)	(3,031)
Credit balances: suspense	(33,198)	(2,368)
	(34,740)	(5,399)
	41,210	**38,750**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			1,680	3,184
Disbursements from the Vote				
Estimate provision	Account	516,219		
Deferred surrender	Account	(37,747)		
Surplus to be surrendered	Account	(63,325)		
Net vote			415,147	350,677
Expenditure (cash) borne elsewhere	1.1		15,506	15,974
Other (non-cash) items			—	27
Non cash expenditure – notional rent	1		1,584	1,584
Net programme cost	1		(431,674)	(369,766)
Balance at 31 December			**2,243**	**1,680**

2.8 Commitments

a) Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	1,755	1,682
Capital grant programmes	151,454	142,540
Capital projects and programmes	2,772,694	2,812,308
Total of legally enforceable commitments	**2,925,903**	**2,956,530**

b) Capital grant programmes At 31 December	2020 €000	2019 €000
Opening balance	142,540	54,604
Grants paid in the year	(109,975)	(46,238)
New grant commitments	132,263	134,174
Grants cancelled	(13,374)	—
Closing balance	**151,454**	**142,540**

c) Major capital projects where the project value exceeds €10 million

Programme/project	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
National postcodes	26,611	1,431	4,425	32,467	32,511
National Broadband Plan	—	42,503	2,721,497	2,764,000	2,764,000
INFOMAR [a]	51,212	3,908	4,544	59,664	58,656
Tellus [b]	19,387	2,684	1,322	23,393	22,077
	97,210	**50,526**	**2,731,788**	**2,879,524**	**2,877,244**

Note [a] INFOMAR is a national survey programme which maps the Irish seabed and provides key baseline data for Ireland's marine sector.

[b] Tellus is a national survey programme which gathers geophysical and geochemical data across Ireland via airborne geophysical surveying using a low-flying aircraft and ground-based geochemical surveying of soil, stream water and stream sediment.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

INFOMAR

Increase in expected total spend: €1.008 million

Spend on the INFOMAR programme relates primarily to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year.

Tellus

Increase in expected total spend: €1.316 million

Spend on the Tellus programme relates primarily to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year.

2.9 Land remediation

The Department incurs costs in relation to State-owned mines in Avoca and Silvermines. Expenditure relates to land remediation works and environmental monitoring at both sites which is reported under Subhead C4.

	Expenditure to end 2019	Expenditure in 2020	Contractual Commitments	Total
	€000	€000	€000	€000
Avoca	3,880	886	46	4,812
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,558	131	—	1,689
	16,628	**1,017**	**46**	**17,691**

2.10 Cyber security

The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to cyber security as shown below is reported under the communications programme as shown below, with administrative costs met from subheads A.1 and A.2 and operational funding provided through subhead A.5.

	2020	2019
	€000	€000
Cyber security	**3,422**	**3,322**

2.11 Contingent liabilities

There is potential for financial liabilities to arise in 2021 and subsequent years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,397	25,406	24,173
ii	Travel and subsistence	926	280	932
iii	Training and development and incidental expenses	1,236	524	1,356
iv	Postal and telecommunications services	444	375	394
v	Office equipment and external IT services	3,101	3,586	2,148
vi	Office premises expenses	933	689	923
vii	Consultancy services and value for money and policy reviews	1,700	1,571	1,738
viii	Equipment, stores and maintenance	196	227	188
		36,933	**32,658**	**31,852**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €28.397 million; outturn €25.406 million

The savings of €2.991 million was due to delays in the recruitment and appointment of staff in 2020 arising from the need to fill a large number of both new positions and replacements for staff leaving the Department.

ii Travel and subsistence

Estimate provision €926,000; outturn €280,000

The savings of €646,000 are due to the Covid-19 pandemic and its impact on travel.

iii Training and development and incidental expenses

Estimate provision €1.236 million; outturn €524,000

The savings of €712,000 are mainly due to the Covid-19 pandemic and its impact on training, exhibitions and conference costs.

vi Office premises expenses

Estimate provision €933,000; outturn €689,000

The savings of €244,000 are due to reductions in maintenance, security, cleaning, light and heat due to the reduced occupancy of the Department's premises because of the Covid-19 pandemic.

Programme A Communications

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		8,089	7,237	6,258
A.2	Administration − non pay		1,727	1,428	1,522
A.3	Information and communications technology programme				
	Estimate provision	79,560			
	Deferred surrender	27,296			
			106,856	53,255	8,030
A.4	Multimedia developments		4,295	4,455	4,412
A.5	Information society		6,484	3,981	4,920
A.6	Covid-19 Trading Online Voucher Scheme		30,300	18,460	—
			157,751	**88,816**	**25,142**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €68.935 million lower than provided. €1.151 million of this related to administration expenditure (see above). The balance of the variance of €67.784 million was mainly due to the following.

A.3 Information and communications technology programme

Estimate provision €106.856 million; outturn €53.255 million

The savings of €53.601 million are due to the Covid-19 pandemic and its impact on the deployment of the National Broadband Plan network, which resulted in a lower than expected expenditure outturn.

A.5 Information society

Estimate provision €6.484 million; outturn €3.981 million

The savings of €2.503 million are mainly due to difficulties in delivering the Digital Skills for Citizens Scheme following public health guidelines for the Covid-19 pandemic.

A.6 Covid-19 Trading Online Voucher Scheme

Estimate provision €30.3 million; outturn €18.46 million

The savings of €11.84 million arose because grants approved after 16 October 2020 were not paid until 2021. This Department was responsible for payments in respect of grants approved under this scheme up to 16 October 2020, when its sanction to administer the scheme expired. Administrative responsibility for the scheme transferred to the Department of Enterprise, Trade and Employment on 31 December 2020. Grants approved after 16 October 2020 became the responsibility of Department of Enterprise Trade and Employment and fall to be paid by that Department in 2021.

Programme B Energy

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	5,753	5,147	4,472
B.2	Administration − non pay	1,740	1,471	1,573
B.3	Sustainable Energy Authority of Ireland - administration and general expenses	12,671	12,385	17,382
B.4	Sustainable energy programme	137,189	127,164	151,206
B.5	Energy research programmes	10,700	7,788	10,319
B.6	Gas services	45	55	56
B.7	Subscriptions to international organisations	290	281	267
B.8	Renewable energy compliance [a]	50,000	50,000	—
		218,388	**204,291**	**185,275**

Note [a] EU member states are allowed to purchase 'statistical transfers' from other member states in order to comply with 2020 obligations under the Renewable Energy Directive.

In 2020, Ireland entered into agreements with Denmark and Estonia for the purchase of 3,500 GWh statistical transfers. The total cost of the purchase in 2020 was €50 million.

Additional purchases may be required under the agreements in 2021 depending on final energy statistics for 2020, and provision has been made in the 2021 estimates for further statistical transfers.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €14.097 million lower than provided. €875,000 of this related to administration expenditure. The balance of the variance of €13.222 million was mainly due to the following.

B.4 Sustainable energy programmes

Estimate provision €137.189 million; outturn €127.164 million

The savings of €10.025 million was due to reduced activity as a result of the Covid-19 pandemic on a number of demand-led grant schemes including Electric Vehicles, EXCEED and Deep Retrofit. There were also delays in the development of an SME programme and with projects under the Support Scheme for Renewable Heat.

B.5 Energy research programmes

Estimate provision €10.7 million; outturn €7.788 million

The savings of €2.912 million was due to the reduced activity on the Ocean Energy programme and Renewable Energy Research, Development and Demonstration programme as a result of the Covid-19 pandemic.

Programme C Natural resources

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	6,541	5,852	5,843
C.2	Administration − non pay	2,889	2,523	2,522
C.3	Petroleum services	504	35	314
C.4	Mining services	3,500	1,260	330
C.5	GSI services	11,670	11,416	11,649
C.6	Subscriptions to international organisations	135	125	134
		25,239	**21,211**	**20,792**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €4.028 million lower than provided. €1.055 million of this related to administration expenditure. The balance of the variance of €2.973 million was mainly due to the following.

C.3 Petroleum services

Estimate provision €504,000; outturn €35,000

The savings of €469,000 was due to lower than expected contributions to the vote-neutral Petroleum Infrastructure Programme Fund due to a reduction in the number of frontier licences held.

C.4 Mining services

Estimate provision €3.5 million; outturn €1.26 million

The savings of €2.24 million relates to 1) lower than expected compensation payments made to private land owners as a result of less than anticipated extraction activity by mining companies, and legal delays in settling compensation cases, 2) less than expected expenditure on remediation works at Avoca and 3) delays in acquiring a site as part of the rehabilitation of Silvermines.

Programme D Inland fisheries

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	768	687	764
D.2	Administration − non pay	394	354	363
D.3	Inland fisheries	33,921	31,868	32,968
		35,083	**32,909**	**34,095**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €2.174 million lower than provided. €121,000 of this related to administration expenditure. The balance of this variance of €2.053 million was due to the following.

D.3 Inland fisheries

Estimate provision €33.921 million; outturn €31.868 million

The variance of €2.053 million was due to the completion of funding for the Eel Support Scheme earlier than expected and some operational savings due to the Covid-19 pandemic.

Programme E Environmental and waste management [a]

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	7,246	6,483	5,768
E.2	Administration − non pay	1,786	1,477	1,362
E.3	Environmental Protection Agency	43,010	43,212	38,761
E.4	Carbon Fund	3,000	320	607
E.5	International climate change commitments	4,500	4,500	2,500
E.6	Landfill remediation	11,250	12,008	6,956
E.7	Climate initiatives	6,060	2,857	2,017
E.8	Subscriptions to international organisations	3,000	3,002	3,037
E.9	National dialogue	—	—	—
E.10	Waste management initiatives	9,130	6,329	495
E.11	Climate Action Fund	10,000	707	—
E.12	Just Transition Fund	6,000	145	—
		104,982	**81,040**	**61,503**

Note [a] This programme includes activities which, prior to 2020, were funded through the Environment Fund. In 2020, €14.08 million was provided by the Vote for these activities under subheads E.3 (Environmental Protection Agency: €5.63 million), E.6 (landfill closure and after care: €2.75 million) and E.10 (waste enforcement initiatives: €5.7 million).

Significant variations
The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €23.942 million lower than provided. €1.072 million of this related to administration expenditure. The balance of the variance of €22.87 million was mainly due to the following.

E.4 Carbon Fund

Estimate provision €3 million; outturn €320,000

The savings of €2.68 million were due to a deferral in purchasing carbon credits pending clarification on how the Covid-19 pandemic was impacting Ireland's 2020 emissions.

E.6 Landfill remediation

Estimate provision €11.25 million; outturn €12.008 million

The excess of €758,000 was due to higher than expected claims from local authorities for work undertaken on landfill remediation.

E.7 Climate initiatives

Estimate provision €6.06 million; outturn €2.857 million

The savings of €3.203 million were due to reduced activities in respect of the National Dialogue on Climate Action and the Local Authority Climate Action Training Programme as a result of the Covid-19 pandemic, and to the delayed commencement of some climate modelling work under the Technical Research and Modelling programme which will be completed in 2021.

E.10 Waste management initiatives

Estimate provision €9.13 million; outturn €6.329 million

The savings of €2.801 million were due to ongoing delays in the development and rollout of a financial scheme for the disposal of medical incontinence waste.

E.11 Climate Action Fund

Estimate provision €10 million; outturn €707,000

The savings of €9.293 million arose due to a longer than expected verification process for projects under the Climate Action Fund which was established as a separate statutory fund in August 2020.

E.12 Just Transition Fund

Estimate provision €6 million; outturn €145,000

The savings of €5.855 million were due to a delay in the finalisation of grant agreements in respect of individual projects, which resulted in limited expenditure on this scheme in 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Proceeds of fines in respect of inland fishery offences	50	21	23
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	8,795	6,699	7,113
3	Petroleum Infrastructure Support Group	437	35	314
4	Geological Survey Ireland income	300	481	558
5	Rent on properties in GPO	223	328	77
6	Energy efficiency fund receipts	10,000	707	—
7	Miscellaneous receipts (note 4.2)	1,070	997	1,297
8	Pension contributions from agencies	732	232	636
9	Receipts from additional superannuation contributions on public service remuneration	3,037	3,069	3,377
10	Dormant accounts receipts	580	551	373
	Broadcasting licence fees	—	—	222,725
	Total	**25,224**	**13,120**	**236,493**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €12.104 million less than the estimate. Explanations for variances are set out below.

2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960

Estimate €8.795 million; realised €6.699 million

The shortfall of €2.096 million was due to reduced licence fee income in respect of frontier exploration licences and reduced extraction rates of private minerals by mineral companies which resulted in a decrease in the compensation amounts being received.

3 Petroleum Infrastructure Support Group

Estimate €437,000; realised €35,000

The shortfall of €402,000 was due to lower than expected receipts from holders of frontier exploration licences. In 2020, the Department received a total of two receipts from licence holders (18 in 2019).

4 Geological Survey Ireland income

Estimate €300,000; realised €481,000

The excess of €181,000 was due to higher than excepted receipts on a number of EU funded projects.

5 Rent on properties in GPO

Estimate €223,000; realised €328,000

The excess of €105,000 was due to the delayed receipt of 2019 rental income which was received in January 2020.

7 Energy efficiency fund receipts

Estimate €10 million; realised €707,000

The shortfall of €9.293 million was due to lower than expected expenditure by the vote-neutral Climate Action Fund (subhead E.11). This resulted in lower than anticipated matching receipts from the Energy Efficiency National Fund.

8 Pension contributions from agencies

Estimate €732,000; realised €232,000

The shortfall of €500,000 was due to the delayed receipt of pension contributions from one agency, and the estimate provision for this subhead not being reduced to reflect the transfer of receipts from Broadcasting Authority of Ireland to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

4.2 Miscellaneous receipts

	2020 €000	2019 €000
Royalties in respect of metropolitan area networks	911	927
Corrib verification	48	—
Costs recovered from other bodies	35	347
Other	3	23
Total	**997**	**1,297**

4.3 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	261	—
Receipts from emissions trading scheme [a]	122,781	122,798
Receipts from fines on breaches of emission trading	—	261
Galway Mayo telecommunications duct	193	117
NDRC sale of shares	152	—
Voluntary surrender of Ministerial salaries	29	15
Transferred to the Exchequer	(123,264)	(122,930)
Balance at 31 December	**152**	**261**

Note [a] Ireland's gross share of receipts arising from auctioning of allowances in the EU Emissions Trading System (ETS) in 2020 amounted to €124.52 million. €1.76 million is deducted for the Environmental Protection Agency's administrative expenses, resulting in a net receipt of €122.8 million for return to the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	396	383
Agencies [a]	875	861
	1,271	**1,244**

Note [a] The agencies included here are the Digital Hub Development Agency, Sustainable Energy Authority of Ireland, Inland Fisheries Ireland, the Loughs Agency and the Environmental Protection Agency. Agency pay details following relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies)

	2020 €000	2019 €000
Pay	73,620	70,139
Higher, special or additional duties allowances	236	217
Other allowances	1,517	1,480
Overtime	48	53
Employer's PRSI	6,925	6,501
Total pay	**82,346**	**78,390**

Note The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, B.3, C.1, D.1, D.3, E.1, E.3. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (circular 22 of 2020).

Remuneration of Department staff

	2020 €000	2019 €000
Pay	23,331	22,255
Higher, special or additional duties allowances	20	80
Other allowances	101	61
Overtime	25	34
Employer's PRSI	1,929	1,743
Total pay	**25,406**	**24,173**

Remuneration of agency staff

	2020 €000	2019 €000
Pay	50,289	47,884
Higher, special or additional duties allowances	216	196
Other allowances	1,416	1,360
Overtime	23	19
Employer's PRSI	4,996	4,758
Total pay	**56,940**	**54,217**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Department staff				
Higher, special or additional duties allowances	13	—	4,894	14,186
Other allowances	18	2	20,614	20,614
Overtime	20	—	4,262	4,469
Extra remuneration in more than one category	5	1	11,262	14,245
Agency staff				
Higher, special or additional duties allowances	47	—	9,761	9,116
Other allowances	306	—	9,873	12,000
Overtime	11	—	4,473	3,065
Extra remuneration in more than one category	47	7	14,124	10,114

5.4 Other remuneration arrangements

One public sector worker in receipt of a public sector pension is engaged by the Department on a permanent basis and payments made are consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €407,809 in respect of four officers who were serving outside the Department for all or part of 2020 and whose salaries are paid by the Department.

This account does not include expenditure in respect of twelve officers who were serving outside the Department for all our part of 2020 and whose salaries were paid by the agencies in which they worked.

5.5 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	22	107,379	91,207
Recovery plans in place	9	78,846	67,588

5.6 Severance/redundancy

During 2020, three staff members whose employment was terminated, received severance payments totalling €52,192.Two of these staff members received redundancy payments totalling €23,136.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by:						
Employees	—	—	—	—	—	25
External organisations/ individuals	—	—	—	—	—	230
	—	**—**	**—**	**—**	**—**	**255**

6.2 EU funding

The outturn shown in subheads B.4 and C.5 includes payments in respect of activities which are co-financed by the EU through the European Regional Development Fund (ERDF) and Horizon 2020.

ERDF receipts are paid directly into the Central Fund and related expenditure is provided in Subhead B.4 (2020: €23.394 million; 2019 €39.814 million).

The Department received advance funding of €338,569 from the EU in respect of Horizon 2020 projects and related expenditure is provided in Subhead C.5 (2020: €808,000; 2019: €372,000).

Note 7 Miscellaneous accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2020.

	2020 €000	2019 €000
Balance at 1 January	6,091	5,918
Receipts	38	314
Payments	(57)	(141)
Balance at 31 December	**6,072**	**6,091**

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by the Department. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead C.3.

The Fund is administered by the Geoscience Regulation Office in the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2020.

	2020 €000	2019 €000
Balance at 1 January	20,968	20,968
Receipts	—	—
Investments	—	—
Refund to the Vote in respect of Climate Action Fund projects	(707)	—
Balance at 31 December	**20,261**	**20,968**

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are (1) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (2) to promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Revenue Levy Fund to the EENF.

A total of €14.03 million of funding from the EENF has been invested in Ireland Energy Efficiency Investments plc (IEEI). The State investment in IEEI is matched by private sector funding. The Minister, along with the other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, in consultation with the Minister for Public Expenditure and Reform, decided not to invest any further funding in IEEI beyond May 2018. At 31 December 2020, the State's investment in IEEI was valued at €13.615 million.

Following approval by Government, the Minister, with the consent of the Minister for Public Expenditure and Reform, decided to wind up the EENF and assign the remaining moneys to the Climate Action Fund.

In 2020, pending legislation to establish the Climate Action Fund on a statutory basis, expenditure of €707,166 was provided through Subhead E.11 in respect of Climate Action Fund projects. This expenditure was refunded to the Vote by a matching appropriation-in-aid receipt from the EENF under Subhead F.6 as agreed with the Department of Public Expenditure and Reform.

The remaining balance in the EENF at 31 December 2020 was €20.261 million.

In October 2020, the Minister, as shareholder, received a distribution from IEEI of €1.212 million for the period ended 30 September 2020. Pending a decision on the treatment of this distribution, it was temporarily lodged to a Vote suspense account and is included as a credit balance in note 2.5. The distribution will transfer to the EENF in 2021.

Appendix A Schedule of lands and buildings

The Minister owns the following properties.

1 General Post Office (GPO) building
2 GPO Arcade
3 1-6 Post Office Buildings
4 24-30 Henry Street

These properties are managed under leases or licences granted by the State.

The Minister owns the Galway Fishery in Galway City and the Owenea/Owentocker Fishery in Co. Donegal, both of which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

Appendix B Accounts of bodies and funds under the aegis of the Department of the Environment, Climate and Communications

The following table lists the bodies under the aegis of the Department where the Department has an obligation to present financial statements. It indicates the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
An Post	2019	26 Mar 2020	31 Mar 2020	15 May 2020
Commission for Communications Regulation [a]	2019	19 Mar 2020	29 Apr 2020	23 Jul 2020
Digital Hub Development Agency [b]	2019	29 Jun 2020	30 Jun 2020	—
Bord na Móna	2019	24 Jun 2020	29 Jun 2020	22 Jul 2020
Commission for the Regulation of Utilities	2019	26 May 2020	12 Jun 2020	17 Nov 2020
Eirgrid [c]	2019	20 Dec 2019	31 Jan 2020	9 Nov 2020
ESB	2019	27 Feb 2020	3 Mar 2020	21 May 2020
Irish National Petroleum Corporation	2019	18 Jun 2020	25 Jun 2020	7 Aug 2020
National Oil Reserves Agency	2019	23 Jun 2020	25 Jun 2020	7 Aug 2020
Sustainable Energy Authority of Ireland	2019	26 Jun 2020	29 Jun 2020	17 Nov 2020
Inland Fisheries Ireland	2019	21 Dec 2020	23 Dec 2020	19 Feb 2021
Loughs Agency [b]	2019	11 Feb 2021	25 Feb 2021	—
Environmental Protection Agency	2019	30 Jun 2020	8 Oct 2020	9 Dec 2020
Environment Fund	2019	17 Dec 2020	18 Dec 2020	7 Jan 2021

Note
[a] Period of account 1 July 2018 to 30 June 2019.
[b] Annual report and accounts for 2019 not yet laid before the Oireachtas.
[c] Period of account 1 October 2018 to 30 September 2019.

Appropriation Account 2020

Vote 30

Agriculture, Food and the Marine

Introduction

As Accounting Officer for Vote 30, 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 2020 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €104.353 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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 and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Capital assets

For 2020, the Department has continued to include assets under the €10,000 threshold on the asset register. It is however intended that there will be full compliance with circular 21 of 2020 from 2021 onwards.

State owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

Depreciation

Depreciation is charged on a monthly basis for the life of the assets. The depreciation policy is that a full month's depreciation is charged in the month of acquisition/ commissioning and no depreciation is charged in the month of disposal.

Statement on Internal Financial Control

Responsibility for the 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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of payroll and human resource function.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is, as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department 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 Department 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.

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee and its risk management system.

The Accreditation Review Group, which is chaired by me, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies.

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2020, the Department was subject to approximately 2,267 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 1306/2013.

Non-compliance with procurement rules

The Department 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 and legislation.

The Department complied with the guidelines with the exception of 64 contracts, totalling €3,446,701 (ex. VAT) details are set out below.

- Thirteen contracts with a value of €521,898 were previously awarded but exceeded the relevant thresholds for that competitive process.
- Three contracts with a value of €52,936 arose due to transitional delays in migrating to new service providers.
- Seven contracts with a value of €29,464 were for small non-competitive procurements which were not included in a previously approved compliant non-competitive process.
- Forty-one contracts with a value of €2,842,403 arose due to delays in undertaking a competitive process, due to the highly technical nature of the items involved.

The Department is committed to reducing the level of non-compliant procurements undertaken and continues to target areas of non-compliance in a planned methodical manner.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public and Reform.

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2020.

- The Risk Office, which is based in the Finance Division, works full-time at developing and strengthening risk management activity across the organisation.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for governance and has representation at Head of Division level across the Department, meets on a quarterly basis and provides oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- A new Risk Management System - eRisk, which is part of DPER's Built-to-Share suite of applications available to public sector bodies, was rolled out to DAFM staff by the Risk Office throughout 2020.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- The provision of staff training and support in relation to DAFM's Risk Management Policy and use of the eRisk system continued throughout 2020.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.

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 and the Management Board, where relevant, 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.

Significant financial risks

Brexit

Since 1 January 2021 the UK, excluding Northern Ireland, is outside the EU Single Market and Customs Union. This means new procedures apply for businesses moving goods to, from or through the UK excluding Northern Ireland. The EU-UK Trade and Cooperation Agreement (TCA) came into effect at the same time. This agreement provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitation of agri-food trade and this has created very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish-UK supply chains, leaves it particularly vulnerable to the effects of Brexit.

The Department incurred significant costs associated with Brexit in 2020. These arose in respect of the Department's share of the cost of providing new physical infrastructure in Dublin and Rosslare ports associated with the carrying out of significantly increased official controls on agri-food goods, together with the related recruitment of additional staff and the provision of enhanced IT infrastructure. Infrastructure costs were apportioned across the relevant departments and offices in agreement with OPW and paid by way of supplementary estimate, while staffing and IT costs were met from voted expenditure notified to DPER as part of the estimates process.

Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2020 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

Weaknesses in control over fixed assets

A dedicated asset management unit was formed in January 2017. The unit has been charged with verifying the Department's asset registers. This work encompasses checking for existence, categorisation, the capture of capital assets under construction and full asset detailing. As the categories of assets are verified by the unit, adjustments may be made to the asset register as appropriate. Due to the travel restrictions in place because of the Covid-19 pandemic, the asset verification project has been rescheduled for completion in 2022.

ICT security

The Department has a strong commitment to the security of its ICT systems. These systems are independently reviewed on a regular basis. Documented back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities. The Department had dedicated IT security co-ordination and cyber-security units and is proactive in the development and promotion of information security. ICT security arrangements are subject to review by the IT Audit section of the internal audit unit. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit. The Department holds accreditation under the international standard *ISO 27001: Code of Practice for Information Security Management*, as the basis for its IT security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard.

Review of effectiveness

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Notwithstanding the onset of the Covid-19 pandemic in early 2020, the Department's inspectorate and certification processes continued to function as before. The pandemic did result in some changes to the working and control environment in other business areas within the Department with remote and virtual working becoming the norm. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced because of the Covid-19 pandemic continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

Opinion on the appropriation account

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2020 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 30 Agriculture, Food and the Marine for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Agriculture, Food and the Marine 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 together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

16 September 2021

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Food Safety, Animal and Plant Health and Animal Welfare				
	Original	277,701			
	Supplementary	14,963			
			292,664	278,683	261,782
B	Farm/Sector Support and Controls				
	Original	924,302			
	Deferred surrender	19,800			
	Supplementary	(16,844)			
			927,258	871,290	874,064
C	Policy and Strategy				
	Original	379,072			
	Supplementary	21,674			
			400,746	392,808	356,672
D	Seafood Sector				
	Original	159,039			
	Supplementary	(2,993)			
			156,046	132,213	142,603
Gross expenditure					
	Original	1,740,114			
	Deferred surrender	19,800			
	Supplementary	16,800			
			1,776,714	**1,674,994**	**1,635,121**
	Deduct				
E	**Appropriations-in-aid**		**354,255**	**388,488**	**388,443**
Net expenditure					
	Original	1,385,859			
	Deferred surrender	19,800			
	Supplementary	16,800			
			1,422,459	**1,286,506**	**1,246,678**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €31.6 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2021 (Note 6.7).

	2020 €	2019 €
Surplus	135,953,184	98,428,934
Deferred surrender	(31,600,000)	(19,800,000)
Surplus to be surrendered	**104,353,184**	**78,628,934**

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,389,124	1,361,106
Pay		192,835	180,355
Non pay		93,035	93,660
Gross expenditure		**1,674,994**	**1,635,121**
Deduct			
Appropriations-in-aid		**388,488**	**388,443**
Net expenditure		**1,286,506**	**1,246,678**
Changes in capital assets			
Purchases cash	(6,065)		
Gain on disposal	(65)		
Disposals cash	66		
Depreciation	4,659	(1,405)	(253)
Changes in net current assets			
Increase in closing accruals	8,504		
Decrease in stock	33	8,537	(39,441)
Direct expenditure		**1,293,638**	**1,206,984**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		77,664	77,168
Notional rents		8,027	7,898
Net programme cost		**1,379,329**	**1,292,050**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 30 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	13	2
Vote 12	Superannuation and Retired Allowances	73,040	72,722
Vote 13	Office of Public Works	3,472	3,826
Vote 18	National Shared Services Office	369	344
Vote 43	Office of the Government Chief Information Officer	495	—
Central Fund – ministerial pensions		275	274
		77,664	**77,168**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	14,051	12,647
Current assets			
Bank and cash	2.2	82,501	45,747
Stocks	2.3	2,287	2,320
Accrued income:			
EAFRD funding due from the EU		152,437	165,262
Other amounts due from the EU		5,562	6,924
Scheme overpayments	6.2	1,367	2,640
Due for services		11,227	7,416
Prepayments	2.4	44,332	33,615
Other debit balances	2.5	1,157	7,765
Total current assets		**300,870**	**271,689**
Less current liabilities			
Accrued expenses		13,494	5,926
Deferred income		4	—
Other credit balances	2.6	26,593	22,431
Net Exchequer funding	2.7	57,065	31,081
Total current liabilities		**97,156**	**59,438**
Net current assets		203,714	212,251
Net assets		**217,765**	**224,898**
Represented by:			
State funding account	2.8	**217,765**	**224,898**

2.1 Capital assets

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	143,686	7,045	14,717	91,754	257,202
Additions	3,114	986	84	1,881	6,065
Disposals	(1,102)	(159)	—	(1,041)	(2,302)
Transfers to Fishery Harbour Centres Fund	(2)	—	—	—	(2)
Movement within categories	—	19	(6)	(13)	—
Cost or valuation at 31 December 2020	145,696	7,891	14,795	92,581	260,963
Accumulated depreciation					
Opening balance at 1 January 2020	137,159	5,845	14,171	87,380	244,555
Depreciation for the year	2,395	457	91	1,716	4,659
Depreciation on disposals	(1,101)	(159)	—	(1,041)	(2,301)
Transfers to Fishery Harbour Centres Fund	(1)	—	—	—	(1)
Depreciation on movement within categories	—	16	(6)	(10)	—
Cumulative depreciation at 31 December 2020	138,452	6,159	14,256	88,045	246,912
Net assets at 31 December 2020	**7,244**	**1,732**	**539**	**4,536**	**14,051**
Net assets at 31 December 2019	6,527	1,200	546	4,374	12,647

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	81,123	45,345
Commercial bank account balances	1,378	402
	82,501	**45,747**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Veterinary supplies	1,415	1,158
Laboratory supplies and chemicals	516	479
Livestock	202	244
Agricultural stock	111	111
Oil stocks	16	29
Safety equipment	22	—
Cleaning supplies	5	9
Stationary supplies	—	279
Computer supplies	—	11
	2,287	**2,320**

2.4 Prepayments

at 31 December	2020	2019
	€000	€000
Contributions to World Food Programme (Note 6.5)	25,000	22,300
Future Growth Loan Scheme	11,000	—
Research, quality and certification grants	2,711	6,456
Information management technology	2,937	3,000
Subscriptions	2,194	1,341
Other	490	518
	44,332	**33,615**

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Salaries advances	551	46
Imprests and recoupable travel costs	104	203
Advance payments to OPW	381	6,354
Other debit suspense items	121	1,162
	1,157	**7,765**

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	2,880	2,602
Pay related social insurance	1,781	1,564
Withholding tax	1,493	1,291
Value added tax	804	1,428
Relevant contracts tax	15	1
Pension contributions	721	1,105
Local property tax	30	23
Universal social charge	572	529
	8,296	8,543
Securities	2,506	2,527
Pesticides licencing fees	180	270
EU advances	13,007	8,845
Miscellaneous	2,604	2,246
	26,593	**22,431**

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	104,353	78,629
Deferred surrender	31,600	19,800
Exchequer grant undrawn	(78,888)	(67,348)
Net Exchequer funding	**57,065**	**31,081**
Represented by:		
Debtors		
Bank and cash	82,501	45,747
Debit balances: suspense	1,157	7,765
	83,658	53,512
Creditors		
Due to the State	(8,296)	(8,543)
Credit balances: suspense	(18,297)	(13,888)
	(26,593)	(22,431)
	57,065	**31,081**

2.8 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			224,898	185,218
Disbursements from the Vote				
Estimate provision	Account	1,422,459		
Deferred surrender	Account	(31,600)		
Surplus to be surrendered	Account	(104,353)		
Net vote			1,286,506	1,246,678
Expenditure (cash) borne elsewhere	1.1		77,664	77,168
Non cash items - transferred assets	2.1		(1)	(14)
Non cash expenditure - notional rent	1		8,027	7,898
Net programme cost	1		(1,379,329)	(1,292,050)
Balance at 31 December			**217,765**	**224,898**

2.9 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	78,672	39,457
Non-capital grant programmes	395,731	558,905
Capital grant programmes	617,319	609,011
Major capital project	600	561
Total of legally enforceable commitments	**1,092,322**	**1,207,934**

Non-capital grant commitments

	Due 2021 €000	Subsequent years €000	2020 Total €000	2019 Total €000
Green, low-carbon agri-environment scheme	202,174	40,016	242,190	303,768
Food research	18,500	43,958	62,458	71,737
Locally led schemes – current	17,028	17,643	34,671	43,512
Sheep welfare	17,000	2,500	19,500	27,979
Grants to the organic sector	12,738	3,209	15,947	15,500
Beef data genomics programme	10,464	4,720	15,184	57,132
European Maritime and Fisheries Fund - current	2,429	507	2,936	5,554
European innovation partnership	484	393	877	1,398
Land annuity payments	149	1,351	1,500	—
School milk and fruit	111	222	333	444
Knowledge transfer	110	25	135	6,000
World Food Programme	—	—	—	25,700
Agri-environment options scheme	—	—	—	109
Rural environment protection scheme	—	—	—	72
Total of legally enforceable commitments	**281,187**	**114,544**	**395,731**	**558,905**

Capital grant programme commitments

	2020 Total €000	2019 Total €000
Opening balance	609,011	697,528
Grants paid in the year	(171,655)	(192,966)
New commitments	214,386	172,640
Grants decommitments	(34,423)	(68,191)
Closing balance	**617,319**	**609,011**

Capital grant programme commitments

	Due 2021	Subsequent years	2020 Total	2019 Total
	€000	€000	€000	€000
Afforestation	76,642	429,226	505,868	505,686
Targeted agriculture modernisation schemes	64,662	—	64,662	74,394
Fishery Harbour Centres capital programme	17,399	1,331	18,730	16,944
SBCI- Brexit Loan Scheme	14,000	—	14,000	—
LEADER food initiative	5,500	2,430	7,930	—
Horticulture scheme	2,651	—	2,651	1,385
Food Innovation Hub	1,150	—	1,150	7,150
Capital investment grants	901	—	901	2,078
European Maritime and Fisheries Fund - capital	643	714	1,357	1,357
Locally led schemes - capital	70	—	70	17
Total of legally enforceable commitments	**183,618**	**433,701**	**617,319**	**609,011**

Major capital project commitments

Project	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Haulbowline remediation project	24,760	577	600	25,937	25,321

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

Haulbowline remediation project

Increase in expected total spend: €616,000

The increase in expenditure was due to residual (retention payment) project costs, site maintenance and post-construction environmental monitoring commitments to the former East Tipp project.

2.10 Contingent liabilities

EU operations

1. The Department is aware of a temporary suspension under Ireland's EMFF Operational Programme due to the delayed implementation of the EU points system required under EU Regulations.

   The Minister has since introduced regulations which fully meet the relevant requirements in relation to sea fishing boat licence holders. To finalise compliance with the EU requirements, the Minister is seeking as a matter of urgency, to progress heads of a bill to allow for the introduction of appropriate legislation for masters of fishing vessels.

   While Ireland is making every effort to comply with the obligations under the EU Fisheries Control Regulation, in 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €24.437 million in suspended payments as at the end of 2020.

   EU Regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements.

2. The Department is aware of potential sanctions in relation to matters identified following an Administrative Inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Minister is in receipt of the EU Commission findings and the Department and the Sea Fisheries Protection Authority, which is legally responsible for operational control, is undertaking a full engagement with the Commission on the matters identified. The nature and timing of any potential liabilities is still uncertain.

3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.

   2019 EAFRD non-IACS audit - The audit was conducted in November 2019 and a bilateral meeting to discuss the findings took place in November 2020. The Department is currently awaiting a response to information provided to DG AGRI in February 2021.

   2020 Area Aid audit - This audit was conducted in July 2020 and a bilateral meeting to discuss the findings is scheduled to take place in June 2021.

   2020 BEAM audit - This audit took place in November 2020 and the letter of findings was received in February 2021. A bilateral meeting to discuss the findings is scheduled to take place in September 2021.

Other

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	197,373			
	Supplementary	(4,000)			
			193,373	192,835	180,355
ii	Travel and subsistence		8,300	5,706	9,002
iii	Training and development and incidental expenses		6,606	5,101	5,305
iv	Postal and telecommunication services		5,102	4,376	4,547
v	Office equipment and external IT services		46,101	42,299	37,106
vi	Office premises expenses				
	Original	16,687			
	Supplementary	17,300			
			33,987	26,818	30,715
vii	Consultancy services and value for money and policy reviews		423	85	92
viii	Supplementary measures to protect the financial interests of the EU		900	837	760
ix	Laboratory services		7,626	7,813	6,133
			302,418	**285,870**	**274,015**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €8.3 million; outturn €5.706 million

The shortfall in expenditure of €2.594 million relative to the estimate provision is due to decreased travel as a result of the Covid-19 pandemic. In line with the government restrictions, only essential travel was recommended by the Department, and this led to an overall reduction in travel and subsistence related costs for the year.

iii Training and development and incidental expenses

Estimate provision €6.606 million; outturn €5.101 million

The shortfall in expenditure of €1.505 million relative to the estimate provision was mainly due to savings in staff travel cost resulting from travel restrictions imposed under the Covid-19 pandemic, and the increase in on-line training. Savings also arose in the PeoplePoint service charge as staff numbers were lower during the year as Covid-19 resulted in a temporary pause in recruitment.

vi Office premises expenses

Estimate provision €16.687 million; outturn €26.818 million

The increase in expenditure of €10.131 million relative to the original estimate provision was due to the Department incurring ongoing costs associated with provision of physical infrastructure in Dublin and Rosslare ports and Dublin airport to facilitate increased export/import controls on agri-food goods. Due to delays caused by Covid-19 restrictions, the full supplementary budget could not be used in 2020.

vii Consultancy services and value for money and policy reviews

Estimate provision €423,000; outturn €85,000

The shortfall in expenditure of €338,000 relative to the estimate provision was due to a combination of planned consultancies no longer being needed and planned reviews not being undertaken in 2020.

Programme A Food Safety, Animal and Plant Health and Animal Welfare

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	115,346			
	Supplementary	(2,337)			
			113,009	112,694	102,764
A.2	Administration − non pay				
	Original	56,440			
	Supplementary	17,300			
			73,740	61,956	65,979
A.3	Food safety, animal health and plant health and animal welfare		105,915	104,033	93,039
			292,664	**278,683**	**261,782**

Programme B Farm/Sector Support and Controls

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
B.1	Administration − pay				
	Original	56,442			
	Supplementary	(1,144)			
			55,298	55,144	53,389
B.2	Administration − non pay		23,797	21,097	19,094
B.3	Agri-environmental schemes		244,590	228,164	236,500
B.4	Areas of natural constraint scheme		250,000	247,324	248,552
B.5	Development of agriculture and food (farm)				
	Original	84,762			
	Deferred surrender	19,800			
	Supplementary	(6,500)			
			98,062	81,193	83,650
B.6	Beef sustainability schemes		135,350	130,126	87,108
B.7	Knowledge transfer		5,000	2,476	22,167
B.8	Animal welfare scheme for sheep		18,000	16,755	17,382
B.9	Early retirement scheme		220	(30)	187
B.10	Forestry and bio energy				
	Original	92,929			
	Supplementary	(8,000)			
			84,929	79,218	89,732
B.11	Control and other support scheme costs				
	Original	12,618			
	Supplementary	(1,200)			
			11,418	9,752	14,213
B.12	Other Schemes		594	71	2,090
			927,258	**871,290**	**874,064**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €72.812 million lower than originally provided. An underspend of €3.998 million in administration expenditure has already been explained. The balance of the variance of €68.814 million was mainly due to the following.

B.3 Agri-environmental schemes

Estimate provision €244.59 million; outturn €228.164 million

The shortfall in expenditure of €16.426 million relative to the estimate was mainly due to the following reasons. There was €3.879 million in savings in the locally led agri-environment schemes as due to the Covid-19 pandemic there was a delay in the hen harrier and pearl mussel schemes, with a number of submissions not received until 2021. The European Innovation Partnership open call groups also experienced delays due to the pandemic. There were savings of €3.555 million in the organic farming scheme as some participants were delayed in meeting the payment criteria by year end but will do so in 2021. There was also a saving of €7 million as the Coillte bog rewetting scheme had not cleared the planning and procurement stage during 2020, so the planned expenditure did not occur.

B.5 Development of agriculture and food (farm)

Estimate provision €104.562 million; outturn €81.193 million

The shortfall in expenditure of €23.369 million relative to the original estimate was mainly due to the following reasons. Savings of €15.648 million arose in the TAMS II scheme due to a large amount of approvals that expired in 2020. Due to the impact of Covid-19 on the horticulture sector, savings of €1.138 million arose as a significant number of 2020 projects did not proceed and were deferred into 2021. Savings of €1.159 million arose in the organic sector as some events were not held due to the pandemic and others were held virtually, reducing the budget needed. However, extensions to allow for the completion of contracts were agreed. Additionally, €425,000 savings were made in pilot waste processing scheme due to an overestimation of final costs.

B.7 Knowledge transfer

Estimate provision €5 million; outturn €2.476 million

The shortfall in expenditure of €2.524 million relative to the estimate was attributable for the most part to a higher than expected level of non-compliance with the scheme requirements. As these requirements are tied to both participant and facilitator payments, this has resulted in a significant reduction in actual outturn. Additionally, the continuation of participant withdrawals from the scheme has also contributed to lower payments than originally anticipated.

B.8 Animal welfare scheme for sheep

Estimate provision €18 million; outturn €16.755 million

The shortfall in expenditure of €1.245 million relative to the estimate was mainly because the number of applicants qualifying for payments was lower than expected.

B.9 Early retirement scheme

Estimate provision €220,000; outturn (€30,000)

The shortfall in expenditure of €250,000 relative to the estimate was due to an overestimation of expenditure coupled with the continued recovery of previous overpayments.

B.10 Forestry and bio energy

Estimate provision €92.929 million; outturn €79.218 million

The shortfall in expenditure of €13.711 million relative to the original estimate was mainly due to savings in the afforestation scheme which is demand led, and demand was not as great as anticipated in 2020. Additionally, some individuals choose to allow their premiums to build-up, to bulk claim at a future date.

The volume of appeals to the granting of forestry licenses for planting, and for construction of forest roads, has caused significant backlogs and impacted the issuing of payments. Fundamental changes made to the internal appropriate assessment procedures, introduced in response to decisions made by the Court of Justice of the European Union, have in the short term led to delays in issuing licenses.

Covid-19 restrictions meant that knowledge transfer groups could not be run to full capacity or be completed in 2020.

B.11 Control and other support schemes

Estimate provision €12.618 million; outturn €9.752 million

The shortfall in expenditure of €2.866 million relative to the original estimate was mainly due to savings of €1.9 million in the public storage costs of agricultural products as a result of favourable market conditions.

Savings of €974,000 in lower intervention losses arose following conformity audits on the eligibility of EU expenditure. The timing of any charges is difficult to predict.

B.12 Other schemes

Estimate provision €594,000; outturn €71,000

The shortfall in expenditure of €523,000 relative to the original estimate was due to provision being made for a possible pilot relocation scheme which didn't proceed during the year.

Programme C Policy and Strategy

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay				
	Original	16,085			
	Supplementary	(326)			
			15,759	15,715	15,216
C.2	Administration − non pay		6,209	5,258	4,771
C.3	Research, quality and certification		26,712	26,094	25,161
C.4	Development and promotion of agriculture and food (non-farm)				
	Original	14,821			
	Supplementary	(2,300)			
			12,521	3,999	7,550
C.5	Teagasc grant		144,132	144,373	134,673
C.6	An Bord Bia grant		48,229	46,935	44,844
C.7	Horse and Greyhound Racing Fund		84,000	84,000	84,000
C.8	Cedra Rural Innovation and Development Fund		1,500	1,497	1,486
C.9	Food aid donations – World Food Programme				
	Original	700			
	Supplementary	24,300			
			25,000	25,700	25,300
C.10	SBCI loan schemes		20,372	25,705	—
C.11	Other services		16,312	13,532	13,671
			400,746	**392,808**	**356,672**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme C was €13.736 million higher than originally provided. The underspend of €1.321 million in administration expenditure has already been explained. The balance of the offsetting overspend of €15.057 million was mainly due to the following.

C.4 Development and promotion of agriculture and food (non-farm)

Estimate provision €14.821 million; outturn €3.999 million

The shortfall in expenditure of €10.822 million relative to the original estimate was mainly due to the following reasons.

€5 million in savings arose for the funding of the prepared consumer food centre, due to the Covid-19 pandemic. The resultant restrictions gave rise to construction delays which consequently delayed the purchasing and commissioning of the necessary equipment.

Savings of €1.843 million arose in the Brexit food capital investment fund as uptake of the scheme was low due to the uncertainties caused by Brexit. These uncertainties were further exacerbated by the Covid-19 pandemic, and it is very difficult to predict uptake as companies have taken a more cautious approach to new projects. Savings of €500,000 arose in the Brexit food competitiveness fund as Enterprise Ireland confirmed in late 2020 that funding would not be required by them under this scheme.

Savings of €350,000 arose in the Lean Principles Programme for Pig Farmers as Covid-19 travel restrictions meant farm visits by Lean Principles consultants, required under the programme, could not take place.

Savings of €1.462 million arose in the promotion of the school fruit scheme (Food Dudes) because schools were closed as a consequence of Covid-19. Savings of €704,000 arose in the Leader food initiative as economic uncertainty caused by both Brexit and the Covid pandemic resulted in lower participation in the initiative.

Savings of €203,000 arose in the beef modernisation scheme as due to the emergence of the Covid-19 pandemic the required upgrading work could not be undertaken in the meat plants approved under the scheme during 2020.

C.9 Food aid donations – World Food Programme

Estimate provision €700,000; outturn €25.7 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement of €25 million in respect of the Irish 2021 contribution under the strategic partnership agreement 2019-2021 which was made in December 2020 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 SCBI loan schemes

Estimate provision €20.372 million; outturn €25.705 million

The increase in expenditure of €5.333 million relative to the estimate was due to savings mainly from the Brexit loan scheme which were subsequently offset against the commencement of contributions on the Future Growth Loan Scheme.

C.11 Other services

Estimate provision €16.312 million; outturn €13.532 million

The shortfall in expenditure of €2.78 million relative to the estimate was mainly due to savings in legal costs as the full amount of this prudent provision was not required by the Department during the year.

Programme D Seafood Sector

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay				
	Original	9,500			
	Supplementary	(193)			
			9,307	9,282	8,986
D.2	Administration − non pay		5,299	4,724	3,816
D.3	Fisheries				
	Original	49,698			
	Supplementary	(1,600)			
			48,098	29,828	41,562
D.4	Marine Institute grant		38,381	37,105	34,926
D.5	Bord Iascaigh Mhara grant		38,500	37,500	38,195
D.6	Sea Fisheries Protection Authority				
	Original	17,361			
	Supplementary	(1,200)			
			16,161	13,197	13,005
D.7	Haulbowline remediation project		300	577	2,113
			156,046	**132,213**	**142,603**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme D was €26.826 million lower than originally provided. The variation of €793,000 in administration expenditure has already been explained. The balance of the variance of €26.033 million was mainly due to the following.

D.3 Fisheries

Estimate provision €49.698 million; outturn €29.828 million

The shortfall in expenditure of €19.87 million relative to the original estimate was mainly due to savings of €15.585 million in the capital expenditure programme, and savings of €3.719 million in the environmental compliance and seafood development programmes. These savings arose as a result of delays in projects getting started and delays on expenditure on other projects, due to Covid-19 restrictions.

D.6 Sea Fisheries Protection Authority

Estimate provision €17.361 million; outturn €13.197 million

The shortfall in expenditure of €4.164 million relative to the original estimate was mainly due to €2 million savings in pay due to the timing of the recruitment of approved numbers of staff, and €329,000 savings in superannuation due to a lower than expected number of retirements. Non-pay savings of €1.6 million arose mainly due to a reduction in travel and subsistence costs as a consequence of the Covid-19 pandemic. Savings in capital of €235,000 arose due to the deferral of some capital projects to 2021.

D.7 Haulbowline remediation project

Estimate provision €300,000; outturn €577,000

The increase in expenditure of €277,000 relative to the estimate was mainly due to residual (retention payment) project costs, site maintenance and post-construction environmental monitoring commitments to the former East Tipp project.

Note 4 Receipts

4.1 Appropriations-in-aid

			2020		2019
		Subhead	Estimated	Realised	Realised
			€000	€000	€000
1	Recoupment of salaries, etc. of officers on loan to outside bodies		650	1,122	690
2	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1	6	187
3	Refunds from veterinary fees for inspection at poultry and other meat plants	A.3	17,945	19,362	19,531
4	Receipts from veterinary inspection fees for live exports	A.3	723	928	664
5	Receipts from fees for dairy premises inspection services	A.3	6,750	8,116	8,143
6	Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	A.3	675	530	602
7	Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	C.3	1,929	2,970	2,766
8	Receipts from farmer contributions towards the cost of eradicating bovine disease	A.3	7,000	7,853	7,637
9	Land Commission receipts		300	194	380
10	Other receipts		2,701	2,587	3,129
11	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	B.11	975	—	300
12	Intervention stock losses, etc.	B.11	—	1,027	960
13	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9	270,000	306,002	299,533
14	Veterinary Fund	A.3	7,205	7,865	9,279
15	Other Guarantee receipts from EU (Agriculture)	B.11	45	33	36
16	Proceeds of fines and forfeitures in respect of sea fisheries	D.3	100	40	292
17	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	D.3	100	76	188
18	EU recoupment in respect of expenditure on the conservation and management of fisheries	D.3	—	—	—
19	Aquaculture licence fees	D.3	412	529	578
20	EU receipts for EMFF	D.3	25,000	19,482	23,030
21	EFF (Fisheries) 2007-2013	D.3	—	—	—
22	Receipts from Sustainable Food Systems Ireland		200	59	74

		Subhead €000	2020 Estimated €000	2020 Realised €000	2019 Realised €000
23	Receipts from additional superannuation contributions on public service remuneration		11,544	9,707	10,444
	Total		**354,255**	**388,488**	**388,443**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €34.233 million greater than the original estimate. Explanations for variances are set out below.

1 Recoupment of salaries, etc. of officers on loan to outside bodies

Estimate €650,000; realised €1.122 million

The increase of €472,000 was due to the recoupment in 2020 of monies due from earlier years in respect of seconded officers.

3 Refunds from veterinary fees for inspection at poultry and other meat plants

Estimate €17.945 million; realised €19.362 million

The increase of €1.417 million was mainly due to an increase of €1.74 million in slaughter and cutting activity levels together with an increased emphasis by the division on the collection of outstanding fees and the timely payment of all invoices. This was offset by lower inspection fees at borders due to a decline in imports.

4 Receipts from veterinary inspection fees for live exports

Estimate €723,000; realised €928,000

The increase of €205,000 was mainly due to payment of overdue accounts, and to an increase in the number of cattle exported aged over 3 months, which has a higher inspection fee than for cattle under 3 months.

5 Receipts from fees for dairy premises inspection services

Estimate €6.75 million; realised €8.116 million

The increase of €1.366 million was due to an increased milk production in 2020.

6 Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island.

Estimate €675,000; realised €530,000

The decrease of €145,000 was mainly due to a shortfall in the receipts for veterinary laboratory testing, as a result of a reduction in demand for testing from private veterinary practices.

7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm

Estimate €1.929 million; realised €2.97 million

The increase of €1.041 million was mainly due to extra receipts for registration fees, following the onset of the Covid-19 pandemic, received for PPE and biocidal products placed on the national register. This reflects a stronger than anticipated level of registrations driven by external commercial interest and demand particularly in the area of hand sanitisers.

8 Receipts from farmer contributions towards the cost of eradicating bovine disease

Estimate €7 million; realised €7.853 million

The increase of €853,000 was due to continued expansion in the dairy sector.

9 Land Commission receipts

Estimate €300,000; realised €194,000

The decrease of €106,000 was due to the Covid-19 pandemic which has impacted negatively on receipts in 2020.

11 Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures

Estimate €975,000; realised €nil

The decrease of €975,000 was due to favourable market conditions and consequently no product was held under public storage.

12 Intervention stock losses, etc.

Estimate €nil; realised €1.027 million

Revenue under this heading is derived from provisions in CAP legislation which enables accredited paying agencies to retain 20% of irregularities and 25% of cross compliance debt recovered on the EAGF fund in a financial year. The increase of €1.027 million arose following the clearance of the 2019 EAGF account. By their nature these receipts are difficult to predict as they are dependent on the level of determined irregularities and their subsequent recovery.

13 EAFRD (European Agricultural Fund for Rural Development)

Estimate €270 million; realised €306.002 million

Receipts under this heading correspond to an EU contribution on eligible EAFRD expenditure incurred in the financial year 2020. A higher than forecast rate on advance payments permitted under EU Regulation 1306/2013 (Article 75) for RDP measures at 85% advance rather than 75% advance on ANC payments issued in September resulted in an increased reimbursement in December 2020. The timing of a higher than forecast level of EAFRD related expenditure pre 16 October 2020 impacted the reimbursement in 2020 rather than the forecasted 2021 reimbursement resulting in the increase of €36.002 million.

14 Veterinary Fund

Estimate €7.205 million; realised €7.865 million

The increase of €660,000 was mainly due to the 2019 EC vet refund claim being refunded at a higher rate than was expected. These monies were received in 2020.

19 Aquaculture licence fees

Estimate €412,000; realised €529,000

The increase of €117,000 was due to an increase in licensed aquaculture sites in recent years.

20 EU receipts for EMFF

Estimate €25 million; realised €19.482 million

The decrease of €5.518 million was due to estimate provided for 2020 receipts being prepared based on the expected resolution of an ongoing control and enforcement issue which has resulted in the Commission retaining part of the projected receipts. Progress is being made in this area and it is hoped that the outstanding funds retained over recent years, which at close of 2020 amounted to over €24 million, will be released in 2021.

22 Receipts from Sustainable Food Systems Ireland

Estimate €200,000; realised €59,000

The decrease of €141,000 was due to the 2020 reimbursement (relevant to 2019 costs) from two agencies not being received in 2020.

23 Receipts from additional superannuation contributions on public service remuneration

Estimate €11.544 million; realised €9.707 million

The decrease of €1.837 million was mainly due to the following.

There was €1.15 million less receipts for the DAFM pension levy due to Covid-19 as the Department temporarily paused recruitment during the initial lockdown phase, before recommencing in a stronger capacity in quarter 3. In addition, it was anticipated that the full complement of Brexit staff would be required for all of 2020, incurring additional payroll expenditure. Due to the implementation of transitional Brexit arrangements, Brexit recruitment took place later in 2020 than initially planned, with some recruitment being put on hold in 2021.

The remaining shortfall in receipts was from the State agencies, mainly due to projected staff numbers not being achieved due to Covid-19 combined with some estimates being too high as they didn't factor in the change to the overall ASC bands and the reductions of the rate for the Single Scheme.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Recovery of administration errors	112	—
Clearance of suspense accounts	6	—
1% superlevy surplus	—	705
Proceeds of SFPA fleet sale	—	419
Transferred to the Exchequer	(118)	(1,124)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	3,565	3,358
Agencies [a]	1,594	1,609
	5,159	**4,967**

Note [a] The agencies under the aegis of the Department, with a pay element to their grant as provided in the Department's estimates are Bord Bia, Bord Iascaigh Mhara, Marine Institute, Sea-Fisheries Protection Authority and Teagasc.

5.2 Pay

Remuneration of Department staff

	2020 €000	2019 €000
Pay	174,077	163,536
Redundancy and severance	265	—
Higher, special or additional duties allowances	284	242
Other allowances	1,456	1,528
Overtime	2,617	3,011
Shift allowances	925	659
Employer's PRSI	13,156	11,671
Total pay	**192,780**	**180,647**

Agency remuneration

	2020 €000	2019 €000
Pay	82,198	79,470
Higher, special or additional duties allowances	1,112	979
Other allowances	607	588
Overtime	132	162
Gratuity payments	847	307
Employer's PRSI	3,752	3,551
Total pay	**88,648**	**85,057**

Note The allowances, overtime and other remuneration details in notes 5.3 through to 5.5 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

5.3 Allowances and overtime payments

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	86	2	11,937	12,410
Shift allowances	230	22	19,939	20,741
Other allowances	774	10	22,088	20,614
Overtime	725	74	28,563	28,171
Extra remuneration in more than one category	338	112	33,620	39,614

5.4 Other remuneration arrangements

In total, €1,105,701 was paid to 62 retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 were applied in the payment of these fees.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	166	531,512	746,314
Recovery plans in place	96	319,081	392,782

5.6 Redundancy and severance

During 2020, seven staff members whose employment was terminated, were paid a total of €55,812 in redundancy payments and severance payments totalling €209,468.

Note 6 Miscellaneous

6.1 EU funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D include expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €831,197 for EU Funding which has been disallowed due to conformity clearance decisions and €88,245 in late payments.

The account includes interest of €164,260 paid on short-term borrowings of €750 million borrowed in 2019 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2020 along with interest.

A total of €670 million in short-term funds were borrowed in 2020 to fund EAGF Guarantee expenditure pending EU recoupment in 2021. These loans are reflected in the financial statements of the European Agricultural Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), Irish operations.

EU-funded income and expenditure managed by the Department of Agriculture, Food and the Marine

	2020	2019
	€m	€m
Direct payment/basic payment scheme	1,187	1,204
Intervention/aid to private storage	—	(12)
Other market supports	6.9	61.8
Other	(4)	(3)
Co-funded receipts (measures co-funded by the EU) [a]		
	2020	**2019**
	€m	**€m**
EAFRD Rural Development Programmes	306	299
Veterinary Fund	7	9
Other co-financing receipts	1	1
Fisheries		
EMFF - European Maritime and Fisheries Fund 2014-2020 [b]	19	23
Total pay	**1,523**	**1,583**

Notes
[a] Only the EU co-funding on these programmes is shown in this table.
[b] EMFF receipts of €13 million are held in a suspense account (EU advances) in accordance with public financial procedures.

6.2 Scheme overpayments

	2020	2019
	€000	€000
Scheme overpayments at 1 January	2,640	2,281
Adjustment for early retirement scheme	—	(6)
Overpayments raised in the year	13,330	15,506
Corrections	(1,212)	(816)
Recoveries	(12,672)	(14,058)
Write-offs (note 6.3)	(719)	(267)
Scheme overpayments at 31 December	**1,367**	**2,640**

6.3 Write-offs

The following sums were written off in the year	2020	2019
	€	€
Scheme overpayments:		
Afforestation scheme	379,174	22,060
Rural environment protection scheme	126,024	229,546
Miscellaneous EU premia and area based schemes	2,936	13,121
Miscellaneous Vote premia	1,539	846
Early retirement scheme	208,354	—
Private veterinary practitioners	753	1,174
	718,780	**266,747**
Customers:		
Customers no longer trading	107,022	1,630,294
Aquaculture licenses expired/surrendered and not renewed	—	7,429
Salary related debts	22,960	—
Other reasons	10,100	6
	140,082	**1,637,729**

6.4 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees of the Department	1	6	4	23	33	135
Claims by members of the public	28	45	527	458	1,030	1,565
		51	**531**	**481**	**1,063**	**1,700**

6.5 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2019-2021, was signed by the World Food Programme (WFP) Executive Director and the Department in December 2018. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €20 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €70 million.

This allocation is made in continued support of the current strategic objectives of the World Food Programme, namely

- to end hunger, by protecting access to food
- to improve nutrition
- to achieve food security
- to support implementation of Sustainable Development Goals (SDG)
- to partner for SDG results.

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2021 allocation. The Department agreed to an early payment of €25 million of the 2021 allocation, with payment being made in December 2020, and this amount is included in prepayments in the statement of financial position.

The Food and Agriculture Organisation (FAO) is the main specialised agency of the United Nations that leads international efforts to end worldwide hunger; to achieve food security for all; and to make sure that people have regular access to enough high quality food to lead active, healthy lives.

Subscriptions and additional voluntary contributions to the FAO are used to provide aid to 130 countries to help them in the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2020 amounted to €3.675 million (2019: €2.605 million).

6.6 Ex-gratia payments

An ex-gratia payment of €2,110 was made to a herd owner as compensation for a disputed herd restriction.

6.7 Deferred surrender

Deferred surrender comprises savings in 2020 of €31.6 million in capital expenditures, in the following subheads, that were carried over to 2021.

		€000
A.3	Food safety, animal health and plant health and animal welfare	2,200
B.3	Agri-environment schemes	968
B.5	Development of agriculture and food (farm)	8,700
B.10	Forestry and bio energy	2,900
C.4	Development and promotion of agriculture and food (non-farm)	7,000
D.3	Fisheries	9,832
		31,600

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2020

	2020	2019
	€000	€000
Balance at 1 January	—	—
Receipts (subhead C.7)	84,000	84,000
Payments		
Horse Racing Ireland	67,200	67,200
Rásaíocht Con Éireann	16,800	16,800
Balance at 31 December	**—**	**—**

Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations

Property	Area Hectares
Cork	
Haulbowline Island (including bridge and access road)	45.7
Blood testing laboratory, Model Farm Road	—
Regional veterinary laboratory, Model Farm Road	2.8
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Duhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato testing centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
Dublin	
Forest plot, Killakee	0.7
Galway	
Land Commission non-agricultural lands	
Kilcooley	1.7
Kylenalmelly	1.3
Sylaun	1.7
Rosmore	3.2
Meelickmore	12.4
Cooloo	52.1
Lands, Teagasc College, Athenry	14.0
Forest plot, Ballinahinch	60.7
Forest plot, Oughterard	7.0
Kerry	
Land Commission non-agricultural lands	
Glanlea	4.0
Ballydunlea	284.6
Forest plot, Kenmare	0.2
Kildare	
Stacumny Cottage, Backweston	—
Lands, Backweston	150.0

Kilkenny	
Regional Veterinary Laboratory, Kilkenny	0.9
Lands, Kildalton Teagasc College, Pilltown	18.0
Laois	
Forest plot, Durrow	2.2
Limerick	
Dairy Science Laboratory, Limerick	3.2
Regional Veterinary Laboratory, Limerick	1.2
Forest plot, Adare	3.0
Longford	
Land Commission non-agricultural land, Rossbeg	79.0
Mayo	
Land Commission non-agricultural lands	
Ballymacrah	12.1
Derry	34.8
Forest plot, Foxford	3.0
Offaly	
Land Commission non-agricultural lands	
Clorhane	8.2
Ballyegan	44.7
Forest plot, Tullamore	2.5
Roscommon	
Land Commission non-agricultural lands	
Ballynahouna/Ballaghcullia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3
Forest plot, Lough Key	16.0
Sligo	
Regional Veterinary Laboratory, Sligo	1.4
Land Commission non-agricultural land, Cloonkeelaun	244.0
Forest plot, Benbulbin	0.5

Tipperary	
Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Carrick-on-Suir	2.5
Forest plots, Kilsheelan	1.9
Westmeath	
Regional Veterinary Laboratory, Athlone	1.7
Forest plot, Lough Ennel	14.5
Wexford	
Forest plot, Forth	4.8
Forest plots, Gorey	11.1
Wicklow	
Forest plot, Shelton	0.2
Forest plot, Avonmore	1.0
Forest plot, Enniskerry	4.0
Forest plot, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plot, Glen of Imaal	3.0

Property at fishery harbours

In addition, land and buildings at six fishery harbour centres are vested in the Minister. They are accounted for separately in the Fishery Harbour Centres Fund account.

Appendix B Accounts of bodies and funds under the aegis of the Department of Agriculture, Food and the Marine

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aquaculture Licenses Appeals Board	2019	22 Dec 2020	28 Jan 2021	Not yet presented
Bord Bia	2019	30 Jun 2020	2 Jul 2020	1 Dec 2020
Bord na gCon	2019	27 Aug 2020	2 Sep 2020	9 Nov 2020
Bord Iascaigh Mhara	2019	16 Nov 2020	16 Dec 2020	18 Feb 2021
Coillte Teoranta [a]	2019	30 Mar 2020	31 Mar 2020	13 Jul 2020
Fishery Harbour Centres Fund	2019	7 Dec 2020	27 Jan 2021	5 Feb 2021
Horse Racing Ireland	2019	6 Jul 2020	23 Sep 2020	21 Dec 2020
Irish Horse Racing Regulatory Board	2019	30 Nov 2020	1 Dec 2020	3 Feb 2021
Irish National Stud Company Ltd [b]	2019	20 Apr 2020	22 Apr 2020	18 May 2020
Marine Institute	2019	16 Dec 2020	5 Feb 2021	Not yet presented
National Milk Agency [c]	2019	26 Mar 2020	21 Jul 2020	18 Feb 2021
Sea Fisheries Protection Authority	2019	20 May 2020	24 Jun 2020	11 Nov 2020
Teagasc	2019	29 Jun 2020	30 Jun 2020	30 Jul 2020
The Public Trustee of Ireland	2019	1 Apr 2020	1 Apr 2020	22 May 2020

Notes

[a] Coillte Teoranta, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.

[b] Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act, 1945 under which it was established.

[c] National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.

Appropriation Account 2020

Vote 31

Transport

Introduction

As Accounting Officer for Vote 31, 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 2020 for the salaries and expenses of the Office of the Minister for Transport including certain services administered by that Office, for payment of certain grants and certain other services.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €234.406 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.

Transfer of functions

In 2020, the Department restructured following formation of Government. Tourism and sport functions, along with responsibility for their agencies transferred to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. A number of associated financial transfers had completed at year-end. An additional €29.456 million associated with the transfer of functions is included in this account. In 2019, the Department received sanction to defer the surrender of €29.449 million in respect of Tourism and Sport subheads. The Department of Public Expenditure and Reform have agreed that the sum should be offset against the Exchequer grant undrawn (see note 2.6) at 31 December 2020. A receipt relating to Sport for €7,000 subsequently received by the Department post transfer of functions was transferred to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media in March 2021. This amount has been included in note 2.5 (credit balances).

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 and Reform in circular 21 of 2020 have been applied in the preparation of the account with the exception of the revised capital assets threshold. As provided for in the circular, asset thresholds for the capitalisation of assets increased from €1,000 to €10,000 from 1 January 2020 with an option to continue to report on the old threshold (€1,000) on a one-off basis for 2020. This department has continued to apply the threshold of €1,000 for the capitalisation of assets in 2020 and will move to the revised asset threshold of €10,000 from 2021.

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 Department.

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

Shared services

The Accounting Officer for the National Shared Services Office has provided me with a letter outlining the progress made in the development of the audit assurance process. This letter addresses the framework of governance and controls in place and includes the reports of audits conducted into the operation of controls within the shared services environment.

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

I have fulfilled my responsibilities in relation to the requirements of the employee services management agreement (ESMA) between this Department and the National Shared Services Office for the provision of payroll and human resource shared services.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines, and
- with respect to its management procedures, the Finance Division of the Department has been certified as compliant with ISO 9001:2015 standard up to 2023.

This international standard, published by the International Standards Organisation (ISO) specifies the requirements for a Quality Management System (QMS). A QMS is a formalised system that documents processes, procedures and responsibilities for achieving quality policies and objectives. An annual audit of the Finance Division's QMS against the ISO requirement was conducted and has been certified as compliant with ISO 9001:2015 up to February 2023.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which the Secretary General approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by the Secretary General, 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 the Secretary General and the Audit Committee. Procedures are in place to ensure that the reports of the internal audit function are followed up.

During 2020, the Department's internal audit function made several key recommendations during the following two audits:

Cyber security audit (two high findings) in relation to security monitoring and vulnerability identification and remediation:

The introduction of a formal on-call model for out of hours support and consideration around the introduction of a security information and event manager (SIEM) tool to support monitoring and alerting capability was recommended by internal audit (IA).

An out-of-hours proposal was agreed with the Information security management group (ISMG) and a market scoping exercise is currently underway. A security information and event manager (SIEM) tool is still being considered and is part of the 2021 Information Services Division (ISD) Business Plan and a proposal will be brought to ISMG in the coming weeks.

The agreed date for implementation is Q1 2022.

Investment in a vulnerability testing solution in Windows operating systems to ensure that vulnerability scans can be undertaken on a regular basis was recommended by Internal Audit.

The ISD agreed with the recommendation. The ISD have engaged BSI Group to undertake these testing services and are currently scoping this project with them.

The agreed timeframe for implementation is 30 September 2021.

Data protection (data retention) audit (one high finding) in the Driver Vehicle Computer Services Division (DVCSD)

Prioritisation and agreement of a data retention and disposal policy in conjunction with the Data Protection Unit (DPU) and Records Management Unit (RMU) was recommended by Internal Audit.

Work in relation to this recommendation involving the prioritisation and agreement of a data retention and disposal policy in conjunction with the DPU and RMU is ongoing. DVCSD are currently reviewing the data retention schedule with the RMU and assigning the appropriate periods for retention and destruction of data/files.

An update will be provided to Internal Audit by 30 September 2021.

Procurement compliance

I confirm that the Department 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 Department complied with the guideline with the exception of seven contracts/payments (in excess of €25,000), totalling €1.131 million (ex. VAT), the details for which are set out below.

- Three contracts with a combined value of €777,000 relating to leased lines continued without a competitive process due to staff shortages and prioritisation of projects. Work is currently underway by the Office of Government Procurement (OGP) in conjunction with the Chief States Solicitor's Office to finalise the new OGP request for tender (RFT) framework documents. It is anticipated that these will be finalised in September 2021 at which point the Department expects to be in a position to progress this procurement in relation to leased lines.
- One contract with a total value of €67,000 was awarded following a restricted competitive procurement process to provide executive search services associated with the recruitment of three independent members of the Department's Major Projects Governance Oversight Group.
- One contract with a total value of €85,000 was awarded to provide a piece of urgent replacement personal protection equipment (boat lifejackets) required to maintain the Irish Coast Guard's emergency marine response of rescue boat teams around the country. The previous model in use was unexpectedly withdrawn from service on 15 November 2019.
- One contract with a total value of €26,000 in relation to the provision of services and specialist advice on intelligent transportation systems was extended beyond the original contract date without a new competitive process having been completed. It is intended that this issue will be rectified in 2021 when a new procurement competition will be held.
- One contract with a total value of €33,748 in relation to reactive maintenance services was extended (in part due to Covid-19) beyond the original contract date without a new competitive process having been completed. A procurement process is currently underway and it is expected that a contract will be issued to the successful supplier in Q3 2021.
- Purchases relating to IT with a combined value of €142,178 arose due to homeworking arising from the Covid-19 national lockdown where neither an existing OGP framework nor an open competition procedure could be utilised as the delays in obtaining devices would be unacceptable. A competitive procurement process was conducted albeit not a full open competition.

The Department has reviewed the circumstances in which these contracts/payments were awarded and continues to engage extensively in a root/branch review of all procurements and contracts to prevent the award of similar, non-compliant contracts arising in the future.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Update on 2019 appropriation account procurement

In 2019, the Department carried out a procurement gap analysis that identified several recommendations for enhancements around procurement. The report, approved by the Management Board in early 2020, included a comprehensive suite of recommendations covering:

- appointment of a procurement officer
- functions of the procurement officer
- corporate governance matters
- measuring and monitoring compliance
- communications
- training requirements
- corporate governance of agencies as regards procurement.

A procurement officer was appointed in 2020. The remit of the procurement officer is in line with the Office of Government Procurement information note on the role of a procurement officer. Plans for enhanced corporate governance, improved measuring and monitoring of compliance and training are under development and will be implemented during 2021.

An internal audit was completed in 2020 to assess the adequacy of the control framework that supports the procurement and contracting practices within the Coast Guard. All findings specific to this report were implemented by November 2020.

Procurement of Coast Guard crew cab vehicles

The procurement process in 2014, which continued into 2020 for the Irish Coast Guard crew cab vehicles was inadequate. The initial request for tender (RFT) did not give an accurate estimation of the number of vehicles to be purchased and was used as a draw down contract over the period. The Department's processes, procedures and oversight governing the management of procurement and the tendering process is being reviewed. Specialist expertise is being procured to assist with this review.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

The register is reviewed and updated by the Management Board three times a year, with the other quarter dedicated to system maintenance and improvement. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

During quarter 1 2020 in light of the evolving Covid-19 pandemic, the Department established a number of oversight arrangements to ensure that all impacts both on the Department itself and its business sectors were being assessed and tracked. An internal Covid-19 group of Division heads was set up to track and assess impact internally from which updates were provided. Information was also made available to staff via the staff intranet.

Several mitigating actions have been developed and implemented to ensure we continue to operate an effective control environment. Staff in the Department were equipped technically with remote access to systems which enabled them to continue to work with minimal disruption.

Staff made extensive use of desktop unified communication systems to engage with their colleagues within the department and also external bodies. Only staff where urgent work could not be completed remotely were permitted into the office.

ICT infrastructure was already in situ to enable remote access in a secure fashion into its infrastructure both via department-controlled and personal devices. At the onset of the pandemic, essential purchasing of additional equipment and licences was facilitated by means of emergency procurement. The underlying security controls were not bypassed or diminished. As the pandemic was known to be utilised by cyber criminals, staff in the Department were made aware of potential vulnerabilities via the staff intranet and online cyber security training. The service desk was alerted to and prepared for the potential increase in social engineering attacks.

There was no impact on the control environment or the appropriation account.

Covid-19 impacted on some Departmental procurements in 2020. Where impacts occurred, the Department engaged with the OGP to seek guidance on best practice and with the CSSO to seek legal advice where necessary. The Department will continue to engage with the OGP and the CSSO regarding procurements planned for 2021.

ICT assurance methods

The Department has implemented an information security management system, central to which is an active Information Security Management Group (ISMG). This group is composed of heads of functions from representative Divisions across the Department and is chaired at Assistant Secretary level. The group meets on a bi-monthly basis and oversees all aspects of information security.

An internal audit on cyber security was concluded by EY in October 2020 and found that the ICT controls within the Department were adequate and effective.

As cyber security attacks are constantly and rapidly evolving, ISD have recently reviewed its security posture and is in the process of implementing additional controls around containment, detection and prevention. Penetration and vulnerability tests by an external body are currently being scoped. ISD are in close communication with the National Cyber Security Centre and have implemented the security recommendations as suggested in their recent advisory note '*Protecting your organisation from ransomware'* that issued during May 2021.

Stobart Air

The Regional Airports Programme (RAP) provides for a public services obligation (PSO) air services scheme in compliance with Regulation (EC) No. 1008/2008. Based on a competitive tender, this scheme provides financial support to airlines to operate essential air services to isolated areas; being those not adequately served by alternative transport services. Over the past ten years, the scheme has only supported services on two routes - Donegal/Dublin and Kerry/Dublin. Since 2015, Stobart Air via a franchise agreement with Aer Lingus held the contract for operating Government supported PSO air services on these two routes.

Stobart Air contacted the Department on 12 June 2021 to advise that it was terminating the franchise agreement with Aer Lingus with immediate effect. Regrettably, Stobart Air's plans to secure a new buyer had failed and this action resulted in Stobart Air commencing a process of voluntary liquidation. This had immediate implications for both PSO services.

As regional connectivity is of critical importance to Government, an emergency procurement process to re-instate air services on these routes for an interim period was initiated, and a request for quote (RFQ) document was issued on 21 June 2021.

Following this process, the Department accepted a commitment from Ryanair to operate all public service requirements on the Kerry/Dublin route on a commercial basis with no subsidy from the State. This service is in line with EU Regulation 1008/2008, which governs air service PSOs. Ryanair commenced services on this route on 28 July 2021.

In relation to the Donegal/Dublin route, a temporary seven month PSO air services contract, in accordance with EU law was awarded to Swedish airline Amapola Fly GB with effect from 26 July 2021.

To mitigate against any further disruption to the Donegal/Dublin air services, continued provision of the services after the temporary contract has expired will be procured. This procurement process will provide for a contract of up to four years, in line with EU law.

The Department received a notification on 17 June 2021 from Ken Fennell and Mark Degnan of Deloitte Ireland LLP, advising of their appointment as joint provisional liquidators of Stobart Air. A number of payments due to Stobart Air in respect of air services that were provided by them in 2020 and 2021 under the Department of Transport's public service obligation (PSO) air services scheme were withheld by the Department due to some non-compliant reporting obligations. These payments are currently under review by the Department in conjunction with the provisional liquidators of Stobart Air.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Ken Spratt
Accounting Officer
Department of Transport

17 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 31 Transport

Opinion on the appropriation account

I have audited the appropriation account for Vote 31 Transport for the year ended 31 December 2020 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 31 Transport for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Transport 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 together 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 *Preface to the Appropriation Accounts*.

Expenditure on night vision technology and training for search and rescue

Chapter 5 of my report on the accounts of the public services for 2020 examines the expenditure on the provision of night vision capability for helicopter search and rescue operations and on related training.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

21 September 2021

Vote 31 Transport

Appropriation Account 2020

				2020	2019 [a]
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Civil aviation				
	Estimate provision	52,565			
	Deferred surrender	1,712			
			54,277	28,346	34,842
B	Land transport				
	Estimate provision	2,880,322			
	Deferred surrender	13,450			
			2,893,772	2,554,453	1,905,825
C	Maritime transport and safety				
	Estimate provision	117,947			
	Deferred surrender	4,000			
			121,947	96,788	96,278
D	*Sports and recreation services*		—	—	*106,017*
E	*Tourism services*		—	—	*158,230*
Gross expenditure					
	Estimate provision	*3,050,834*			
	Deferred surrender	*19,162* [b]			
			3,069,996	**2,679,587**	**2,301,192**
	Deduct				
F	**Appropriations-in-aid**		**22,323**	**17,800**	**25,791**
Net expenditure					
	Estimate provision	3,028,511			
	Deferred surrender	19,162 [b]			
			3,047,673	**2,661,787**	**2,275,401**

Note [a] The 2019 comparatives reflect amounts for tourism and sport functions transferred in 2020. In 2020, greenways (formerly part of tourism in 2019) is under B.8 (sustainable mobility investment).

[b] See note 2.6.

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €151.48 million of unspent allocations in respect of the capital elements of Subheads A.2, A.3, B.3, B.5, B.6, B.7, B.8 and C.3 was carried forward to 2021.

	2020 €	2019 €
Surplus	385,886,299	69,833,781
Deferred surrender	(151,480,000)	(48,611,000) [a]
Surplus to be surrendered	**234,406,299**	**21,222,781**

Note [a] See note 2.6.

Ken Spratt
Accounting Officer
Department of Transport

17 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		2,640,560	2,258,833
Pay		33,307	33,756
Non pay		5,720	8,603
Gross expenditure		**2,679,587**	**2,301,192**
Deduct			
Appropriations-in-aid		**17,800**	**25,791**
Net expenditure		**2,661,787**	**2,275,401**
Changes in capital assets			
Purchases cash	(3,051)		
Disposals cash	52		
(Profit)/loss on disposals	(37)		
Depreciation	4,262	1,226	(394)
Changes in net current assets			
Movement in accruals	(718)		
Movement in prepayments	1,359		
Movement in stock	41	682	(1,632)
Direct expenditure		**2,663,695**	**2,273,375**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		19,503	20,076
Notional rents		3,947	4,005
Net programme cost		**2,687,145**	**2,297,456**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 31 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	30	46
Vote 12	Superannuation and Retired Allowances	12,353	13,190
Vote 13	Office of Public Works	6,636	6,375
Vote 18	National Shared Services Office	60	57
Central Fund − Ministerial pensions		424	408
		19,503	**20,076**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	10,766	11,992
Current assets			
Bank and cash	2.2	182,594	66,983
Stocks	2.3	1,011	1,052
Prepayments		2,097	3,456
Other debit balances	2.4	1,731	754
Total current assets		**187,433**	**72,245**
Less current liabilities			
Accrued expenses		1,216	1,934
Other credit balances	2.5	1,808	1,555
Net Exchequer funding	2.6	182,517	66,182
Total current liabilities		**185,541**	**69,671**
Net current assets		1,892	2,574
Net assets		**12,658**	**14,566**
Represented by:			
State funding account	2.7	**12,658**	**14,566**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor Vehicles	Specialist equipment	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	1,580	13,949	216	16,326	26,560	58,631
Adjustments [a]	—	(1,452)	1,469	—	—	17
Transfer of function	—	(217)	—	—	—	(217)
Additions	134	954	—	1,157	806	3,051
Disposals	—	(609)	(155)	(330)	(62)	(1,156)
Cost or valuation at 31 December 2020	1,714	12,625	1,530	17,153	27,303	60,326
Accumulated depreciation						
Opening balance at 1 January 2020	—	11,302	123	13,078	22,135	46,638
Adjustments	—	—	17	—	—	17
Transfer of functions	—	(217)	—	—	—	(217)
Depreciation for the year	—	1,158	25	1,451	1,628	4,262
Disposals	—	(605)	(143)	(330)	(62)	(1,140)
Cumulative depreciation at 31 December 2020	—	11,638	22	14,199	23,701	49,560
Net assets at 31 December 2020	**1,714**	**987**	**1,508**	**2,954**	**3,603**	**10,766**
Net assets at 31 December 2019	1,580	2,647	93	3,248	4,424	11,992

Note [a] Adjustments relate to reclassifications within furniture and fittings and office equipment and one adjustment amount within furniture and fittings.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	182,498	66,878
Commercial bank account balances	96	105
	182,594	**66,983**

Commercial bank accounts

In addition to the commercial bank account referred to above, the Department holds a bank account to allow for the collection and allocation of motor tax and the transfer of proceeds to the Exchequer. With the exception of funding bank charges, no moneys due to or paid from the Vote are transmitted through this bank account. The amount held at the end of 2020 was €6,771 (2019: €91,343).

2.3 Stocks

at 31 December	2020	2019
	€000	€000
IT consumables	80	80
Specialised consumables (Irish Coast Guard)	931	972
	1,011	**1,052**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
OPW agency services	954	587
Other	777	167
	1,731	**754**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax and universal social charge	564	550
Pay related social insurance	279	279
Professional services withholding tax	40	137
Value added tax	245	414
Relevant contract tax	8	63
Pension charges	51	55
Extra exchequer receipts	480	33
	1,667	1,531
Transfer of functions	7	—
Other credit suspense items	134	24
	1,808	**1,555**

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	234,406	21,223
Deferred surrender	151,480	48,611
Exchequer grant undrawn	(203,369) [a]	(3,652)
Net Exchequer funding	**182,517**	**66,182**
Represented by:		
Debtors		
Bank and cash	182,594	66,983
Debit balances: suspense	1,731	754
	184,325	67,737
Creditors		
Due to the State	(1,674)	(1,531)
Credit balances: suspense	(134)	(24)
	(1,808)	(1,555)
	182,517	**66,182**

Note [a] In 2019, the Department received sanction to defer the surrender of €29.449 million (of €48.611 million) in respect of tourism and sports subheads. The Department of Public Expenditure and Reform has agreed that the sum should be offset against the Exchequer grant undrawn at 31 December 2020.

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			14,566	12,540
Disbursements from the Vote				
Estimate provision	Account	3,047,673		
Deferred surrender	Account	(151,480)		
Surplus to be surrendered	Account	(234,406)		
Net vote			2,661,787	2,275,401
Expenditure (cash) borne elsewhere	1.1		19,503	20,076
Non cash expenditure – notional rent	1		3,947	4,005
Net programme cost	1		(2,687,145)	(2,297,456)
Balance at 31 December			**12,658**	**14,566**

2.8 Commitments

Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	177,449	178,072
Non-capital grant programmes	50	128
Capital grant programmes	85,088	168,334
Total of legally enforceable commitments	**262,587**	**346,534**

Commitments under procurement subheads	**2020 €000**	**2019 €000**
Search and rescue helicopter services [a]	150,000	155,000
Airports	8,031	15,343
Vehicle/driving licencing	15,006	4,847
Climate Change Unit	—	50
Air Accident Investigation Unit	1,133	252
Information technology	558	20
Internal audit	22	25
ITF presidency 2020	—	22
Facilities management	184	—
Coast Guard services	2,515	2,513
	177,449	**178,072**

Non-capital grant programmes	**2020 €000**	**2019 €000**
Opening balance	128	114
Grants paid in the year	(78)	(136)
New grant commitments	—	150
Closing balance	**50**	**128**

Capital grant programmes	**2020 €000**	**2019 €000**
Opening balance	168,334	113,664
Transfer of functions	(126,440)	—
Grants paid in the year	(9,141)	(54,493)
New grant commitments	52,629	110,404
Grants cancelled	(294)	(1,241)
Closing balance	**85,088**	**168,334**

Note [a] The current search and rescue helicopter service contract with CHC Ireland commenced on 1 July 2012 for a period of ten years. It contains an option to extend for a period(s) up to a further three years. The contract was extended in 2020 initially for one year to July 2023. In 2021 the contract was extended for a further year to 2024. These extensions, as approved by the Minister, are to facilitate the procurement of a new service in accordance with *Public Spending Code* requirements and a seamless transition from one service to another.

2.9 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end.	**943**	**532**

2.10 Contingent liabilities

The Department is involved in a number of legal cases. The Department cannot predict the outcome of such cases.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		33,624	33,307	33,756
ii	Travel and subsistence		1,240	580	1,474
iii	Training and development and incidental expenses		2,155	1,565	3,196
iv	Postal and telecommunications services		467	241	296
v	Office equipment and external IT services				
	Estimate provision	2,576			
	Deferred surrender	712			
			3,288	2,038	2,182
vi	Office premises expenses		507	761	892
vii	Consultancy services and value for money and policy reviews		1,259	535	563
			42,540	**39,027**	**42,359**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €1.24 million; outturn €580,000

Lower than estimated costs as a result of suppression of travel demand due to Covid-19.

iii Training and development and incidental expenses

Estimate provision €2.155 million; outturn €1.565 million

Lower than estimated costs primarily due to reduced training as a result of staff working from home.

iv Postal and telecommunications services

Estimate provision €467,000; outturn €241,000

Lower than estimated costs due to increased reliance on email and other communication methods due to Covid-19 restrictions.

v Office equipment and external IT services

Estimate provision €3.288 million; outturn €2.038 million

Lower than estimated costs largely attributable to reduced spend across these categories due to Covid-19.

vi Office premises expenses

Estimate provision €507,000; outturn €761,000

Costs were higher than expected due to additional costs relating to health and safety measures to mitigate effects of Covid-19.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.259 million; outturn €535,000

Costs were lower than estimated due to fewer consultancy tenders progressing in 2020 than expected.

Programme A Civil aviation

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		3,716	3,664	3,376
A.2	Administration − non pay				
	Estimate provision	1,301			
	Deferred surrender	712			
			2,013	628	741
A.3	Regional airports				
	Estimate provision	22,350			
	Deferred surrender	1,000			
			23,350	13,884	21,789
A.4	Miscellaneous aviation services		25,198	10,170	8,936
			54,277	**28,346**	**34,842**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €25.9 million lower than (originally) estimated including the deferred surrender, representing a variance of 47%. Explanations for variances are as follows:

A.2 Administration – non pay

Estimate provision €2.013 million; outturn €628,000

The underspend arose due to lowered demand for travel and training due to Covid-19. There was also lowered demand for consultancy, office equipment and external IT services due to Covid-19.

A.3 Regional airports

Estimate provision €23.35 million; outturn €13.884 million

The underspend can be largely attributed to a deferred surrender carried into 2021 of €8.8 million and to lower operational costs being incurred by airports due to Covid-19. The majority of the €8.8 million related to two regional airport projects that were suspended/delayed due to Covid-19.

- Hold baggage screening project at Shannon Airport. Emergency grant funding (€6.1 million). Project is due for completion at the end of 2021.
- Aeronautical ground lighting project at Knock Airport. Funding (€101,000). This project completed in Q1 2021.

In addition, there was an underspend in Covid emergency funding for the Shannon Heritage Group which remained closed under level 5 restrictions.

A.4 Miscellaneous aviation services

Estimate provision €25.198 million; outturn €10.17 million

The difference arose primarily due to a significant underspend of €15 million in contingency provided to reimburse the Commission for Aviation Regulation for statutory refunds it administered relating to the refund of passengers in the event of repatriation from abroad or losses due to the collapse of travel agencies.

Programme B Land transport

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		13,927	13,989	12,152
B.2	Administration − non pay		3,324	2,402	3,862
B.3	Road improvement/ maintenance		1,239,207	1,223,196	1,060,280
B.4	Road safety agencies and expenses		5,402	6,087	5,982
B.5	Vehicle and driver licensing expenses				
	Estimate provision	22,900			
	Deferred surrender	800			
			23,700	20,191	23,206
B.6	Carbon reduction		7,750	1,938	5,641
B.7	Public service provision payments		765,563	623,471	307,985
B.8	Sustainable Mobility Investment Programme				
	Estimate provision	805,150			
	Deferred surrender	12,650			
			817,800	646,157	469,864
B.9	Public transport agencies and expenses		17,021	16,958	16,793
B.10	Miscellaneous services		78	65	60
			2,893,772	**2,554,454**	**1,905,825**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €339 million less than originally estimated including the deferred surrender, representing a variance of 12%. The variance was mainly due to the following.

B.2 Administration – non pay

Estimate provision €3.324 million; outturn €2.402 million

The difference arises primarily due to lower travel and training demand, postal costs and capital savings due to staff remote working.

B.4 Road safety agencies and expenses

Estimate provision €5.402 million; outturn €6.087 million

The variance is primarily due to ongoing Medical Bureau of Road Safety cost pressures: a shortfall in pension provision of €308,000, as well as a shortfall in pay provision and non-pay pressures due to rising costs.

B.5 Vehicle and driver licensing expenses

Estimate provision €23.7 million; outturn €20.191 million

The technology refresh programme is critical to ensure the National Vehicle and Driver File (NVDF) and its online applications are operating at maximum capacity, are resilient, have increased scalability and keep pace with industry standards. Some elements of the 2020 programme were not completed due to some other Covid related requirements.

B.6 Carbon reduction

Estimate provision €7.75 million; outturn €1.938 million

The variance is due to a number of planned projects including the introduction of a purchase grant for heavy duty vehicles and the purchase of hydrogen buses for use by the NTA being deferred until early 2021 due to delays caused by Covid-19. In addition, expenditure on the ongoing grant programmes such as the Electric Small Public Service Vehicle (eSPSV) grant scheme and the Low Emission Vehicle Toll Incentive (LEVTI) scheme has fallen due to the fall in both vehicle sales and toll traffic during Covid-19 restrictions. The shortfall in profiled expenditure resulted in significant year-end savings.

B.7 Public service provision payments

Estimate provision €765.563 million; outturn €623.471 million

Outturn was lower than forecast by €142.092 million largely due to a reduced level of PSO payments. An additional €460 million of emergency funding was allocated due to Covid-19. However, all of the additional funding was not required as passenger fare revenues were higher than forecast. Where passenger fare revenues are higher than forecast, the requirement for PSO compensation payments fall.

B.8 Sustainable Mobility Investment Programme

Estimate provision €817.8 million; outturn €646.157 million

The difference is due to slower than expected progression of sustainable mobility projects/spend, partly as a result of Covid-19 restrictions.

Programme C Maritime transport and safety

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay		15,981	15,654	14,515
C.2	Administration − non pay		3,579	2,690	3,185
C.3	Maritime administration and Irish Coast Guard				
	Estimate provision	83,297			
	Deferred surrender	4,000			
			87,297	75,654	78,488
C.4	Miscellaneous services		15,090	2,790	90
			121,947	**96,788**	**96,278**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €25.159 million lower than originally estimated including the deferred surrender, representing a variance of 21%. Explanations for variances are as follows.

C.1 Administration – pay

Estimate provision €15.981 million; outturn €15.654 million

The variance is due to staff hiring being slower than anticipated.

C.2 Administration – non pay

Estimate provision €3.579 million; outturn €2.69 million

The difference arises primarily due to lower travel and training, postal costs and capital savings due to staff remote working.

C.3 Maritime administration and Irish Coast Guard

Estimate provision €87.297 million; outturn €75.654 million

The variation is primarily due to a capital underspend in relation to slow progress on the development of new Coast Guard stations in Westport and Greystones. There were also delays in the procurement of capital assets such as new rigid immersible boats held up due to travel restrictions as a result of Covid-19.

C.4 Miscellaneous services

Estimate provision €15.09 million; outturn €2.79 million

Outturn was €12.3 million lower than estimated as claims for emergency maritime PSO compensation from certain private ferry companies were less than forecast.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
	Administration			
1	Receipts from additional superannuation contributions on public service remuneration	2,646	2,127	3,457
	Civil aviation			
2	Irish Aviation Authority refund of subscriptions to international organisations	8,473	6,449	6,748
3	Irish Aviation Authority recoupment of rents, etc.	394	395	394
4	Irish Aviation Authority payment for associated costs	2,700	2,747	2,455
	Land transport			
5	Road transport licence fees	800	1,070	971
6	Miscellaneous land transport receipts	6,470	4,151	5,299
	Maritime transport and safety			
7	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	500	470	557
	Miscellaneous receipts			
8	Miscellaneous receipts	340	391	524
	Tourism Ireland receipts	—	—	*298* [a]
	Sports Ireland receipts	—	—	*5,088* [a]
	Total	**22,323**	**17,800**	**25,791**

Note [a] Tourism and sport functions transferred from this vote in 2020.

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, the appropriations-in-aid were €4.523 million lower than the estimate. Explanations for variances are as follows.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.646 million; realised €2.127 million

Receipts were €519,000 lower than estimated largely due to the transfer of functions in 2020.

2 Receipts from Irish Aviation Authority refund of subscriptions to international organisations

Estimate €8.473 million; realised €6.449 million

International subscriptions vary from year to year and were lower than expected this year due to Covid-19.

5 Road transport licence fees

Estimate €800,000; realised €1.07 million

The amount received in road transport licensing fees is affected by the level of activity in the sector and in the wider economy. Fees are paid for licence applications and for adding vehicles to existing haulage licences to increase fleets. Fees received in 2019 amounted to €959,000 as against an estimate of €800,000. In the context of Brexit and attendant uncertainties, it was considered apt to maintain the estimate for 2020 at €800,000.

6 Miscellaneous land transport receipts

Estimate €6.47 million; realised €4.151 million

The decrease in these receipts (€2.319 million) was due to a number of factors. The annual Road Safety Authority receipt for €4.2 million, being a fixed fee for technical and business support for driver related services provided by the Driver's Vehicle Computer Services Division was not received. It was agreed by both the Department of Transport and the Department of Public Expenditure and Reform that the Road Safety Authority would retain this receipt to combat shortfalls in funding due to Covid-19. This was offset by higher than expected receipts from pension contributions (€102,000) due to additional staff hires and timing factors for receipts for the INTERREG VA Programme (€1.779 million). The INTERREG VA Programme is an EU funded programme supported by the Irish Government designed to provide strategic cross-border co-operation with a view to creating a more prosperous and sustainable cross-border region.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	33	31
Shannon Development rents [a]	11	10
Grant refunds [b]	6	62
EU receipt for City Centre Re-signalling Project [c]	937	1,575
Road Safety Authority pension contributions and notional service [d]	473	472
Dividend by Dublin Airport Authority	—	40,000
EU receipt for Connecting Europe Facility programme – Intelligent Transport Systems Forum	—	60
EU receipts for Connecting Europe Facility programme: C – Roads Platform and a C-ITS pilot in Ireland	—	359
NELS project – Loran-C maritime navigation system	—	87
Commission for Railway Regulation	—	18
National Transport Authority – Sustainable Transport	—	13
National Transport Authority – Bus Market Opening	—	8,000
Ten-T upgrade [e]	2,209	—
EU Commission funds [f]	550	—
NTA refund [g]	856	—
Voluntary surrender of pay	13	24
Transferred to the Exchequer	(4,608)	(50,678)
Balance at 31 December	**480**	**33**

Notes

[a] Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.

[b] Grant funding returned to the Vote.

[c] Moneys received from Innovation and Networks Executive Agency of the European Commission in relation to the City Centre Re-signalling Project (CCRP). The CCRP is a central element of the upgrading of rail services to allow for further capacity enhancement within the Greater Dublin Area and the delivery of the overall DART expansion programme. This work will accommodate additional train paths to provide a minimum of 17 trains per hour per direction in the critical city centre area.

[d] The Department acts as the intermediary in making the annual pay-over of the pension contributions deducted from RSA staff. These pay-overs are made to the Department of Public Expenditure and Reform.

[e] Pre-financing amount received for Ten-T project from Innovation and Networks Executive Agency (INEA). This programme was established by the European Commission to support the construction and upgrade of transport infrastructure across the European Union.

[f] Pre-financing amount received from the European Commission under the C-Roads Pilot Project. The C-ROADS platform is a joint initiative of EU Member States and road operators that aims to enable seamless and interoperable cross-border Collaborative Intelligent Transport Systems (C-ITS) services for European travellers. The primary focus of this pilot project will be the rollout of C-ITS on the TEN-T core road network from Cork to the Border with Northern Ireland, including the M50.

[g] Return of capital from the NTA in relation to the National Transport Training Centre (NTTC) project.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents (FTE)	2020 [a]	2019 [b]
Number of staff at year end		
Department	534	580
Agencies	903	1,429
	1,437	**2,009**

Notes
[a] The reduction in staff numbers and in remuneration largely relates to the transfer of tourism and sports functions and agencies in 2020.
[b] 2019 staff numbers are restated from 2,103 to (based on headcount) to 2,009 (based on FTE).

5.2 Pay – Department and agency

Remuneration of Department staff

	2020 €000	2019 €000
Pay	28,997	29,597
Higher, special or additional duties allowances	796	638
Overtime	382	537
Other allowances	680	629
Employer's PRSI	2,452	2,355
Total pay	**33,307**	**33,756**

Remuneration of agency staff

Pay	55,663	81,289
Higher, special or additional duties allowances	227	243
Overtime	273	822
Other allowances	535	461
Employer's PRSI	4,861	7,460
Total pay	**61,559**	**90,275**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Department staff				
Higher, special or additional duties allowances	116	57	38,832	25,044
Overtime	110	13	20,506	20,899
Other allowances	65	—	7,700	19,639
Extra remuneration in more than one category	69	57	46,482	40,823
Agency staff				
Higher, special or additional duties allowances	48	2	53,461	46,764
Overtime	160	1	15,001	19,496
Other allowances	106	2	15,771	15,514
Extra remuneration in more than one category	53	8	23,486	24,487

5.4 Other remuneration arrangements

This account includes expenditure of €437,858 in respect of six officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department. Full recoupment of related expenditure will be completed in early 2021.

This account does not include expenditure in respect of five seconded officers who were serving outside the Department for all or part of 2020 whose salaries were paid by other Government departments/offices.

One officer was seconded on both a pay and recoup basis for the first part of the year and off-payroll basis for the second part of the year across two separate secondment assignments.

5.5 Payroll overpayments

	Number of recipients	2020	2019 [a]
		€	€
Overpayments	36	99,180	81,642
Recovery plans in place	12	36,714	39,163

Three overpayment recovery plans, in respect of three individuals, to the value of €1,080 were transferred to other Departments in the year.

Note [a] In 2020, the National Shared Services Office (NSSO) introduced an externally validated revised reporting methodology to overpayment and recovery plan amounts. As a result, the 2019 amounts have been revised. (Appropriation Account 2019: overpayments €97,296 and recovery plans €54,816).

5.6 Severance/redundancy

During 2020, five staff members whose employment was terminated were paid redundancy payments totalling €26,000 and severance payments totalling €91,000.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

A Review Board was established in 2020 to re-examine certain findings of the draft final report of the investigation into the accident involving Rescue 116 at Blacksod, Co Mayo on 14 March 2017. The Review Board was established in line with Statutory Instrument (SI) No 460 of 2009: Air Navigation (Notification and Investigation of Accidents, Serious Incidents and Incidents) Regulations 2009. A Review Board report is expected in September 2021.

The cumulative expenditure in 2020 was €100,000 (2019: nil).

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees	—	—	—	—	—	—
Claims by members of the public	7	262	135	—	397	1,667
		262	**135**	**—**	**397**	**1,667**

6.3 Fraud and suspected fraud

There were two amounts deducted by way of direct debit from a Department account totalling €125 in 2020 which were refunded by Bank of Ireland in March 2021.

6.4 EU funding

The outturn shown in Subhead B.8 sustainable mobility investments programme includes payment in respect of activities which are co-financed from the European Regional Development Fund (ERDF). A number of delays and extensions in INTERREG Greenways projects resulted in timing delays with claims. The Department received €3,579,332 in funding and paid claims totalling €3,276,716 resulting in surplus funding carried in to 2021 of €302,616.

	2020 Estimate	2020 Outturn	2019 Outturn
	€000	€000	€000
Subhead description:			
B.8 Sustainable mobility investment	3,870	3,579	619 [a]

Note [a] In 2019, the Department received funding of €618,860 and made payments of €2,535,904.

Appendix A Accounts of bodies and funds under the aegis of the Department of Transport

The following table lists the bodies under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at 31 August 2021, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Bus Éireann	2020	16 Apr 2021	2 Jul 2021	2 Jul 2021
Bus Átha Cliath	2020	14 Apr 2021	21 Jul 2021	22 Jul 2021
Commission for Aviation Regulation	2019	25 Sep 2020	16 Oct 2020	1 Dec 2020
Commission for Railway Regulation	2019	21 Dec 2020	15 Jan 2021	12 Mar 2021
Córas Iompair Éireann (CIE)	2020	20 Apr 2021	30 Apr 2021	2 Jun 2021
Dublin Airport Authority	2020	13 Apr 2021	16 Apr 2021	29 Apr 2021
Dublin Port Company	2020	26 Mar 2021	31 Mar 2021	6 Jul 2021
Galway Harbour Company [a]	2019	14 Apr 2020	27 May 2020	23 Jul 2020
Iarnród Éireann	2020	13 Apr 2021	17 Jun 2021	21 Jun 2021
Irish Aviation Authority	2020	24 Mar 2021	05 Apr 2021	18 May 2021
Marine Casualty Investigation Board	2020	30 Jun 2021	30 Jun 2021	7 Jul 2021
Medical Bureau of Road Safety	2019	23 Sep 2020	28 Oct 2020	17 Nov 2020
National Transport Authority	2020	24 Jun 2021	29 Jun 2021	15 Jul 2021
Port of Cork Company	2020	22 Apr 2021	26 Apr 2021	6 Jul 2021
Port of Waterford Company	2020	22 Mar 2021	19 Apr 2021	6 Jul 2021
Road Safety Authority	2020	28 Jun 2021	30 Jun 2021	31 Aug 2021
Shannon Foynes Port Company	2020	26 Mar 2021	23 Apr 2021	6 Jul 2021
Shannon Group PLC	2020	25 Mar 2021	26 Mar 2021	29 Apr 2021
Transport Infrastructure Ireland	2020	28 Jun 2021	30 Jun 2021	23 Aug 2021

Note [a] Galway Harbour Company transferred to Galway City Council on 1 January 2021 in line with National Ports Policy and section 8 of the Harbours Act 2015. Galway Harbour Company have confirmed that their 2020 annual accounts were submitted to Galway City Council.

Appropriation Account 2020

Vote 32

Enterprise, Trade and Employment

Introduction

As Accounting Officer for Vote 32, 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 2020 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 and grants and for the payments of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €76.222 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.

Transfer of functions

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2020* which took account of the alteration of the title of the Department of Business, Enterprise and Innovation to the Department of Enterprise, Trade and Employment with effect from 10 November 2020 (SI 519 of 2020).

The *Further Revised Estimates* also took account of the transfer of certain administration and ministerial functions from the Department of Foreign Affairs to the Department of Enterprise, Trade and Employment (SI 381 of 2020). That transfer of functions comprised

- managing and chairing the Export Trade Council (formerly known as the Foreign Trade Council)
- convening, chairing and managing joint economic commissions, and
- developing, where appropriate, new joint economic commissions.

In addition, the *Further Revised Estimates* took account of the transfer of certain administration and ministerial functions from the Department Social Protection to the Department of Enterprise, Trade and Employment (SI 438 of 2020). That transfer of functions comprised

- responsibility for certain employment rights policy
- certain functions relating to the Employment, Social Policy, Health and Consumer Affairs Council
- responsibility for the Low Pay Commission (including its secretariat).

In respect of the functions transferred to the Department, three posts were transferred from the Department of Foreign Affairs and 15 posts were transferred from the Department of Social Protection, including the Secretariat of the Low Pay Commission.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure and Reform, the *Further Revised Estimates for 2020* reflect the transferred functions on a full-year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfers of functions on a full-year basis.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following.

Valuation of capital assets

As provided for in circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

Depreciation

Assets are depreciated annually on a straight line basis over their estimated useful life, starting with a full year's depreciation charged in the year of purchase and none charged in the year of disposal.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of payroll and human resource shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The work of internal audit is informed by analysis of the financial risks to which the Department 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.

Procurement compliance

I confirm that the Department 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 Department complied with the guidelines with the exception of eight contracts (in excess of €25,000), totalling €461,652 (ex. VAT) details are set out below:

- One contract with a value of €30,500 related to the procurement of an Eircode user licence. There are effectively only two sellers of such licences and the contract entered into was at the cheapest available cost.

- A second contract with a value of €56,007 related to the provision of off-site file storage of records of the Companies Registration Office (CRO). Prior to the termination of the existing contract, the CRO had undertaken a procurement exercise for storage facilities and had a replacement contract in place with a new provider which was due to commence on 13 March 2020. The transfer to the new contract required the physical handling of 22,500 boxes of records over an eight month period. Given the advent of Covid-19 and the inherent health risks in manually handling such a volume of records, the CRO was anxious not to begin the transfer until it was satisfied that it could be completed without interruption. In the circumstances and in the interim until it was safe to move to the new provider, the CRO continued to use the services of the existing contractor on the basis of the same terms and conditions as the existing contract.
- A third contract with a value of €124,231 involved the purchase of a supply of laptops needed to support staff working from home as a result from the advent of Covid-19. The urgent need to facilitate staff remote working in response to the pandemic, particularly in the context of constrained device availability and uncertainty of delivery timeframes, meant that it was not possible to carry out a procurement exercise as per the guidelines. I am satisfied that the costs involved were in line with industry pricing norms.
- A fourth contract with a value of €26,220 related to the procurement of car parking spaces to protect the health and safety of departmental staff who in the initial stages of the pandemic were attending their work stations. This arrangement ceased once lockdown had been confirmed and working remotely was embedded across the Department. Whilst the dynamic of the advent of the pandemic did not allow for a procurement exercise to be carried out as per the guidelines, three quotes were procured before entering into this contract.
- A fifth contract to the value of €39,256 involved the emergency purchase of direct access devices to support staff working remotely. The unanticipated advent of the pandemic meant that it was not possible to engage in a procurement exercise as per the guidelines. I am satisfied that the costs involved were in line with industry pricing norms.
- A sixth contract with a value of €32,827 involved the purchase of translation services required by the Department's industrial relation bodies. The bodies concerned have been engaged with the Office of Government Procurement (OGP) for some time in terms of exploring competitive procurement options for translation services given the increase in the need for these services in recent times. The OGP had previously hoped to have a discrete procurement translation services framework in place during the course of 2020. Unfortunately, this did not prove to be possible. Indeed, the OGP has recently advised that it will not now be putting such a framework in place. Accordingly, the Department's industrial relations bodies will now proceed to undertake their own procurement for such services. In this regard it is expected that a new contract will be in place by the end of 2021.
- The seventh and eighth contracts to the value of €132,611 and €20,000 respectively involved the procurement from a particular supplier of legal advice in respect of two specific initiatives that the Department was developing as part of the supports for businesses impacted by the pandemic. Given the dynamic advent of the pandemic, it was not possible to carry out procurement exercises in relation to these contracts as per the guidelines.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 assigns responsibility for operation of controls 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out across the various business units of the Department and its Offices. This included risk assessments in relation to possible impacts on internal controls, financial controls, ICT controls, staff training, ability to meet statutory obligations, health and safety, staff well-being, communication and engagement with clients etc. Appropriate changes in practices and control procedures were implemented to ensure that the integrity of the Department's control environment continued to be maintained in the new working environment and that the Department and its Offices continued to provide a full service to its clients.

Specifically, as regards IT controls, the advent of Covid-19 resulted in the majority of the staff of the Department and its Offices working remotely for most of the year. Staff were provided with remote access devices to allow them to do so. In terms of controls, all of these remote access devices are effectively on network. They connect directly to the Department via a 'direct access' secure tunnel. All staff assigned remote access rights were briefed on appropriate remote working behaviour, including the importance of locking the screen on unattended devices, good password protocols, what to do in the event of the loss or theft of a device etc.

In terms of financial controls, procedures were implemented to enable the electronic processing of payments by and receipts to the Department. Financial control procedures continue to ensure that there was an appropriate segregation of duties and that the various management and control systems continued to operate across the Department. Regular expenditure and financial reports continued to be provided to the Department's management and Ministerial Management Boards.

Internal financial control issues

A total of €27,007 was paid by the Department in respect of interest and compensation due under prompt payment legislation in 2020. This included a payment of €21,248 in respect of a single invoice where there was a significant delay in making payment to the supplier. I requested the Department's Head of Internal Audit to carry out a review of the circumstances which gave rise to this instance and to provide a report on the matter. The report found that the case in question was an exceptional case and was not indicative of a problem of non-compliance in the Department. The report did include a number of recommendations to improve existing internal controls and how these controls could be further communicated across the Department. I have put the necessary arrangements in place to ensure these recommendations are implemented.

No other weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Dr Orlaigh Quinn
Accounting Officer
Department of Enterprise, Trade and Employment

16 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 32 Enterprise, Trade and Employment

Opinion on the appropriation account

I have audited the appropriation account for Vote 32 Enterprise, Trade and Employment for the year ended 31 December 2020 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 32 Enterprise, Trade and Employment for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Enterprise, Trade and Employment 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 together 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 *Preface to the Appropriation Accounts*.

Restart grant schemes

Chapter 6 of my report on the accounts of the public services for 2020 examines the Department's controls over the Covid-19 related restart grant and restart grant plus schemes. The expenditure on those schemes was charged to the appropriation account for Vote 32.

Seamus McCarthy
Comptroller and Auditor General

17 September 2021

Vote 32 Enterprise, Trade and Employment

Appropriation Account 2020

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Jobs and enterprise development				
	Estimate provision	1,395,191			
	Deferred surrender	32,500			
			1,427,691	1,273,470	439,362
B	Innovation				
	Estimate provision	422,024			
	Deferred surrender	9,650			
			431,674	413,743	411,206
C	Regulation		90,662	77,465	78,700
Gross expenditure					
	Estimate provision	1,907,877			
	Deferred surrender	42,150			
			1,950,027	**1,764,678**	**929,268**
	Deduct				
D	**Appropriations-in-aid**		**52,708**	**49,781**	**58,977**
Net expenditure					
	Estimate provision	1,855,169			
	Deferred surrender	42,150			
			1,897,319	**1,714,897**	**870,291**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €106.2 million of unspent allocations in respect of the capital elements of Subhead A.5, A.7, A.8, A.14, A.16, B.4 and B.5 were carried forward to 2021.

	2020	2019
	€	€
Surplus	182,421,683	54,274,812
Deferred surrender	(106,200,000)	(42,150,000)
Surplus to be surrendered	**76,221,683**	**12,124,812**

Dr Orlaigh Quinn
Accounting Officer
Department of Enterprise, Trade and Employment

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,727,733	893,271
Pay		28,838	27,262
Non pay		8,107	8,735
Gross expenditure		**1,764,678**	**929,268**
Deduct			
Appropriations-in-aid		**49,781**	**58,977**
Net expenditure		**1,714,897**	**870,291**
Changes in capital assets			
Purchases cash	(2,096)		
Depreciation	1,943	(153)	21
Changes in net current assets			
Decrease in closing accruals	(1,626)		
Increase in stock	(45)	(1,671)	(102)
Direct expenditure		**1,713,073**	**870,210**
Expenditure borne elsewhere			
Net allied services expenditure (cash) (note 1.1)		24,854	23,779
Notional rents (non-cash)		2,847	2,847
Net programme cost		**1,740,774**	**896,836**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 32 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	63	96
Vote 12	Superannuation and Retired Allowances	20,029	19,432
Vote 13	Office of Public Works	4,082	3,814
Vote 18	National Shared Services Office	113	102
Vote 20	Garda Síochána	208	—
Central Fund – ministerial pensions		359	335
		24,854	**23,779**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	7,655	7,502
Current assets			
Bank and cash		117,795	47,246
Stocks	2.2	244	199
Other debit balances	2.3	1,004	862
Prepayments		1,556	1,764
Accrued income		551	520
Total current assets		**121,150**	**50,591**
Less current liabilities			
Accrued expenses		939	762
Deferred income		2,326	4,306
Other credit balances	2.4	5,169	4,430
Net Exchequer funding	2.5	113,630	43,678
Total current liabilities		**122,064**	**53,176**
Net current assets		(914)	(2,585)
Net assets		**6,741**	**4,917**
Represented by:			
State funding account	2.6	**6,741**	**4,917**

2.1 Capital assets

	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	33,378	3,224	2,787	39,389
Additions	1,344	26	726	2,096
Brought into use in year	3,488	—	(3,488)	—
Disposals	(2)	(25)	—	(27)
Cost or valuation at 31 December 2020	38,208	3,225	25	41,458
Accumulated depreciation				
Opening balance at 1 January 2020	29,120	2,767	—	31,887
Depreciation for the year	1,868	75	—	1,943
Depreciation on disposals	(2)	(25)	—	(27)
Cumulative depreciation at 31 December 2020	30,986	2,817	—	33,803
Net assets at 31 December 2020	**7,222**	**408**	**25**	**7,655**
Net assets at 31 December 2019	4,258	457	2,787	7,502

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	162	127
IT supplies	69	64
Cleaning materials	13	8
	244	**199**

2.3 Other debit balances

at 31 December		2020	2019
	€000	€000	€000
Advances to OPW		112	227
Miscellaneous debit balances		818	502
Recoupable expenditure:			
Travel	4		
Shared services	70		
		74	133
		1,004	**862**

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	966	946
Pay related social insurance	592	517
Local property tax	7	7
Professional services withholding tax	90	106
Value added tax on intra EU acquisitions	52	79
Universal social charge	182	179
	1,889	1,834
Share of patent renewal fees payable to the European Patents Office	1,806	1,720
Staff pay-overs	687	147
Employers pension liability	125	92
Recoupable salaries	159	133
Other miscellaneous balances	503	504
	5,169	**4,430**

2.5 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	76,222	12,125
Deferred surrender	106,200	42,150
Exchequer grant undrawn	(68,792)	(10,597)
Net Exchequer funding	**113,630**	**43,678**
Represented by:		
Debtors		
Bank and cash	117,795	47,246
Other debit balances	1,004	862
	118,799	48,108
Creditors		
Due to the State	(1,889)	(1,834)
Other credit balances	(3,280)	(2,596)
	(5,169)	(4,430)
	113,630	**43,678**

2.6 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			4,917	4,836
Disbursements from the Vote				
Estimate provision	Account	1,897,319		
Deferred surrender	Account	(106,200)		
Surplus to be surrendered	Account	(76,222)		
Net vote			1,714,897	870,291
Expenditure (cash) borne elsewhere	1.1		24,854	23,779
Non cash expenditure – notional rent			2,847	2,847
Net programme cost	1		(1,740,774)	(896,836)
Balance at 31 December			**6,741**	**4,917**

2.7 Commitments

a) Global commitments [a]

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	185,523	190,494
Non-capital grant programmes	10,854	1,550
Capital grant programmes	2,115,494	1,819,969
Total of legally enforceable commitments	**2,311,871**	**2,012,013**

Note [a] Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

b) Non-capital grant programmes

	2020	2019
	€000	€000
Opening balance	1,550	1,241
Grants paid in the year	(38,434)	(13,103)
New grant commitments	51,695	13,494
Grants cancelled	(3,957)	(82)
Closing balance	**10,854**	**1,550**

c) Capital grant programmes

	2020	2019
	€000	€000
Opening balance	1,819,969	1,471,877
Grants paid in the year	(686,794)	(566,665)
New grant commitments	1,121,402	995,310
Grants cancelled	(139,083)	(80,553)
Closing balance	**2,115,494**	**1,819,969**

d) Major capital projects

Capital grants involving total expenditure of €10 million or more is shown below.

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019 [a]
	€000	€000	€000	€000	€000
Agency commitments					
IDA Ireland (A.5)	23,726	7,432	92,330	123,488	92,326
Enterprise Ireland (A.7)	352,997	28,290	151,755	533,042	486,703
Science Foundation Ireland (B.4)	301,313	92,664	523,481	917,458	724,392
Enterprise Ireland (B.4)	38,412	4,998	19,238	62,648	63,556
Department commitments					
Programme for Research in Third Level Institutions (PRTLI) (B.5)	101,180	548	62	101,790	101,790
INTERREG (A.10)	6,734	4,080	10,186	21,000	21,000
Strategic Banking Corporation of Ireland loan schemes (A.14)	39,031	48,292	39,908	127,231	51,000
	863,393	**186,304**	**836,960**	**1,886,657**	**1,540,767**

Note [a] Excludes projects completed by end 2019.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

IDA Ireland (A.5)

Increase in expected total spend: €31 million

The increase principally relates to two projects approved for €32 million and one project where the approval amount was reduced by €1 million.

Enterprise Ireland (A.7)

Increase in expected total spend: €46 million

The increase principally relates to a net increase in the value of the commitment on four projects by €13 million and five new projects with a value of €33 million.

Science Foundation Ireland (B.4)

Increase in expected total spend: €193 million

The increase relates to five new research centre projects with an average commitment of €38 million for each project.

Enterprise Ireland (B.4)

Decrease in expected total spend: €1 million

The decrease relates to one project where the approval amount was reduced by €1 million.

Strategic Banking Corporation of Ireland loan schemes (A.14)

Increase in expected total spend: €76 million

The increase relates to additional funding being provided to the Working Capital Scheme €12 million and €64 million to the Future Growth Loan Scheme.

2.8 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**215**	**128**

2.9 Contingent liabilities

Credit guarantee schemes

The Credit Guarantee Scheme (CGS) which became operational in 2012 and was revised in 2017, provides a state guarantee through the Department to accredited lenders of 80% on eligible loans or performance bonds to viable micro, small and medium-sized enterprises (SMEs).

The Covid-19 Credit Guarantee Scheme (CCGS) was launched in September 2020 to assist businesses that have been negatively impacted by Covid-19. The CCGS provides a state guarantee of 80% to accredited lenders on lending facilities up to a maximum of €2 billion. The Scheme was developed in accordance with the European Commission's State Aid Temporary Framework and is available to SMEs, small mid-caps (an enterprise that is not an SME but has fewer than 500 employees) and primary producers that meet the eligibility criteria.

In the case of both the CGS and the CCGS the guarantee is paid by the State (the 'guarantor') to the lender on the unrecovered outstanding principal balance on a scheme facility in the event of a borrower defaulting on the scheme facility repayments.

At 31 December 2020, a total of €113 million in loans outstanding was covered by both schemes (2019: €30.2 million). The total maximum exposure for the Department in relation to loans outstanding at 31 December 2020 was €80.067 million (2019: €5.147 million).

Businesses availing of either the CGS or the CCGS are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead A.9. Payments to the Strategic Banking Corporation of Ireland (SBCI) to operate the scheme are also paid out of this subhead.

A summary of receipts and payments related to this scheme are set out below.

		2020		2012-2020
		€000		€000
Receipts in relation to premiums paid by SMEs		179		2,714
Scheme expenditure:				
Scheme administration	(885)		(3,324)	
Claims paid	(90)		(835)	
Total cost of scheme		(975)		(4,159)
Net cost of scheme		**(796)**		**(1,445)**

Other contingent liabilities

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	33,480	28,838	27,262
ii	Travel and subsistence	875	338	889
iii	Learning and development and incidental expenses	1,543	1,461	1,628
iv	Postal and telecommunications services	311	294	370
v	Office equipment and external IT services	4,088	4,352	4,099
vi	Office premises expenses	834	613	771
vii	Consultancy services and value for money and policy reviews	1,280	889	755
viii	Advertising and information resources	362	160	223
		42,773	**36,945**	**35,997**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

ii Travel and subsistence

Estimate provision €875,000; outturn €338,000

The impact of Covid-19 on domestic, EU and international travel from March onwards resulted in a significant saving on projected travel and subsistence expenditure.

vi Office premises expenses

Estimate provision €834,000; outturn €613,000

This underspend related to the impact of Covid-19 on planned furniture acquisition and related works.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.28 million; outturn €889,000

A number of consultancy projects that had been approved for funding in 2020 did not proceed as anticipated due to delays/cancellations/ reprioritisation.

viii Advertising and information resources

Estimate provision €362,000; outturn €160,000

The underspend arose primarily due to a number of communication campaigns held in December for which agreed invoices were not received until after year end.

Programme A Jobs and enterprise development

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		11,511	10,207	9,468
A.2	Administration − non pay		2,944	2,575	2,776
A.3	Agency legacy pensions		41,040	39,250	39,741
A.4	InterTrade Ireland		12,692	12,724	9,901
A.5	IDA Ireland		219,177	198,177	199,470
A.6	NSAI – grant for administration and general expenses		7,290	5,798	5,854
A.7	Enterprise Ireland				
	Estimate provision	895,488			
	Deferred surrender	23,500			
			918,988	844,487	119,431
A.8	Local enterprise development				
	Estimate provision	97,481			
	Deferred surrender	6,000			
			103,481	79,475	37,931
A.9	Temporary partial credit guarantee scheme		1,000	975	341
A.10	Matching funding for INTERREG		5,050	4,080	4,277
A.11	Subscriptions to international organisations, etc.		2,160	2,460	2,122
A.12	Commissions, committees and special inquiries		201	—	—
A.13	Legal costs and other services		155	13	13
A.14	Strategic Banking Corporation of Ireland loan schemes		56,960	48,292	8,031
A.15	Humanitarian relief scheme		251	167	6
A.16	Micro Finance Ireland				
	Estimate provision	41,791			
	Deferred surrender	3,000			
			44,791	24,790	—
			1,427,691	**1,273,470**	**439,362**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €154.221 million lower than originally provided (inclusive of deferred surrender). There was an underspend of €1.673 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €152.548 million, was mainly due to the following.

A.5 IDA Ireland

Estimate provision €219.177 million; outturn €198.177 million

The underspend of €21 million was primarily due to an underspend of €18 million related to the Covid-19 Temporary Aid Scheme for Medicinal Products. The scheme supports research, development and production of medicinal products in Ireland in the fight against Covid-19. The evolution of the pandemic and related response in terms of public health demands, clinical data, challenges of trial enrolment, pace of regulatory approvals and the emergence of variants directly influenced investment decisions and timing. These related complexities resulted in drawdown under the scheme in 2020 being less than was anticipated. The other €3 million of the underspend in IDA's property related expenditure was as a result of the Covid-19 imposed shutdown of construction sites.

A.6 NSAI - grant for administration and general expenses

Estimate provision €7.29 million; outturn €5.798 million

The underspend of €1.492 million was due primarily to delays in recruiting additional staff that had been approved for the Authority.

A.7 Enterprise Ireland

Estimate provision €918.988 million; outturn €844.487 million

The underspend of €74.5 million included a saving in current expenditure of €2.2 million and a saving of €72.3 million on capital expenditure. In terms of current expenditure, there were savings of €1.7 million and €1.5 million on pay and non-pay respectively due primarily to delays in recruiting additional staffing resources to assist in Enterprise Ireland's response to Covid-19 and reduced expenditure on certain non-pay programmes. These savings were offset to some degree by an excess of €1 million in expenditure on pensions.

As regards capital expenditure, Enterprise Ireland received significant additional funding beyond its normal capital allocation to assist it in its response to Brexit and Covid-19. This allowed it to roll out a number of Covid-19 and Brexit focussed supports in addition to its suite of existing enterprise support programmes. The nature of these supports is that there can be a time lag between applications/projects being approved and such projects being completed and being submitted for payment. The effect of such time lags was that some €41 million of the capital moneys provided for these enterprise support programmes was not drawn down by year end.

Enterprise Ireland also generated additional own resource income (ORI) beyond what had been anticipated which enabled it to increase its contribution to its capital programme by some €31.3 million which reduced the funding required from the exchequer by this amount. The aforementioned €41 million of undrawn capital moneys and the €31.3 million in additional ORI contributions resulted in an overall capital underspend of €72.3 million.

A.8 Local enterprise development

Estimate provision €103.481 million; outturn €79.475 million

The underspend of €24 million included a saving in current expenditure of €1.3 million and a saving of €22.7 million on capital expenditure. In terms of current expenditure, additional funding was allocated to assist the Local Enterprise Offices (LEOs) in strengthening their resources as part of their response to Brexit/Covid-19. Delays in recruiting these additional staffing and related resources resulted in the €1.3 million current expenditure underspend. In terms of capital expenditure, significant additional funding was also provided to assist the LEOs to respond to Brexit/Covid-19. This allowed the LEOs to increase the funding available under a number of its existing enterprise supports and to roll out a number of additional Brexit/Covid-19 measures. EU state aid and related considerations affected the drawdown on a number of discrete LEOs supports which was the primary reason for the capital underspend of €22.7 million.

A.10 Matching funding for INTERREG

Estimate provision €5.05 million; outturn €4.08 million

Accurate forecasting of expenditure under the INTERREG programme is difficult as it is a multi-annual programme spread over seven years. Expenditure in 2020 was significantly impacted by Covid-19 which affected activity and drawdown of funding. Nevertheless, DETE's overall contribution commitment over the seven years of the current round of the programme remains at €21 million.

A.11 Subscriptions to international organisations, etc.

Estimate provision €2.16 million; outturn €2.46 million

There was an increase in Ireland's membership fee to the World Trade Organisation (WTO). This essentially is because the fee is calculated on the basis of Ireland's share of total value of trade, which has increased, together with a higher percentage rate of membership contribution being applied in 2020.

A.12 Commissions, committees and special enquiries

Estimate provision €201,000; outturn €nil

This provision primarily relates to costs associated with Joint Economic Commissions (JEC). Due to Covid-19, restrictions on international travel remain in place since March with the result that it was not possible for meetings to be scheduled with Ireland’s JEC partners. The absence of such meetings prevented the formulation of applications for funding under the JEC allocation of €201,000 and resulted in no funding being drawn down.

A.13 Legal costs and other services

Estimate provision €155,000; outturn €13,000

It is prudent vote management to provide some level of contingency funding in the event that any unforeseen costs arise during the year. As it happened, the actual level of contingency expenditure was less than had been estimated.

A.14 Strategic Banking Corporation of Ireland loan schemes

Estimate provision €56.96 million; outturn €48.292 million

The main Strategic Banking Corporation of Ireland (SBCI) loans supported under this subhead are the Working Capital Scheme and the Future Growth Loan Scheme. The underspend of €8.668 million mainly related to savings on the Working Capital Scheme. This scheme operates in partnership between the Department and the Department of Agriculture, Food and the Marine and is supported by the InnovFin SME Guarantee Facility. Funding in 2020 was allocated on the premise of increasing the amount of lending under the scheme by €125 million, as approved by Government. In the event, the European Investment Fund (EIF) advised that it was only in a position to support an additional €37.5 million in lending under the scheme rather than the agreed €125 million. This reduction in the level of the guarantee by the EIF meant that only €4 million of the €12.6 million of funding allocated to the Working Capital Scheme was required in 2020.

A.16 Micro Finance Ireland

Estimate provision €44.791 million; outturn €24.79 million

Micro Finance Ireland (MFI) provides finance to micro enterprises who cannot obtain loans from commercial providers. The Department supports MFI through periodic capital injections from the DETE vote. Significant additional capital funding was provided to MFI in 2020 to support the expected increased demand for its loan products arising from Covid-19 and Brexit. MFI experienced an initial surge in demand for lending post the advent of Covid-19. Legislative amendments in the course of 2020 increased the level of capitalisation that could be provided by the Department to MFI and extended MFI's borrowing powers. This allowed MFI to provide a wider range of supports to businesses. Following the enactment of the legislative amendments, the actual amount of lending provided by MFI resumed at more normal levels with the result that MFI did not require the full level of funding allocated to it.

Programme B Innovation

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		8,574	7,806	7,290
B.2	Administration − non pay		2,644	2,207	2,443
B.3	Intellectual Property Office of Ireland		3,133	3,069	3,165
B.4	Science and Technology Development Programme				
	Estimate provision	330,565			
	Deferred surrender	6,425			
			336,990	332,490	326,034
B.5	Programme for Research in Third Level Institutions (PRTLI)				
	Estimate provision	24,072			
	Deferred surrender	425			
			24,497	24,497	26,299
B.6	Subscriptions to international organisations, etc.		22,875	24,370	30,556
B.7	Commissions, committees and special inquiries		1	—	—
B.8	Legal costs and other services		160	4	4
B.9	Disruptive Technologies Innovation Fund				
	Estimate provision	30,000			
	Deferred surrender	2,800			
			32,800	19,300	15,415
			431,674	**413,743**	**411,206**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €17.931 million lower than originally provided (inclusive of deferred surrender). There was an underspend of €1.205 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €16.726 million, was mainly due to the following.

B.6 Subscriptions to international organisations, etc.

Estimate provision €22.875 million; outturn €24.37 million

The excess of €1.495 million arose mainly as a result of an additional €1.5 million paid to the European Space Agency (ESA) for investment in three ESA technology programmes in order to meet liabilities in respect of contracts being placed with Irish companies.

B.8 Legal costs and other services

Estimate provision €160,000; outturn €4,000

It is prudent vote management to provide some level of contingency funding in the event of any unforeseen costs arising during the year. As it happened, the actual level of contingency expenditure was considerably less than had been estimated.

B.9 Disruptive Technologies Innovation Fund

Estimate provision €32.8 million; outturn €19.3 million

The Disruptive Technologies Innovation Fund (DTIF) supports collaborations that can alter the way business operates, involve new products or the emergence of new business models etc. Collaborations under the Fund are by their nature complex. Projects being supported under the Fund encompass a total of 159 project partners involving consortia of up to 13 partners comprising of SMEs, multinationals, research performing organisations etc. The complexities of the inter dependencies of the DTIF project consortia meant that contract discussions took longer than had been anticipated. Consequently, some projects which had been approved did not commence in 2020. In addition, the impact of Covid-19 also resulted in the commencement of a further number of approved projects being delayed.

Programme C Regulation

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	13,395	10,825	10,504
C.2	Administration − non pay	3,705	3,325	3,516
C.3	Workplace Relations Programme	19,299	15,949	18,066
C.4	Grants for trade union education and advisory services – cash limited	900	900	900
C.5	Health and Safety Authority – grant for administration and general expenses	20,502	18,122	19,297
C.6	Trade union amalgamations	60	118	—
C.7	Office of the Director of Corporate Enforcement	6,057	4,306	4,300
C.8	Competition and Consumer Protection Commission	13,836	12,700	11,842
C.9	Personal Injuries Assessment Board	246	144	408
C.10	Consumer support	70	70	67
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses	7,875	7,427	7,064
C.12	Irish Auditing and Accounting Supervisory Authority	1,942	1,220	1,442
C.13	Subscriptions to international organisations, etc.	1,320	1,419	1,118
C.14	Commissions, committees and special inquiries	186	20	80
C.15	Legal costs and other services	779	346	96
C.16	Low Pay Commission	490	574	—
		90,662	**77,465**	**78,700**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to programme C was €13.197 million lower than originally provided. There was an underspend of €2.95 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €10.247 million, was mainly due to the following.

C.3 Workplace Relations Programme

Estimate provision €19.299 million; outturn €15.949 million

The underspend of €3.35 million was due to a number of factors including the following.

- an underspend in relation to the superannuation and pensions for members of the Labour Court due to provision being made for the payment of pensions and gratuities in respect of a member who was eligible for retirement but who did not opt for retirement in 2020
- an underspend by the Labour Court due to Covid-19 related issues, such as no travel and subsistence expenses to attend court hearings in the regions, no room rental costs, reductions in costs of translations and interpreters and reduction in expenditure overall
- an underspend in the Employment Appeals Tribunal (EAT) due to the fact that hearings could not take place because of Covid-19 restrictions, resulting in no travel and subsistence and room rental costs
- an underspend in pay expenditure by the Workplace Relations Commission (WRC) due to delays in filling a number of vacancies, an underspend in non-pay expenditure due to Covid-19 related issues such as moving to desk-based inspections with little or no travel and subsistence expense and the consequent reduction in ancillary costs.

C.5 Health and Safety Authority – grant for administration and general expenses

Estimate provision: €20.502 million, outturn: €18.122 million

The underspend of €2.38 million on the Health and Safety Authority's (HSA) allocation resulted primarily from the impact of Covid-19. Delays in filling vacancies resulted in a pay saving of €980,000. A reduction in demand for meetings, communication, legal services, accommodation and travel and subsistence resulted in non-pay savings of €1.4 million.

C.7 Office of the Director of Corporate Enforcement

Estimate provision €6.057 million; outturn €4.306 million

The underspend of €1.751 million was made up of savings of €1.449 million on pay and €302,000 on non-pay. The €1.449 million pay underspend resulted from vacancies arising during the year as well as delays in recruiting new staff. This €302,000 non-pay underspend was as a result of an expected procurement that did not proceed in 2020.

C.8 Competition and Consumer Protection Commission

Estimate provision €13.836 million; outturn €12.7 million

The underspend of €1.136 million included €1.44 million savings on pay due to delays in filling vacancies and a number of seconded staff returning to their parent body. This underspend was offset to some degree by an excess of €300,000 in expenditure on non-pay administration costs, which was principally due to Brexit related communications, ICT updates, preparation for litigation and an unanticipated market study.

C.9 Personal Injuries Assessment Board

Estimate provision €246,000; outturn €144,000

The underspend of €102,000 was due to the fact there were no retirement lump sums paid out in 2020 instead of the two that had been provided for.

C.11 Companies Registration Office and Registry of Friendly Societies

Estimate provision €7.875 million; outturn €7.427 million

The underspend was primarily due to non-pay savings. Savings were achieved from efficiencies in certain areas including maintenance, light and heating, furniture and fitting costs, postal and printing as well as the deferment of a number of administration projects. These savings were offset by additional expenditure on IT and telecommunications costs. Overall non-pay savings of €498,000 were achieved in 2020. The non-pay savings were offset to some degree by an additional €50,000 in expenditure on pay.

C.12 Irish Auditing and Accounting Supervisory Authority

Estimate provision €1.942 million; outturn €1.22 million

The underspend of €722,000 arose mainly from delays experienced in recruiting a number of staff to the authority. At the end of the year, a total of 30 staff were employed by the Authority out of its approved complement of 36.

C.14 Commissions, committees and special inquiries

Estimate provision €186,000; outturn €20,000

The underspend of €166,000 included.

- an underspend of €86,000 on the Company Law Review Group due to the meetings all being held remotely from March, resulting in savings in meeting costs and also a legal research post remaining vacant for the year
- €80,000 in miscellaneous savings in respect of less than anticipated expenditure by Joint Labour Committees, Business Regulation Group, Sales Law Review Group, Future of Work Initiative and Company Law Inquires.

C.15 Legal costs and other services

Estimate provision €779,000; outturn €346,000

It is prudent vote management to provide some level of contingency funding in the event any unforeseen costs arising during the year. As it happened, the actual level of contingency expenditure was considerably less than had been estimated.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
Employment rights and industrial relations				
1	Receipts from the Social Insurance Fund	100	67	162
2	Employment permit fees	11,000	11,662	13,517
3	Employment agency licences	355	374	411
4	WRC fixed penalty notices	22	3	6
5	WRC court award costs	20	27	26
Insurance and company law				
6	Companies Registration Office	16,200	12,882	17,559
7	Registry of Friendly Societies	50	28	46
8	Beneficial ownership of companies and industrial and provident societies	50	32	8
Trade, competition and market rights				
9	Receipts under the Trade Marks Act 1963 and Patents Act 1964	9,000	9,842	9,873
10	Occasional trading licences	1	—	—
11	Competition and Consumer Protection Commission	508	436	523
12	Merger notifications	320	336	376
Other				
13	ODCE legal	50	—	1
14	Miscellaneous	84	581	326
15	Enterprise policy [a]	5,545	4,120	5,764
16	Competition and Consumer Protection Commission [b]	1,500	1,555	1,884
17	PIAB superannuation	1,168	1,152	1,129
18	HSA superannuation	—	98	—
19	Temporary Loan Guarantee Scheme	408	179	415
20	Expert Group on Future Skills Needs	557	448	453
21	Receipts from additional superannuation contributions on public service remuneration	5,770	5,959	6,498
	Total	**52,708**	**49,781**	**58,977**

Note [a] Enterprise policy shows amounts received from current and former enterprise agencies in relation to staff pension contributions and INTERREG-ERDF reimbursement. The agencies are InterTrade Ireland, IDA, EI, SFI and the former SFADCo.

[b] Receipts under this line are in part-recoupment of the expenditure under subhead C.8.

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall appropriations-in-aid were €2.927 million lower than the estimate. Explanations for variances are set out below:

2 Employment permit fees

Estimate €11 million; realised €11.662 million

The excess of €662,000 in receipts was because there continues to be strong demand in the labour market for applicants with the required skills and experience to supplement Ireland's skill stock.

6 Companies Registration Office

Estimate €16.2 million; realised €12.882 million

The shortfall of €3.318 million was primarily due to a reduction in income generated from late filing fees. In light of the impact of Covid-19 on businesses, the CRO suspended the application of late fees for those deadlines that fell during the height of 'lockdown'.

9 Receipts under the Trade Marks Act 1963 and Patents Act 1964

Estimate €9 million; realised €9.842 million

The increase of €842,000 was primarily due to fee income from the renewal of European patent applications being greater than anticipated.

14 Miscellaneous

Estimate €84,000; realised €581,000

Due to the nature of miscellaneous receipts, it is difficult to accurately estimate them in any one year. A significant portion of the receipts (€472,000) related to the Intellectual Property Office of Ireland's participation in some European Patent Office and European Intellectual Property Office co-operation activities and programmes.

15 Enterprise policy

Estimate €5.545 million; realised €4.12 million

The shortfall of €1.425 million arose mainly from a reduction in both expected reimbursements of expenditure on the INTERREG programme and expected pension receipts from a number of the Department's existing and former enterprise agencies. As regards the INTERREG programme there was a shortfall of €1.12 million in expected reimbursements from the ERDF. This shortfall was a direct consequence of the underspend under the programme caused by the advent of Covid-19 which in turn reduced the amount of the reimbursement that could be recouped from the ERDF.

The other €300,000 of the shortfall related to pension receipts from a number of existing and former agencies of the Department being less than what had been estimated. There were varied reasons for the reductions in these receipts including an increase in the numbers of staff leaving/retiring, new staff paying contributions centrally as members of the Single Scheme etc.

19 Temporary Loan Guarantee Scheme

Estimate €408,000; realised €179,000

The Credit Guarantee Scheme provides a state backed guarantee on loans under the scheme. Loans taken under the scheme require that a small premium is paid.

The shortfall in receipts in 2020 occurred for two reasons:

- Following the onset of the Covid-19, it was decided to introduce a new Credit Guarantee Scheme (CGS) which would be more widely available and offer cheaper loans. Businesses availed of other government backed loan schemes and wider business supports while this scheme was being developed. This gave rise to a fall-off in demand for the traditional CGS and thus reduced premiums on new business in relation to the scheme. Premiums were principally received in respect of existing loans.
- The Covid-19 CGS was developed with an operational change in the collection of premiums. Rather than premiums being paid to the Strategic Banking Corporation of Ireland (SBCI) and remitted to the Department on a monthly basis, lenders now collect premiums directly from their customers and remit them to SBCI on a quarterly basis. This can give rise to a timing difference between collection and funds being remitted to the Department. The Covid-19 CGS was launched in September 2020, as a result premiums will begin to be received by the Department in 2021.

20 Expert Group on Future Skills Needs

Estimate €557,000; realised €448,000

A number of the group's expected projects were delayed due to Covid-19, which resulted in reduced expenditure and a consequent reduction in recoupment of expenses from the National Training Fund.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Local Enterprise – current [a]	1	131
Local Enterprise – capital [b]	16	—
Personal Injuries Assessment Board (PIAB) [c]	—	9,000
Enterprise Ireland – excess own resource income[d]	10,789	—
Enterprise Ireland – return of unused 2020 Restart grant[e]	2,795	—
Miscellaneous	6	—
Transferred to the Exchequer	(13,607)	(9,131)
Balance at 31 December	**—**	**—**

Note [a] Local Enterprise Offices - current: this related to unused funds in subhead A.8 for pay and non-pay in 2019.

[b] Local Enterprise Offices - capital: this related to unused funds in subhead A.8 for particular capital programmes in 2019.

[c] The PIAB generates its funding income from fees charged to claimants and respondents. In accordance with an audit recommendation, the PIAB (Amendment) Act 2019 set out the policy of revenue reserves to be followed by PIAB. The Act also obliges PIAB to submit moneys in excess of its prescribed reserves threshold to the Minister for the benefit of the Exchequer. In advance of the final determination of PIAB's requisite revenue reserves threshold, the sum of €9 million was forwarded to the Department in recognition of PIAB's legal obligation under the 2019 Act.

[d] Enterprise Ireland – excess own resource income: this relates to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by PER for their own use in 2020.

[e] Enterprise Ireland – return of unused 2020 Restart grant: this represents the return of unused 2020 Restart grant funding to Enterprise Ireland from a number of local authorities, who in turn have returned the moneys in the form of an extra Exchequer receipt in accordance with the PER sanction.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department and Offices:		
Department [a]	508	475
Intellectual Property Office of Ireland	45	42
Workplace Relations Commission	180	174
Office of Director of Corporate Enforcement	37	35
Companies Registration Office	125	115
Labour Court	35	31
	930	**872**
Agencies [b]	1,772	1,615
	2,702	**2,487**

Notes
[a] Includes the staff of the Secretariat of the Low Pay Commission.
[b] Includes employees of the Personal Injuries Assessment Board, a non-commercial state agency that, aside from a pension provision, is not in direct receipt of Exchequer funding.

5.2 Pay – Department, Offices and Agencies

	2020 €000	2019 €000
Pay	172,050	164,724
Higher, special or additional duties allowances	870	2,467
Other allowances	2,561	3,450
Overtime	230	896
Employer's PRSI	13,642	11,764
Total pay	**189,353**	**183,301**

The remuneration arrangements refer to the pay element of Subheads A.1, A.4, A.5, A.6, A.7, B.1, B.3, B.4, C.1, C.3, C.5, C.7, C.8, C.11, C.12 and C.16.

5.3 Department

	2020 €000	2019 €000
Pay [a, b]	46,553	44,865
Higher, special or additional duties allowances	622	671
Other allowances	1,129	750
Overtime	133	342
Employer's PRSI	3,431	3,186
Total pay [c]	**51,868**	**49,814**

Notes
[a] Includes pension payments to 24 former members of the Labour Court, the Competition Authority, the National Consumer Agency (now known as the Competition and Consumer Protection Commission).
[b] Excludes fees paid to office holders who are not employees of the Department e.g. adjudicators.
[c] Total pay includes administration pay (A.1, B.1 and C.1) and the pay elements of the Offices of the Department (B.3, C.3, C.7, C.11 and C.16). The amount included for pay in Note 1 refers to administrative subheads only.

5.4 Allowances and overtime payments – Department staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	38	11	46,078	48,086
Other allowances	78	21	90,810	79,911
Overtime	109	—	8,415	18,207
Extra remuneration in more than one category	26	5	47,379	47,240

5.5 Agencies

The agencies included here are the Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority Ireland, InterTrade Ireland, Irish Auditing and Accounting Supervisory Authority and Science Foundation Ireland.

The pay expenditure of the agencies is not a direct financial transaction of the Department and as such the Department does not hold detailed pay and allowance information in respect of agency staff. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements/annual reports or directly from the agencies concerned.

	2020 €000	2019 €000
Pay	125,497	119,859
Higher, special or additional duties allowances	248	1,796
Other allowances	1,432	2,700
Overtime	97	554
Employer's PRSI	10,211	8,578
Total pay	**137,485**	**133,487**

5.6 Allowances and overtime payments - Agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020 €	2019 €
Higher, special or additional duties allowances	53	8	52,389	44,212
Other allowances	266	21	28,702	31,462
Overtime	56	2	23,214	27,803
Extra remuneration in more than one category	6	1	9,951	16,757

5.7 Other remuneration arrangements

A company car was provided to the CEO of Enterprise Ireland.

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €78,587. The payments made were consistent with the principles of the Public Service (Single Scheme and other provisions) Act 2012.

This account includes expenditure of €82,032 in respect of one officer who was serving outside the Department for 2020 and whose salary was paid by the Department.

5.8 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	61	200,412	235,712
Recovery plans in place	31	116,934	130,457[a]

Five overpayment recovery plans in respect of three individuals to the value of €1,984 were transferred to three other departments in the year.

Note [a] Figures restated for 2019

5.9 Severance/redundancy

During 2020, three staff members received severance and redundancy payments due to changes of Ministers to the Department. These payments totalled €52,270.

Note 6 Miscellaneous

6.1 EU funding

The Department, and the following bodies under the aegis of the Department received EU aid directly as shown below.

Subhead	Description	2020 Outturn €000	2019 Outturn €000
A.4	InterTrade Ireland	911	396
A.10	Matching funding for INTERREG	880	2,215
B.3	Intellectual Property Office of Ireland	707	270
B.4	Science Foundation Ireland	254	249
B.4	Enterprise Ireland	1,014	4,287
C.5	Health and Safety Authority	31	16
		3,797	**7,433**

6.2 Commissions, committees and special inquiries

	Year of establishment	2020 €000	2019 €000
Permanent/open-ended			
Joint Labour Committees	1946	6	17
Company Law Review Group	2000	14	36
The Future of Work Initiative	2017	—	14
Sales Law Review Group	2009	1	—
Departmental Audit Committee	2004	2	3
Business Regulation Group	2006	—	10
		23	**80**

6.3 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees against:						
Department	6	—	—	100	100	5
Claims by members of the public against:						
Workplace Relations Commission	1	24	—	—	24	—
Labour Court	—	—	—	—	—	15
Employment permits	2	—	69	—	69	57
	9	**24**	**69**	**100**	**193**	**77**

6.4 Employment and training levy

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department of Enterprise, Trade and Employment continues to receive amounts relating to historical payments of the levy. The Employment and Training Levy is collected by the Office of the Revenue Commissioners and paid over to the Department of Enterprise, Trade and Employment monthly. The moneys are in turn paid over to the Exchequer.

Statement of payments made in accordance with Section 25(1) of the Labour Services Act 1987.

	2020	2019
	€000	€000
Received from Revenue Commissions	33	26
Paid into the Exchequer	32	26

6.5 Late payment penalties

	2020	2019
	€000	€000
Interest and compensation	**27**	**4**

Appendix A Accounts of bodies and funds under the aegis of the Department of Enterprise, Trade and Employment

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
IDA Ireland	2019	9 Jun 2020	11 Jun 2020	9 Jul 2020
National Standards Authority of Ireland	2019	30 Jun 2020	7 Jul 2020	5 Aug 2020
Enterprise Ireland	2019	24 Jun 2020	30 Jun 2020	17 Jul 2020
Science Foundation Ireland	2019	29 Jun 2020	14 Jul 2020	25 Aug 2020
Health and Safety Authority	2019	24 Dec 2020	12 Jan 2021	21 Jan 2021
Competition and Consumer Protection Commission	2019	10 Jul 2020	24 Jul 2020	28 Jul 2020
Personal Injuries Assessment Board	2019	4 Jun 2020	30 Jun 2020	29 Jul 2020
Irish Auditing and Accounting Supervisory Authority	2019	15 Jun 2020	16 Jun 2020	22 Jun 2020
InterTrade Ireland	2019	11 Dec 2020	11 Mar 2021	—

Appropriation Account 2020

Vote 33

Tourism, Culture, Arts, Gaeltacht, Sport and Media

Introduction

As Accounting Officer for Vote 33, 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 2020 for the salaries and expenses of the Office of the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, including certain services administered by that Office and for payment of certain subsidies and grants.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €32.912 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes one to seven form part of the account.

Transfer of functions

The transfer of the heritage function and Inland Waterways and Waterways Ireland to the Department of Housing, Planning and Local Government came into effect from 9 September 2020 under SI 339/220 Heritage (Transfer of Departmental Administration and Ministerial Functions) Order 2020 and SI 340/2020 Inland Waterways and Waterways Ireland (Transfer of Departmental Administration and Ministerial Functions) Order 2020. The transfer of the islands function to the Department of Rural and Community Development came into effect from 23 September 2020 under SI 379/2020 Islands (Transfer of Departmental Administration and Ministerial Functions) Order 2020.

The transfer of the tourism and sport functions from the former Department of Transport, Tourism and Sport came into effect from 16 September 2020, under SI 356/2020 Tourism and Sport (Transfer of Departmental Administration and Ministerial Functions) Order 2020. The transfer of the broadcasting function from the former Department of Communications, Climate Action and Environment came into effect from 23 September 2020, under SI 372/2020 Broadcasting (Transfer of Departmental Administration and Ministerial Functions) Order 2020.

Once the Planning and Development, Heritage and Broadcasting (Amendment) Bill 2021 is enacted and commenced, the remainder of the heritage powers and functions, including certain functions regarding commenting on planning applications and draft development plans from a heritage perspective will be transferred to the Minister for Housing, Local Government and Heritage by a transfer of functions order, and residual media functions will be transferred from the Department of Environment, Climate and Communications to this Department.

The Department was re-named the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, under SI 403/2020 Culture, Heritage and the Gaeltacht (Alteration of Name of Department and Title of Minister) Order 2020 with effect from 30 September 2020. This account has been prepared in accordance with the 2020 Final Revised Estimate for Tourism, Culture, Arts, Gaeltacht, Sport and Media, and in line with guidance from Government Accounting on accounting arrangements to apply in respect of expenditure on functions that transfer between departments by transfer of function order.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account except for the following.

Heritage assets

Certain heritage assets including artefacts and manuscripts have not been valued.

Depreciation

Land is not depreciated. Building are depreciated at 2% per annum on a straight-line basis. Plant and machinery, office and IT equipment and furniture and fittings are depreciated on a straight-line basis over their estimated useful life, as pre the following annual rates.

- plant and machinery; furniture and fitting – 10%
- office and IT equipment – 20%

Valuation of capital assets

As provided for in circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the Financial Shared Service Centre of the Department of Justice.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I and the Audit Committee have approved. Its work is informed by analysis of the financial risks to which the Department 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.

Non-compliance with procurement rules

The Department 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 Department complied with these guidelines in 2020 with the exception of six contracts to the value of €578,081. Five of these contracts related to cleaning services and other utility contracts that were extended beyond their original contract period and all of which are expected to be regularised shortly. The sixth contract relates to genealogy services at the National Archives of Ireland which has now been re-tendered.

These contracts are included in a list of nine contracts, with an overall value of €751,185 awarded without following a competitive process in 2020 that have been included in the 40/2002 return, as they exceed the reporting threshold of €25,000. The three remaining contracts with a value of €173,104 are considered compliant because the justification for awarding these contracts falls within the exceptions to a competitive process permitted under national and EU legislation.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in 2020 resulted in some changes to the working and control environment with remote and virtual working becoming the norm in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. As a result of the pandemic, the Department introduced a number of procedural and control changes. Under the Department's risk and control framework an additional and specific Covid-19 risk register was put in place to identify the key risk facing the Department as a result of the Covid-19 pandemic. These risks have been identified, evaluated and graded according to their significance and this risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff. The register is reviewed and updated by the Management Board on a quarterly basis. I confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Katherine Licken
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Opinion on the appropriation account

I have audited the appropriation account for Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2020 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 33 Tourism, Culture, Arts Gaeltacht, Sport and Media for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

I draw attention to the statement on internal financial control which discloses that during 2020 the Department incurred significant expenditure in relation to goods and services where the procurement arrangements did not comply with procurement guidelines. The statement also sets out the steps taken by the Department to address the matter.

Report on other matters arising from audit

Chapter 7 of my report on the accounts of the public services for 2020 examines the Department's oversight of funding provided for the European Capital of Culture 2020.

Seamus McCarthy
Comptroller and Auditor General

21 September 2021

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Appropriation Account 2020

				2020	2019
			Estimate provision [a]	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Tourism Services				
	Estimate provision	184,393			
	Deferred surrender	5,961			
			190,354	189,626	—
B	Arts and Culture				
	Estimate provision	251,043			
	Deferred surrender	3,000			
			254,043	242,030	183,470
C	Gaeltacht [b]				
	Estimate provision	71,909			
	Deferred surrender	435			
			72,344	66,217	68,194
D	Sports and Recreation Services				
	Estimate provision	217,055			
	Deferred surrender	23,400			
			240,455	203,163	—
E	Broadcasting		278,505	271,027	—
—	Heritage		—	—	55,413
—	North-South co-operation [b]		—	—	28,266
Gross expenditure					
	Estimate provision	1,002,905			
	Deferred surrender [c]	32,796			
			1,035,701	**972,063**	**335,343**
	Deduct				
F	**Appropriations-in-aid**		**248,296**	**234,462**	**5,046**
Net expenditure					
	Estimate provision	754,609			
	Deferred surrender	32,796			
			787,405	**737,601**	**330,297**

Note [a] The estimate provision figures above reflect the estimate provision for 2020 as recorded in revised estimates for public services 2021. The further revised estimates for public services 2020 had made provision for the transfer of an amount of €88,000 in capital carryover from the Department of Transport to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

[b] Expenditure of €12.833 million incurred under the North-South co-operation programme in 2019 is included in the 2019 comparative figure shown above for Programme C Gaeltacht.

[c] €29.361 million of deferred surrender at 31 December 2019 was transferred from the Department of Transport, Tourism and Sport to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media as part of the transfer of the tourism and sport functions that arose in 2020.

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €1 million of unspent allocations in respect of the capital elements of Subhead A.6, €6.037 million of unspent allocations in respect of capital elements of subhead B.7, €2.225 million of unspent allocations in respect of capital elements of subhead C.8 and €7.63 million of unspent allocations in respect of capital elements of subhead D.3 was carried forward to 2021.

	2020 €	2019 €
Surplus	49,804,346	5,597,433
Deferred surrender	(16,892,000)	(3,435,000)
Surplus to be surrendered	**32,912,346**	**2,162,433**

Katherine Licken
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		950,779	295,326
Pay		17,679	34,436
Non pay		3,605	5,581
Gross expenditure		**972,063**	**335,343**
Deduct			
Appropriations-in-aid		**234,462**	**5,046**
Net expenditure		**737,601**	**330,297**
Changes in capital assets			
Purchases cash	(1,925)		
Depreciation	1,536		
Loss on disposals	2	(387)	(3,631)
Changes in net current assets			
Decrease in closing accruals	(536)		
Decrease in stock	299	(237)	(782)
Direct expenditure		**736,977**	**325,884**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		16,649	16,359
Notional rents		1,193	1,193
Net programme cost		**754,819**	**343,436**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 33 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	45	45
Vote 12	Superannuation and Retired Allowances	10,424	10,452
Vote 13	Office of Public Works	5,335	5,163
Vote 18	National Shared Services Office	79	66
Vote 24	Justice – Financial Shared Services Centre	507	497
Vote 43	Office of the Government Chief Information Officer	92	—
Central Fund – ministerial pensions		167	136
		16,649	**16,359**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	10,147	64,135
Current assets			
Bank and cash	2.2	20,342	12,197
Stocks	2.3	62	361
Prepayments	2.4	3,539	2,386
Accrued income		—	68
Other debit balances	2.5	642	2,546
Total current assets		**24,585**	**17,558**
Less current liabilities			
Accrued expenses		1,392	843
Other credit balances	2.6	939	9,680
Net Exchequer funding	2.7	20,045	5,063
Total current liabilities		**22,376**	**15,586**
Net current assets		2,209	1,972
Net assets		**12,356**	**66,107**
Represented by:			
State funding account	2.8	**12,356**	**66,107**

2.1 Capital assets

	Land and buildings	Plant and machinery	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2020	61,335	8,280	11,052	4,348	85,015
Additions	128	816	952	29	1,925
Transferred to Vote 42	(11,597)	—	—	—	(11,597)
Transferred to Vote 34 [a]	(40,202)	(9,047)	(3,185)	(2,300)	(54,734)
Disposals	—	(49)	—	(3)	(52)
Cost or valuation at 31 December 2020	9,664	—	8,819	2,074	20,557
Accumulated depreciation					
Opening balance at 1 January 2020	2,305	6,443	9,359	2,773	20,880
Depreciation for the year	397	487	605	47	1,536
Depreciation on transfers to Vote 42	(1,289)	—	—	—	(1,289)
Depreciation on transfers to Vote 34	(47)	(6,883)	(2,769)	(968)	(10,667)
Depreciation on disposals	—	(47)	—	(3)	(50)
Cumulative depreciation at 31 December 2020	1,366	—	7,195	1,849	10,410
Net assets at 31 December 2020	**8,298**	**—**	**1,624**	**225**	**10,147**
Net assets at 31 December 2019	59,030	1,837	1,693	1,575	64,135

Note [a] The transfer of the heritage function to the Department of Housing, Local Government and Heritage (DHLGH) came into effect from 9 September 2020. Responsibility for the associated assets transferred at that date to DHLGH and such assets were transferred to the DHLGH in 2020. However, under an administrative arrangement, the Department continued to provide ICT services to the DHLGH into 2021 and maintained heritage ICT assets on its asset register at 31 December 2020. The transition of ICT services has now been completed and these assets have transferred to DHLGH in 2021.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	20,121	12,144
Petty cash balance	2	19
Commercial bank account balance [a]	219	34
	20,342	**12,197**

Note [a] The commercial bank account balance in 2020 includes €153,641 (2019: €2,083) in respect of a commercial bank account operated by the Department of Justice – Financial Shared Services.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Building material and small plant	—	116
Fuels and fertilisers	—	27
Stationery[a]	6	16
Equipment consumables	4	6
Janitorial supplies and first aid	1	18
IT consumables[a]	51	51
Miscellaneous	—	57
Livestock	—	70
	62	**361**

Note [a] Due to restrictions associated with the Covid-19 pandemic, it was not possible to complete a stocktake of IT consumables or stationery stocks in one location as at 31 December 2020. The stocktake figures at that location as at 31 December 2019 were considered a reasonable approximation of stock levels as at 31 December 2020.

2.4 Prepayments

	2020	2019
	€000	€000
Office equipment and external IT services	203	149
National Library of Ireland	780	750
European City of Culture	1,500	460
Gaeltacht support schemes	453	112
20 Year Strategy for the Irish Language 2010-2030	329	540
Dormant accounts	109	—
Miscellaneous	165	375
	3,539	**2,386**

2.5 Other debit balances

at 31 December	2020	2019
	€000	€000
Environment Fund [a]	—	1,131
Office of Public Works	75	47
Paypath	461	107
Other debit suspense items [b]	106	1,261
	642	**2,546**

Notes
[a] The amount due from the Environment Fund at 31 December 2019 was transferred to the Department of Housing, Local Government and Heritage as part of the transfer of the heritage function to that Department.
[b] A number of the other debit balances due to the Department at 31 December 2019 were transferred to the Department of Housing, Local Government and Heritage as part of the transfer of the heritage function.

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	300	480
Pay related social insurance	158	304
Professional services withholding tax	14	184
Relevant contracts tax	—	8
Value added tax	8	135
Pension deductions	—	8
	480	1,119
Crowley Bequest Fund (Note 7.2)	148	156
Kerry LIFE[a]	—	685
Rural Regeneration and Development Fund[a]	—	2,500
LIFE Wild Atlantic Nature[a]	—	2,475
LIFE Atlantic Crex[a]	—	1,289
Raised bog LIFE project[a]	—	1,243
Other	311	213
	939	**9,680**

Note
[a] Responsibility for these projects and the management of these suspense accounts transferred to the Department of Housing, Local Government and Heritage during 2020.

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus	32,912	2,162
Deferred surrender	16,892	3,435
Exchequer grant undrawn	(29,759)	(534)
Net Exchequer funding	**20,045**	**5,063**
Represented by:		
Debtors		
Bank and cash	20,342	12,197
Debit balances: suspense	642	2,546
	20,984	14,743
Creditors		
Due to the State	(480)	(1,119)
Credit balances: suspense	(459)	(8,561)
	(939)	(9,680)
	20,045	**5,063**

2.8 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			66,107	61,693
Disbursements from the Vote				
Estimate provision	Account	787,405		
Deferred surrender	Account	(16,892)		
Surplus	Account	(32,912)		
Net vote			737,601	330,298
Expenditure (cash) borne elsewhere	1.1		16,649	16,359
Non cash expenditure – fixed assets transfers	2.1		(54,375)	—
Non cash expenditure – notional rent	1		1,193	1,193
Net programme cost	1		(754,819)	(343,436)
Balance at 31 December			**12,356**	**66,107**

2.9 Commitments

a) Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services [a]	33,792	793
Non-capital grant programmes (b)	23,911	36,958
Capital grant programmes (c)	107,154	41,132
Capital projects	12,315	8,145
Total of legally enforceable commitments	**177,172**	**87,028**

b) Non-capital grant programmes [a]	**2020 €000**	**2019 €000**
Opening balance	36,958	37,541
Transferred out	(16,652)	—
Transferred in	8,500	—
Grants paid in the year	(30,150)	(33,897)
New grant commitments	26,353	34,362
Grants cancelled	(1,098)	(1,048)
Closing balance	**23,911**	**36,958**

c) Capital grant programmes	**2020 €000**	**2019 €000**
Opening balance	41,132	52,564
Transferred out	(21,406)	—
Transferred in	126,368	—
Grants paid in the year	(41,237)	(16,780)
New grant commitments	9,692	5,661
Grants cancelled	(7,395)	(313)
Closing balance	**107,154**	**41,132**

Note [a] The procurement of goods and services includes year end commitments of €33.579 million in respect of future Government supports towards the hosting of the 2027 Ryder Cup in Ireland. Non capital grant programmes year end commitments includes additional Government supports towards the hosting of the 2027 Ryder Cup in Ireland of €8.5 million.

2.10 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	**7**	**4**

2.11 Contingent liabilities

The Department had no contingent liabilities as at 31 December 2020. The Department had been involved in a number of pending legal proceedings as at 31 December 2019. Responsibility for these cases transferred to the Department of Housing, Local Government and Heritage and the Department of Rural and Community Development as part of the transfer of functions in 2020.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	18,830	17,679	34,436
ii	Travel and subsistence	755	155	1,239
iii	Training and development and incidental expenses	1,194	401	969
iv	Postal and telecommunications services	443	348	446
v	Office equipment and external IT services	2,345	2,143	2,096
vi	Office premises expenses	472	362	831
vii	Consultancy services and value for money and policy reviews	340	196	—
		24,379	**21,284**	**40,017**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €755,000; outturn €155,000

The saving was due to significantly reduced levels of travel across all areas of the Department as a consequence of the Covid-19 pandemic.

iii Training and development and incidental expenses

Estimate provision €1.194 million; outturn €401,000

The saving was due to the curtailment of planned activity under this subhead due to the Covid-19 pandemic.

vii Consultancy services and value for money and policy reviews

Estimate provision €340,000; outturn €196,000

The saving was due to a policy to keep such expenditure to a minimum in light of budgetary pressures and the impact of the Covid-19 pandemic.

Programme A Tourism Services

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		1,417	1,713	—
A.2	Administration − non pay		381	357	—
A.3	Fáilte Ireland		81,533	81,533	—
A.4	Tourism Ireland Limited		16,239	16,239	—
A.5	Tourism Marketing Fund		46,823	46,823	—
A.6	Tourism product development				—
	Estimate provision	38,000			—
	Deferred surrender	5,961			
			43,961	42,961	—
			190,354	**189,626**	**—**

Programme B Arts and Culture

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		9,632	7,747	6,894
B.2	Administration − non pay		2,489	1,391	1,605
B.3	Payments to match resources generated by the National Archives		40	25	40
B.4	General expenses of the National Archives and National Archives Advisory Council		1,666	938	1,138
B.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Note 7.1)		14,412	13,912	13,373
B.6	Regional museums, galleries, cultural centres and projects		21,705	20,862	12,455
B.7	Cultural infrastructures and development				
	Estimate provision	25,500			
	Deferred surrender	3,000			
			28,500	22,458	8,400
B.8	Culture Ireland		4,600	4,368	4,942
B.9	An Chomhairle Ealaíon (part funded by the National Lottery)		105,002	105,002	75,002
B.10	General expenses of the National Museum of Ireland		14,259	14,259	14,109
B.11	General expenses of the National Library of Ireland		7,915	7,915	7,825
B.12	Fis Éireann/Screen Ireland		24,066	24,066	20,040
B.13	General expenses of the National Gallery of Ireland		10,657	10,657	10,547
B.14	European City of Culture		7,100	7,100	6,000
B.15	Decade of Centenaries 1912-1922		2,000	1,330	1,100
			254,043	**242,030**	**183,470**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €12.013 million lower than originally provided. €2.983 million of this related to administration expenditure and has already been explained and the balance of the variance of €9.03 million was mainly due to the following.

B.4 General expenses of the National Archives and the National Archives Advisory Council

Estimate provision €1.666 million; outturn €938,000

The saving of €728,000, relative to the estimate provision, was mainly due to the impact of the Covid-19 pandemic on anticipated expenditure.

B.7 Cultural Infrastructure and development

Estimate provision €28.5 million; outturn €22.458 million

The saving of €6.042 million, relative to the estimate provision, was due to a number of large scale projects across a number of schemes which did not progress within their time frame due to various issues including Covid-19 related delays.

B.8 Culture Ireland

Estimate provision €4.6 million; outturn €4.368 million

The savings arose as some planned international events were cancelled or postponed due to the impact of the Covid-19 pandemic.

B.15 Decade of Centenaries 1912-1922

Estimate provision €2 million; outturn €1.33 million

The savings arose due mainly to the impact of the Covid-19 pandemic on public gatherings which impacted the scope to deliver many planned 'in person' events in 2020 under the Decade of Centenaries 2012-2023 Programme.

Programme C Gaeltacht

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
C.1	Administration − pay		4,913	4,336	3,484
C.2	Administration − non pay		1,742	1,047	1,191
C.3	Gaeltacht support schemes		9,692	9,740	8,547
C.4	Irish language support schemes (part funded by National Lottery)				
	Estimate provision	5,782			
	Deferred surrender	435			
			6,217	6,492	5,148
C.5	An Coimisinéir Teanga		845	821	808
C.6	Údarás na Gaeltachta – administration		9,602	10,852	9,442
C.7	Údarás na Gaeltachta – current programme expenditure		4,250	4,250	3,850
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises		18,000	13,275	9,700
C.9	An Foras Teanga [a]		13,383	12,585	12,833
C.10	20 year strategy for the Irish language 2010-2030		3,700	2,819	2,625
—	*Islands*		—	—	10,566
			72,344	**66,217**	**68,194**

Note [a] The comparative 2019 expenditure was incurred under subhead D.3 An Foras Teanga in the 2019 appropriation account.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €6.127 million lower than originally provided. €1.272 million of this related to administration expenditure and has already been explained and the balance of the variance of €4.855 million was mainly due to the following.

C.6 Údarás na Gaeltachta – administration

Estimate provision €9.602 million; outturn €10.852 million

Funding was transferred from other subheads, with sanction of the Department of Public Expenditure and Reform to meet emerging pressures under this subhead due to the impact of COVID-19 on non-Exchequer income sources, most notably projected dividend income which was not realised.

C.8 Údarás na Gaeltachta – grants for projects and capital expenditure on premises

Estimate provision €18 million; outturn €13.275 million

The saving of €4.725 million, relative to the estimate provision, was due to the impact of Covid-19 on the progression of the capital works programme. €2.225 million of this funding was carried forward into 2021.

C.9 An Foras Teanga

Estimate provision €13.383 million; outturn €12.585 million

The saving of €798,000 relative to the estimate provision arose both from underspends by the relevant agencies due to the impact of the Covid-19 pandemic on the planned work programmes and fluctuations in currency exchange rates at year end.

C.10 20 year strategy for the Irish language 2010-2030

Estimate provision €3.7 million; outturn €2.819 million

The saving of €881,000 relative to the estimate provision relates to slower than anticipated progression of language plans due in part to the Covid-19 pandemic.

Programme D Sports and Recreation Services

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
D.1	Administration − pay		2,123	2,419	—
D.2	Administration − non pay		540	344	—
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)				
	Estimate provision	27,935			
	Deferred surrender	12,000			
			39,935	26,171	—
D.4	Grants for provision and renovation of swimming pools				
	Estimate provision	2,100			
	Deferred surrender	2,600			
			4,700	—	—
D.5	Sport Ireland (part funded by national lottery)		162,457	163,054	—
D.6	Dormant accounts funding for sports measures		8,000	7,975	—
D.7	Large scale sport infrastructure fund				—
	Estimate provision	9,500			
	Deferred surrender	8,800			
			18,300	—	—
D.8	Major events		4,400	3,200	—
			240,455	**203,163**	**—**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €37.292 million lower than originally provided. Administration expenditure was €100,000 higher than originally planned. The balance of the variance of €37.392 million was mainly due to the following:

D.3 Grant for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)

Estimate provision €39.935 million; outturn €26.171 million

The drawdown of grants under the various rounds of the Sports Capital and Equipment Programme is demand led. In 2020 the impact of the Covid-19 pandemic, led to a slowdown in construction activity, including activity related to sports projects.

D.4 Grant for provision and renovation of swimming pools

Estimate provision €4.7 million; outturn €nil

There was no expenditure on the subhead in 2020 primarily due to fact that in one significant project which is now under construction, the grantee was not in a position to draw down any of the €3.8 million grant as the legal requirements for that grant were not yet completed.

D.7 Large scale sport infrastructure fund

Estimate provision €18.3 million; outturn €nil

The first grants under the new large scale sport infrastructure fund (LSSIF) were announced at the beginning of 2020. The Covid-19 pandemic impacted on the progress of this scheme and no projects were sufficiently advanced to draw down funding in 2020.

D.8 Major events

Estimate provision €4.4 million; outturn €3.2 million

The €1.2 million underspend represents grant payments that were due to be made in respect of events which were cancelled due to the Covid-19 pandemic.

Programme E Broadcasting

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration − pay	745	1,464	—
E.2	Administration − non pay	397	466	—
E.3	Grant to Raidió Telefis Éireann for broadcasting licence fees	208,622	197,645	—
E.4	Payment to An Post for collection of broadcasting licence fees	12,457	10,030	—
E.5	Deontas i leith Theilifís na Gaeilge	37,233	39,133	—
E.6	Broadcasting Fund	18,051	21,777	—
E.7	RTE spectrum	1,000	512	
		278,505	**271,027**	**—**

Significant variations
The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall the expenditure in relation to Programme E was €7.478 million lower than originally provided. Administration expenditure was €788,000 higher than originally provided. The balance of the variance of €8.266 million was mainly due to the following.

E.3 Grant to Raidió Telefís Éireann for broadcasting licence fees

Estimate provision €208.622 million; outturn €197.645 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection, and it is, therefore, difficult to estimate precisely the level of payments to RTÉ, An Post and the Broadcasting Fund. Falling licence fee sales due to Covid 19 meant sales were down on the 2020 target.

E.4 Payment to An Post for collection of broadcasting licence fees

Estimate provision €12.457 million; outturn €10.03 million

An Post are paid commission on a sliding scale based on the level of licence fee sales. Sales were below target due to Covid-19 impacts.

E.5 Deontas i leith Theilifís na Gaeilge

Estimate provision €37.233 million; outturn €39.133 million

Funding was transferred from other subheads, with sanction of the Department of Public Expenditure and Reform to support enhanced programming as a response to Coivd-19 including Cúla 4 ar scoil , Lockdown le Hector and Fleadh 2020.

E.6 Broadcasting Fund

Estimate provision €18.051 million; outturn €21.777 million

Additional funding was allocated to the Sound and Vision Scheme and the Broadcasting Fund to support enhanced programming as a response to Covid-19.

E.7 RTE spectrum

Estimate provision €1 million; outturn €512,000

EU Decision 2017/899 obliged member states to migrate terrestrial broadcasting services (i.e. the Saorview DTT service) from the 700 MHz spectrum band (694-790 MHz), to allow for that spectrum to be used by wireless broadband services. A cost recovery mechanism (CRM) was established to allow the multiplex operator (€2 million) to recover the costs incurred in undertaking this migration. The expected cost was not fully incurred in 2020 and hence was not drawn down.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Tourism Ireland pension receipts	300	332	—
2	National Archives	40	26	46
3	Miscellaneous receipts	326	970	1,326
4	Receipts from additional superannuation contributions on public service remuneration	2,366	2,515	2,362
5	Dormant accounts funding	8,000	7,974	—
6	Sport Ireland pension receipts	134	93	—
7	Broadcasting licence fees	237,130	222,552	—
—	*Rents (including receipts from lettings of fishing rights etc.)*	—	—	138
—	*Services and charges at national parks and wildlife sites*	—	—	1,174
	Total	**248,296**	**234,462**	**5,046**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.834 million less than the estimate. Explanations for variances are set out below:

3 Miscellaneous receipts

Estimate €326,000; realised €970,000

The variance of €644,000 was mainly due to higher than anticipated pension receipts from agencies

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.366 million; realised €2.515 million

The variance of €149,000 was mainly due to higher than anticipated additional superannuation contributions receipts from agencies.

7 Broadcasting licence fees

Estimate €237.13 million; realised €222.552 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection. Falling licence fee sales relating to Covid-19 meant sales were down on the 2020 target.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	17	14
Receipts from Gaeltacht loans	12	2
Receipts from voluntary surrender of ministerial salaries	19	15
Receipt from the Archives Portal Europe network of excellence (APEX)	22	—
Transferred to the Exchequer	(39)	(14)
Balance at 31 December	**31**	**17**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	335	660
Agencies	1,320	1,116
	1,655	**1,776**

5.2 Pay

Remuneration of Department staff

	2020 €000	2019 €000
Pay	16,197	31,009
Higher, special or additional duties allowances	59	69
Other allowances	134	319
Overtime	32	430
Employer's PRSI	1,257	2,609
Total pay [a]	**17,679**	**34,436**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1

Agency remuneration [b]

	2020 €000	2019 €000
Pay	75,246	46,630
Higher, special or additional duties allowances	—	—
Other allowances	201	918
Overtime	229	595
Employer's PRSI	3,557	4,679
Total pay	**79,233**	**52,822**

Note [b] The details in relation to allowances and overtime and payments relating to staff of bodies/agencies are based solely on returns submitted by those bodies/agencies.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	57	5	14,325	12,565
Other allowances	159	5	20,614	20,614
Overtime	85	1	11,303	16,427
Extra remuneration in more than one category	94	2	17,245	24,053

5.4 Other remuneration arrangements

Four retired civil servants in receipt of a civil service pension were re-engaged on a fee basis as a total cost of €39,995. The payments made were consistent with the principles of the Public Service (Single Service and other Provisions) Act 2012.

The account includes expenditure of €11,559 in respect of one officer who was serving outside the Department for all or part of 2020 and whose salaries were paid by the Department.

This account does not include expenditure in respect of eight officers who were serving outside the Department for all or part of 2020 in other Government department/offices who paid those officers directly.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	19	51,787	55,665
Recovery plans in place	3	1,426	21,519

Twelve overpayment recovery plans in respect of twelve individuals to the value of €7,100 were transferred to other departments in the year.

5.6 Severance/redundancy

During 2020, two ministerial staff whose employment was terminated were paid redundancy payments of €6,914 and severance payments totalling €33,199.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by:						
Employees of the Department	1	1	—	—	1	44
Members of the Public	2	6	—	—	6	169
		7	**—**	**—**	**7**	**213**

6.2 National Lottery funding

		2020 Estimate	2020 Outturn	2019 Outturn
		€000	€000	€000
Subhead description				
B.9	An Chomhairle Ealaíon (part funded by National Lottery)	105,002	105,002	75,002
C.4	Irish language support schemes (part funded by National Lottery)	6,217	6,492	5,148
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)	39,935	26,171	—
D.5	Sport Ireland (part funded by National Lottery)	162,457	163,054	—
—	*Grant for An Comhairle Oidhreachta (Heritage Council) (part funded by National Lottery)*	—	—	6,558
		313,611	**300,719**	**86,708**

A full list of grantees under subhead C.4 and subhead D.3 is available on the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media website.

Note 7 Miscellaneous Accounts

7.1 Payments towards general expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Subhead B.5)

	2020	2019
	€000	€000
Payments		
Irish Museum of Modern Art	6,014	5,958
Chester Beatty Library	2,837	2,801
National Concert Hall	3,562	3,048
Crawford Gallery, Cork	1,499	1,566
	13,912	**13,373**

7.2 The Crowley Bequest Fund

The bequest was accepted by the State in 1997, to be used to undertake a project involving the listing, microfilming and publishing of records of the Chief Secretary's Office for the period 1815-1853. The charge on the fund represents conservation and salary costs associated with this project.

Accounts of receipts and payments for the year ended 31 December 2020

	2020	2019
	€000	€000
Balance on 1 January	156	207
Receipts	—	—
Payments	(8)	(51)
Balance on 31 December	**148**	**156**

7.3 Statement of loans for Gaeltacht housing

Loans issued towards Gaeltacht housing under the housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof:

	2020	2019
	€000	€000
Opening balance on 1 January	187	184
Annual penal interest accrued	4	5
Interest written off	(6)	—
Repayments of principal	(5)	(2)
Payments of interest	(7)	—
Closing balance on 31 December	**173**	**187**

Appendix A Accounts of bodies and funds under the aegis of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

The following table lists the bodies and funds under the aegis of the Department where the Minister has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Irish Museum of Modern Art	2019	26 Jun 2020	2 Sep 2020	6 Jan 2021
Chester Beatty Library	2019	17 Jun 2020	11 Sep 2020	24 Nov 2020
National Concert Hall	2019	4 Jun 2020	12 Jun 2020	20 Nov 2020
Crawford Art Gallery	2019	5 Oct 2020	15 Oct 2020	11 Feb 2021
Arts Council	2019	29 Jun 2020	31 Jul 2020	15 Dec 2020
National Museum of Ireland	2019	29 Oct 2020	21 Jan 2021	21 Apr 2021
National Library of Ireland	2019	30 Sep 2020	10 Dec 2020	3 Mar 2021
Screen Ireland	2019	10 Dec 2020	14 Jan 2021	31 Mar 2021
National Gallery of Ireland	2019	10 Dec 2020	4 Jan 2021	1 Jun 2021
Údarás na Gaeltachta	2019	15 Oct 2020	25 Feb 2021	—
An Foras Teanga	2018	11 Dec 2019	16 Jun 2020	1 Mar 2021
An Coimisnéir Teanga	2019	15 Dec 2020	18 Dec 2020	11 Mar 2021
Fáilte Ireland	2019	31 Jul 2020	16 Dec 2020	23 Dec 2020
Sport Ireland	2019	22 Dec 2020	7 Jan 2021	24 Mar 2021
Tourism Ireland	2019	17 Nov 2020	15 Dec 2020	23 Dec 2020
Broadcasting Authority of Ireland	2019	29 Oct 2020	17 Dec 2020	23 Dec 2020
Raidio Telefis Éireann	2019	23 Jul 2020	17 Dec 2020	23 Dec 2020
Teilifís na Gaeilge	2019	3 Jul 2020	17 Dec 2020	23 Dec 2020

Appropriation Account 2020

Vote 34

Housing, Local Government and Heritage

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 2020 for the salaries and expenses of the Office of the Minister for Housing, Local Government and Heritage, including grants to local authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies, grants and payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €12.544 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Transfers of functions

The account has been prepared in accordance with the *Revised Estimates for Public Services 2020*, which took account of the alteration of the title of the Department of Housing, Planning, and Local Government to the Department of Housing, Local Government and Heritage with effect from 30 September 2020 (SI 408 of 2020) and the following transfers of functions from the former Department of Culture, Heritage and Gaeltacht (Vote 33) to this Department with effect from 9 September 2020

- the transfer of heritage functions (SI 339 of 2020).
- the transfer of Inland Waterways and Waterways Ireland functions (SI 340 of 2020).

Once the Planning and Development, Heritage and Broadcasting (Amendment) Bill 2021 is enacted and commenced, the remainder of the heritage powers and functions, including certain functions regarding commenting on planning applications and draft development plans from a heritage perspective will be transferred to the Minister for Housing, Local Government and Heritage by a further transfer of functions order.

In line with the accounting arrangements set out by Government Accounting, the *Revised Estimates for Public Services 2020* reflect the transfer of the Department functions on a full-year basis.

The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis. Therefore, all the transferred functions are accounted for in the 2020 appropriation 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 and Reform in circular 22 of 2020, have been applied in the preparation of the account except for the following.

Capital assets

The Department will continue to apply the threshold of €1,000, for inclusion of capital assets on the statement of capital assets and will defer the introduction of the new threshold of €10,000 until the 2021 appropriation account as provided for in circular 21 of 2020*: Increase in the Value Threshold for Inclusion of Assets in Asset Registers.*

Valuation of assets

Heritage assets such as national parks are not valued. These assets are listed in Appendix A to this account.

Depreciation

Land is not depreciated. Other assets are depreciated monthly on a straight line basis over their estimated useful life starting in the month the asset was placed in service on the following basis

- buildings 5% per annum
- motor vehicles 20% per annum
- plant and machinery 10% per annum
- radar equipment 6.66% per annum.

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 Department.

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

Shared services

Payroll and human resources are provided to the Department on a shared services basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of payroll and human resources and shared services.

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

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the financial risks to which the Department 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 am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

The Department 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 Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €642,372 (ex. VAT), as set out below.

- An ICT telephony services contract with expenditure during the year of €114,858 (ex. VAT) that was originally awarded with a competitive process, was rolled over pending the completion of a procurement process.
- A one-year ICT maintenance and support contract with expenditure during the year of €27,514 (ex. VAT) was awarded without a competitive process on the basis of urgency/expediency to maintain support for the hardware and the license subscription to the Commvault backup system.
- A contract for ecological, database and GIS support contractors with expenditure of €500,000 (ex. VAT) that was originally awarded with a competitive process was rolled over pending the completion of a review of all the Heritage Division information systems (following the transfer of Heritage Division to this Department), which is needed to inform the next cycle of procurement.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a regular 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

The risk register is reviewed centrally and the high-level risks are reviewed on a regular basis by the Management Board. 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The Department developed a Covid-19 risk register in parallel with its Covid-19 response plan. The Covid-19 risk register was drawn up with input from the Risk Management Committee and from the Audit Committee. Its purpose is to help manage Covid-19 related risks and to keep them under review. It ranges from risks to staff wellbeing through to ICT security risks and is available to local and Departmental Covid-19 committees to assist in monitoring and managing the particular risks presented by Covid-19.

The internal audit function adapted its audits to also consider the risks posed by the Covid-19 pandemic on the control environment and the effectiveness of the corresponding controls and mitigation strategies that have been put in place by management.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

21 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Housing, Local Government and Heritage

Opinion on the appropriation account

I have audited the appropriation account for Vote 34 Housing, Local Government and Heritage for the year ended 31 December 2020 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 34 Housing, Local Government and Heritage for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Housing, Local Government and Heritage 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with public procurement rules occurred in respect of certain contracts that operated in 2020.

Oversight of the housing assistance payment (HAP)

Chapter 8 of my report on the accounts of the public services for 2020 deals with oversight of the housing assistance payment (HAP) scheme.

Payment of EU fine

The Accounting Officer has disclosed in note 2.10 that, in 2020, the Department paid a fine to the European Commission arising from a judgement of the Court of Justice of the European Union in November 2019. The case before the Court concerned the failure to ensure that a retrospective environmental impact assessment is carried out in relation to a windfarm constructed in County Galway. The fine imposed by the Court comprises a €5 million lump-sum payment, plus a daily fine of €15,000 while the infringement continues, plus legal costs. The amount paid to the Commission in 2020 totalled €7.745 million. A further liability of €2.745 million had accrued by the end of 2020. The daily fine is ongoing and could result in a potential further liability of €5.5 million in respect of 2021.

Seamus McCarthy
Comptroller and Auditor General

23 September 2021

Vote 34 Housing, Local Government and Heritage

Appropriation Account 2020

				2020	2019
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Housing				
	Original	2,598,553			
	Supplementary	60,000			
			2,658,553	2,561,784	2,365,240
B	Water Services				
	Original	1,336,630			
	Supplementary	72,000			
			1,408,630	1,389,694	1,288,395
C	Local Government				
	Original	787,377			
	Supplementary	300,000			
			1,087,377	1,086,129	210,935
D	Planning				
	Original	182,662			
	Deferred surrender	33,500			
			216,162	113,904	68,002
E	Met Éireann		35,767	28,267	27,951
F	Heritage		95,208	92,783	—
Gross expenditure					
	Original	5,036,197			
	Supplementary	432,000			
	Deferred surrender	33,500			
			5,501,697	**5,272,561**	**3,960,523**
	Deduct				
G	**Appropriations-in-aid**		**57,910**	**55,318**	**63,231**
Net expenditure					
	Original	4,978,287			
	Supplementary	432,000			
	Deferred surrender	33,500			
			5,443,787	**5,217,243**	**3,897,292**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €214 million of unspent allocations in respect of the capital elements of Programmes A, B, D and F was carried forward to 2021.

	2020 €	2019 €
Surplus	226,544,445	40,011,020
Deferred surrender	(214,000,000)	(33,500,000)
Surplus to be surrendered	**12,544,445**	**6,511,020**

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		5,181,338	3,894,399
Pay		74,562	48,637
Non pay		16,661	17,487
Gross expenditure		**5,272,561**	**3,960,523**
Deduct			
Appropriations-in-aid		**55,318**	**63,231**
Net expenditure		**5,217,243**	**3,897,292**
Changes in capital assets			
Purchases cash	(4,403)		
Depreciation	1,128		
Loss on disposal	5	(3,270)	(4,596)
Changes in net current assets			
Increase in closing accruals	1,095		
Increase in stock	(394)	701	9,163
Direct expenditure		**5,214,674**	**3,901,859**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		26,062	24,759
Notional rents		3,949	3,233
Net programme cost		**5,244,685**	**3,929,851**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 34 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	14	164
Vote 12	Superannuation and Retired Allowances	24,391	22,769
Vote 13	Office of Public Works	1,305	1,636
Vote 18	National Shared Services Office	124	78
Vote 43	Office of the Government Chief Information Officer	121	—
Central Fund – ministerial pensions		107	112
		26,062	**24,759**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	57,163	10,176
Current assets			
Bank and cash	2.2	233,112	51,553
Stocks	2.3	575	181
Prepayments		1,536	1,447
Accrued income		7,492	2,382
Housing Agency revolving acquisitions fund	7.2	68,460	69,393
Other debit balances	2.4	2,816	714
Total current assets		**313,991**	**125,670**
Less current liabilities			
Accrued expenses		18,250	13,838
Deferred income		9,160	8,561
Other credit balances	2.5	21,461	18,720
Net Exchequer funding	2.6	214,467	33,547
Total current liabilities		**263,338**	**74,666**
Net current assets		50,653	51,004
Net assets		**107,816**	**61,180**
Represented by:			
State funding account	2.7	**107,816**	**61,180**

2.1 Capital assets

	Land and buildings [a]	Plant, machinery and motor vehicles	Furniture and fittings	Office and IT equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2020	668	328	1,740	20,400	6,733	29,869
Additions	411	678	64	1,570	1,330	4,053
Assets brought into use	—	—	—	477	(477)	—
Transferred in [b]	40,202	9,047	2,300	3,185	—	54,734
Disposals	—	(63)	(103)	(1,084)	—	(1,250)
Cost or valuation at 31 December 2020	41,281	9,990	4,001	24,548	7,586	87,406
Accumulated depreciation						
Opening balance at 1 January 2020	73	239	1,514	17,867	—	19,693
Depreciation for the year	13	52	56	1,007	—	1,128
Depreciation on transfers [b]	47	6,883	968	2,769	—	10,667
Depreciation on disposals	—	(63)	(103)	(1,079)	—	(1,245)
Cumulative depreciation at 31 December 2020	133	7,111	2,435	20,564	—	30,243
Net assets at 31 December 2020	**41,148**	**2,879**	**1,566**	**3,984**	**7,586**	**57,163**
Net assets at 31 December 2019	595	89	226	2,533	6,733	10,176

Notes [a] State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.

[b] The transferred in assets are non-ICT heritage assets. The figures have been provided by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) as the assets only transferred to this Department on 31 December 2020. However, under an administrative arrangement, DTCAGSM continued to record heritage assets purchased prior to 29 October 2020 on their asset register in 2020 pending a validation process to be completed in 2021 to record the assets on the Department of Housing, Local Government and Heritage asset register.

The heritage ICT managed assets are not included in the above figures as they are related to the provision of an ICT service by DTCAGSM, and are recorded on that Vote appropriation account for 2020. Those assets are subject to a separate transfer process that should be concluded in 2021.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	233,088	51,424
Commercial bank account balance	24	129
	233,112	**51,553**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Meteorological consumables	170	86
Building materials	129	—
Livestock	85	—
Stationery	43	49
Fuels and fertilisers	33	—
IT consumables	28	27
Cleaning materials	23	4
Other	64	15
	575	**181**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	1,354	218
Heritage projects	1,154	—
Recoupable salary costs	92	56
Recoupable travel pass scheme	41	208
Recoupable travel costs	6	9
Imprests	3	19
Other debit suspense items	166	204
	2,816	**714**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,027	716
Pay related social insurance	664	401
Value added tax	653	289
Professional services withholding tax	337	189
Pension contributions	233	143
Universal social charge	207	143
	3,121	1,881
Payroll deductions held in suspense	308	219
Urban Development Fund [a]	8,385	14,111
LIFE integrated project [b]	2,164	1,870
LIFE Wild Atlantic Nature [b]	2,710	—
LIFE Atlantic Crex [b]	1,306	—
Raised Bog LIFE restoration project [b]	1,242	—
RRDF[c]	1,257	—
Kerry LIFE Project [b]	201	—
Other credit suspense items	767	639
	21,461	**18,720**

Notes

[a] See Note 7.1.

[b] The LIFE programme is the EU's funding instrument supporting environment, nature conservation and climate action projects through the EU. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value. The balances shown above relate to advanced funding from the EU pending receipt of verified claims in respect of individual projects.

[c] The balance shown above relates to advanced funding from the Rural Regeneration and Development Fund (RRDF) pending receipt of verified claims in respect of individual projects. The RRDF was established as part of Project Ireland 2040 and provides investment to support rural renewal for suitable projects in towns and villages with a population of less than 10,000, and outlying areas. It is administered by the Department of Rural and Community Development. Key outcomes are to support sustainable community and economic development in rural Ireland, including through regenerating smaller towns and villages and encouraging entrepreneurship and innovation to support job creation in rural areas. Under the first call for projects, funding of circa €5.4m has been assigned to more than 30 individual projects across the network of NPWS sites. The funding represents 75% of the project costs and projects include the upgrading and development of trails across the parks and reserves network, increased visitor facilities and improved signage/branding. Electric buses in selected national parks will also be purchased to assist in lowering the carbon footprint of visitor activities.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus	12,544	6,511
Deferred surrender	214,000	33,500
Exchequer grant undrawn	(12,077)	(6,464)
Net Exchequer funding	**214,467**	**33,547**
Represented by:		
Debtors		
Bank and cash	233,112	51,553
Debit balances: suspense	2,816	714
	235,928	52,267
Creditors		
Due to the State	(3,121)	(1,881)
Credit balances: suspense	(18,340)	(16,839)
	(21,461)	(18,720)
	214,467	**33,547**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			61,180	65,749
Disbursements from the Vote				
Estimate provision	Account	5,443,787		
Deferred surrender	Account	(214,000)		
Surplus to be surrendered	Account	(12,544)		
Net vote			5,217,243	3,897,292
Expenditure (cash) borne elsewhere	1.1		26,062	24,759
Non cash expenditure – notional rent	1		3,949	3,233
Assets transferred in to the Department	2.1		44,067	(2)
Net programme cost	1		(5,244,685)	(3,929,851)
Balance at 31 December			**107,816**	**61,180**

2.8 Commitments

a) Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	4,126	2,106
Non-capital grant programmes	1,074,726	982,895
Capital grant programmes	2,333,985	1,543,599
Public private partnership projects	627,511	631,034
Total of legally enforceable commitments	**4,040,348**	**3,159,634**

b) Non-capital grant programmes

	2020 €000	2019 €000
Opening balance	982,895	875,993
Grants paid in the year	(864,018)	(723,643)
New grant commitments	955,849	830,545
Closing balance	**1,074,726**	**982,895**

c) Capital grant programmes

	2020 €000	2019 €000
Opening balance	1,543,599	1,024,676
Grants paid in the year	(1,347,099)	(1,383,738)
New grant commitments	2,137,485	1,902,661
Closing balance	**2,333,985**	**1,543,599**

d) Major capital projects

Housing projects	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Construction					
Jointly funded [a]					
Beechgrove, Clonakilty, Cork County:					
Local authority	17	330	—	347	17
Department	1,056	6,613	9,173	16,842	17,172
	1,073	6,943	9,173	17,189	17,189
Priory Hall refurbishment, Donaghmede, Dublin 13:					
Local authority	10,288	—	—	10,288	10,288
Department	24,216	—	13,696	37,912	37,912
	34,504	—	13,696	48,200	48,200
Dominick Street (East Side), Dublin City:					
Local authority	—	3,434	—	3,434	—
Department	10,057	13,354	2,458	25,869	29,303
	10,057	16,788	2,458	29,303	29,303
Bunratty Road (Phase 1), Dublin 17:					
Local authority	—	1,224	—	1,224	—
Department	2,115	11,414	14,465	27,994	29,218
	2,115	12,638	14,465	29,218	29,218
O'Devaney Gardens (Phase 1A):					
Local authority	—	1,139	—	1,139	—
Department	5,508	4,024	9,998	19,530	20,669
	5,508	5,163	9,998	20,669	20,669
Cornamona, Ballyfermot, Dublin 12:					
Local authority	—	1,017	—	1,017	—
Department	3,488	5,277	12,335	21,100	22,117
	3,488	6,294	12,335	22,117	22,117
Rosemount Court, Dun Laoghaire-Rathdown:					
Local authority	5,413	—	—	5,413	5,413
Department	6,205	—	305	6,510	6,510
	11,618	—	305	11,923	11,923
Fitzgerald Park, Dun Laoghaire-Rathdown:					
Local authority	5,041	—	—	5,041	5,041
Department	4,630	—	412	5,042	5,042
	9,671	—	412	10,083	10,083

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Racecourse Common, Lusk (Phase 2.1) Fingal:					
Local authority	2,260	—	—	2,260	2,260
Department	9,174	169	5	9,348	9,348
	11,434	169	5	11,608	11,608
St Aiden's, Brookfield, Tallaght:					
Local authority	4,276	—	—	4,276	4,276
Department	12,847	2,095	604	15,546	15,546
	17,123	2,095	604	19,822	19,822
St. Cuthbert's, Clondalkin (Phase 1) South Dublin:					
Local authority	2,950	38	—	2,988	2,950
Department	8,405	—	817	9,222	9,260
	11,355	38	817	12,210	12,210
Ballyboden, Rathfarnham:					
Local authority	2,295	8	—	2,303	2,295
Department	9,766	—	762	10,528	10,536
	12,061	8	762	12,831	12,831
Riversdale, Clondalkin, Dublin 22:					
Local authority	—	101	—	101	—
Department	40	196	12,520	12,756	—
	40	297	12,520	12,857	—
Ballymoneen Road,(Phase 2) Galway City:					
Local authority	—	48	—	48	—
Department	4,248	10,549	2,443	17,240	17,288
	4,248	10,597	2,443	17,288	17,288
Department funded					
Tullow Road, Carlow:	2,512	4,651	5,979	13,142	13,142
Ashline, Kilrush Road, Ennis, County Clare:	156	511	9,867	10,534	—
Church Road, Cork City:	11,851	—	139	11,990	11,990
Whites Street, Cork City:	9,053	3,484	163	12,700	12,700
Deanrock, Togher, Cork City:	15,924	218	1,087	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City:	—	—	14,185	14,185	—
Watercourse Road, Blackpool, Cork, Cork City:	—	1,680	9,967	11,647	—

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Mill Road, Avoncore, Bloomfield, Midleton, Cork County:	—	2,585	8,426	11,011	11,011
Hazelbrook, Ballyvinter, Mallow, Cork County:	5,130	2,970	8,424	16,524	16,524
Clarendon Brooks, Carrs Hill, Douglas, Cork County:	3,346	8,343	1,585	13,274	12,901
Kilmoney, Carrigaline, County Cork:	—	—	17,118	17,118	—
Convent Road, Carndonagh, Donegal:	—	—	11,720	11,720	11,711
Admiran, Stranorlar, Donegal:	—	—	10,588	10,588	—
Housing projects					
Cherry Orchard, Ballyfermot/ Woodbank/ Rathvilly	16,728	—	3,145	19,873	19,873
North King Street – Sean Foster Place, Dublin 7	1,718	3,865	7,343	12,926	12,926
Springvale, Chapelizod, Dublin 8	2,698	10,276	16,290	29,264	29,181
Bonham Street, Dublin 8	2,820	7,116	11,116	21,052	20,995
Cork Street – Chamber Street, Dublin 8	2,209	4,876	13,368	20,453	20,393
Kilternan Close, Dun Laoghaire-Rathdown	—	—	21,955	21,955	—
Cappagh Lands (Phase 3), Cappagh Road, Finglas	—	15	18,675	18,690	—
Radharc na Gréine, (Glasshouse site), Monivea Road (Phase 1), Galway City	6,452	11,409	1,223	19,084	18,370
Garraí Beag, Monivea Road, Ballybaan More, Galway City	734	2,071	11,345	14,150	—
Garraí Caol (Coast Road Site) Dublin Road, Galway City	—	1,000	13,266	14,266	—
Tullahill, Loughrea, Galway	—	14,439	2,130	16,569	14,060
Kylebroughlan, Moycullen, Galway	—	4,464	8,707	13,171	13,171
Fána Bhuí, Tuam, Galway	—	883	9,682	10,565	—

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Gort an Choirce, Tubber Road, Gort, Galway	—	—	13,497	13,497	—
Lohercannon, Tralee, Kerry	504	3,738	11,372	15,614	15,593
Hebron Road, Kilkenny	—	802	15,411	16,213	—
Old Christians site, Rathbane, Limerick	124	6,554	4,666	11,344	11,343
Gort Buí, Ballymakenny Road, Drogheda, Louth	—	6,830	7,421	14,251	14,251
Wadman Park, Haynestown, Dundalk, Louth	—	17,329	88	17,417	—
Mount William, Williamstown, Waterford City	—	325	13,384	13,709	—
Clonhasten, Enniscorthy, Wexford	—	—	11,255	11,255	—
Merrymeeting View, Rathnew, Wicklow	7,240	4,200	377	11,817	11,817
Kilbride Lane, Bray, Wicklow	13,048	3,803	491	17,342	17,108
Ashtown Lane, Wicklow Town	209	1,602	11,217	13,028	—
Total	**236,751**	**191,069**	**406,665**	**834,485**	**588,750**
Capital Assistance Scheme					
Block 70, The Plaza, Parkwest, Dublin 12	—	—	14,199	14,199	—
25-26 Ushers Island, Ushers Quay, Dublin 8	—	—	32,116	32,116	—
Total	—	—	**46,315**	**46,315**	—
Regeneration					
Jointly funded [a]					
Dolphin House, Dublin 8:					
Local authority	1,490	—	—	1,490	1,490
Department	22,610	—	1,747	24,357	24,357
	24,100	—	1,747	25,847	25,847
Department funded					
St Teresa's Gardens, Dublin	7,315	13,100	685	21,100	21,100

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
Cork Regeneration (Phase 2), Knocknaheeny/ Hollyhill, Cork City	10,230	1,187	436	11,853	11,853
Lord Edward Street, Limerick	17,342	2,118	128	19,588	19,472
Southill Area Centre, Limerick	10,727	1,990	109	12,826	11,002
Total	**69,714**	**18,395**	**3,105**	**91,214**	**89,274**
Infrastructure					
South Docks, Cork City	695	3,673	7,342	11,710	11,631
Dodder Bridge, Dublin City	348	290	11,172	11,810	11,813
Cherrywood, Dun Laoghaire-Rathdown	2,111	1,075	8,444	11,630	11,392
Donabate Distributor Road, Fingal	10,700	85	—	10,785	10,780
Maynooth, Co. Kildare	366	275	10,359	11,000	10,875
Adamstown, Co. Dublin	630	3,186	11,313	15,129	15,000
Total	**14,850**	**8,584**	**48,630**	**72,064**	**71,491**

Note [a] Some projects are funded jointly by the Department and by certain local authorities own funds from Local Property Tax retentions (80% of LPT receipts in a local authority area are retained locally). There is potential for the Department's commitments in subsequent years to be reduced if local authorities are in a position to use their own funds from Local Property Tax retention.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

Radharc na Gréine

Increase in expected total spend: €714,000

The expected total spend in relation to the Radharc na Gréine project has increased by €714,000 as an opportunity arose for Galway City Council to acquire a further two units in the development.

Tullahill

Increase in expected total spend: €2.509 million

The expected total spend in relation to the Tullahill project has increased by €2.509 million as an opportunity arose for Galway County Council to acquire a further nine units in the development.

Southill Area Centre

Increase in expected total spend: €1.824 million

The expected total spend in relation to the Southill Area Centre project has increased by €1.824 million following post contract changes arising from design and specification changes and other construction costs such as technical fees, surveys and utility connection changes.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme comprising three bundles of projects. To date, the contracts for two bundles have been entered into. These utilise what is termed as an 'availability-based' PPP model, in which a private sector company designs, builds, finances and maintains the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units, and runs for 25 years from completion of construction on each site. It incorporates all costs under the contract, including the initial construction costs of the units, as well as maintenance, operation, life-cycle, tenancy management and financing costs. The payments are comprised of two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

Bundle 1

Bundle 1 will provide 534 units across six sites in the Greater Dublin Area. Two of the sites are located in Dublin City, with one each in South Dublin, Kildare, Wicklow and Louth. Dublin City Council was appointed to act as the lead local authority and contracting authority for the delivery of Bundle 1.

Bundle 2

Bundle 2 will provide 465 units across eight sites. Three of the sites are located in the Cork County local authority area, with one each in Galway City, Waterford, Clare, Kildare and Roscommon. Cork County Council is acting as lead local authority and contracting authority for Bundle 2.

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Legally enforceable commitments to be met in subsequent years	Project total 2020 [a]	Project total 2019
	€000	€000	€000	€000	€000
Social Housing Bundle 1	—	1,498	338,133	339,631	341,785
Social Housing Bundle 2	—	—	289,378	289,378	289,249
Total	**—**	**1,498**	**627,511**	**629,009**	**631,034**

Note This table reflects unitary charge (UC) obligations for Social Housing PPP bundles undertaken to date, including projected VAT on construction and estimated VAT on the UC payments. The first 384 units were completed as part of Bundle 1 in 2020, resulting in pro rata payments of the annual UC for these from the date of their service commencement.

[a] The €2.025 million reduction in the overall project cost of the two bundles is due to delays in the projects resulting in monthly unitary charge payments not being liable due to the unavailability of the homes. The 25 year contract period begins at a set date for each site under the contract, and if units are not delivered at this date, the moneys due are foregone and are not added on at the end of the contract.

2.9 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimate of matured liabilities not discharged at year end	34	38

2.10 Contingent liabilities

The Department is involved in a number of legal proceedings, which may generate liabilities, depending on the outcome of current, pending and possible future EU and other legal actions. Any actual amount or the timing of potential liabilities is uncertain.

During 2020, the Department paid €5 million in a lump sum payment and daily fines totalling €2.745 million in relation to case C-261/18 - Commission v Ireland (Derrybrien Wind Farm) following a judgement by the Court of Justice of the European Union. There are ongoing daily fines in relation to this case, which could give rise to a potential liability of €5.5 million in 2021.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	75,807	74,562	48,637
ii	Travel and subsistence	1,723	1,002	1,460
iii	Training and development and incidental expenses	2,394	1,792	1,603
iv	Postal and telecommunications services	1,533	1,000	1,026
v	Office equipment and external IT services	15,116	10,728	11,859
vi	Office premises expenses	6,992	2,025	1,431
vii	Consultancy services and value for money and policy reviews	78	14	—
viii	Research (statistics and economics)	199	1	61
ix	Protected disclosures (investigation services)	199	39	2
x	Recruitment and HR operations	119	60	45
		104,160	**91,223**	**66,124**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €1.723 million; outturn €1.002 million

The saving of €721,000 relative to the estimate provision was due to lower than anticipated expenditure on travel because of the Covid-19 travel restrictions.

iii Training and development and incidental expenses

Estimate provision €2.394 million; outturn €1.792 million

The savings of €602,000 relative to the estimate provision was due to lower than anticipated expenditure on staff training and development due to the impact of Covid-19 restrictions and the significant move of training delivery to online classrooms and forums.

iv Postal and telecommunications services

Estimate provision €1.533 million; outturn €1 million

The savings of €533,000 relative to the estimate provision was due to lower than anticipated expenditure on telecommunications projects in the Department and Met Éireann due to the impact of Covid-19 restrictions along with savings from migrating of the phone system to the Office of the Government Chief Information Officer.

v Office equipment and external IT services

Estimate provision €15.116 million; outturn €10.728 million

The expenditure was €4.388 million lower than the estimate provision mainly due to the impact of Covid-19 restrictions on a number of projects, primarily the Aviation Modernisation and Automation Project (AMAP) and radar modernisation which are being implemented by Met Éireann.

vi Office premises expenses

Estimate provision €6.992 million; outturn €2.025 million

The expenditure was €4.967 million lower than the estimate provision due to the impact of Covid-19 restrictions on a number of projects, primarily the conservation and capacity work on the Custom House and visitor centre along with upgrading the Wexford office premises.

viii Research (statistics and economics)

Estimate provision €199,000; outturn €1,000

The savings of €198,000 relative to the estimate provision was due to the impact of Covid-19 restrictions on the initiation of relevant research and review projects.

ix Protected disclosures (investigation services)

Estimate provision €199,000; outturn €39,000

The savings of €160,000 relative to the estimate provision was due to expenditure on protected disclosures being lower than anticipated because of the impact of Covid-19 on staff resources and subsequent delays in finishing assessments.

Programme A Housing

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		16,956	17,409	15,331
A.2	Administration − non pay		6,275	3,135	3,080
A.3	Local authority housing		789,087	890,575	955,745
A.4	Social housing current expenditure programme		190,886	197,357	139,127
A.5	Rental accommodation scheme		133,000	132,964	134,290
A.6	Housing assistance payment scheme		479,729	464,649	382,408
A.7	Capital assistance scheme		94,875	90,749	88,364
A.8	Capital loans & subsidy scheme		53,500	53,087	51,686
A.9	Communal facilities		500	78	25
A.10	Mortgage to rent		23,000	11,732	17,998
A.11	Capital advance leasing facility		143,800	158,799	139,399
A.12	Traveller accommodation and support		19,210	19,818	14,036
A.13	Accommodation for homeless				
	Original	196,000			
	Supplementary	60,000			
			256,000	270,900	165,000
A.14	Housing for people with a disability and older people		500	512	167
A.15	Estate regeneration/remedial works		71,750	65,203	78,511
A.16	Energy efficiency - retrofitting		88,238	66,092	47,454
A.17	Repair and leasing scheme		10,700	4,003	3,772
A.18	Private housing grants		59,000	44,407	51,912
A.19	Mortgage allowances		600	408	403
A.20	Affordable housing/shared ownership subsidy		3,000	2,325	2,397
A.21	Infrastructure fund		148,250	31,650	22,279
A.22	Pyrite and mica remediation – cash limited		40,000	13,775	30,000
A.23	Housing and Sustainable Communities Agency		10,500	8,750	7,500
A.24	Residential Tenancies Board		9,951	6,870	12,460
A.25	Rental accommodation inspection		6,250	4,555	—
A.26	Other services		2,996	1,982	1,896
			2,658,553	**2,561,784**	**2,365,240**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €96.769 million lower than originally provided. There was an underspend of €2.687 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €94.082 million, was mainly due to a combination of the following.

A.3 Local authority housing

Estimate provision €789.087 million; outturn €890.575 million

The increase in expenditure of €101.488 million relative to the original estimate provision was to support local authorities in the acquisition of properties in excess of original targets as a response to the impact of the Covid-19 restrictions on the construction sector and the delivery of social housing. There were 815 local authority acquisitions delivered under this subhead versus a target of 100 in 2020.

However, while the Covid-19 related construction delays meant that this subhead did not fully deliver on the local authority social housing targets in 2020 (target 3,639 versus actual 2,933) significant progress was made on advancing housing projects through the on-site construction phase, which incurred significant expenditure. At end-2020, there were nearly 30% more social homes on site/under construction compared with 2019 and these construction projects incurred significant expenditure in 2020 even though, due to Covid-19 related delays, they did not reach completion stage within the year.

A.9 Communal facilities

Estimate provision €500,000; outturn €78,000

The underspend of €422,000 relative to the estimate provision was due to the impact of Covid-19 restrictions, which led to lower than anticipated demand. Communal facility projects are in the main additional facilities (e.g. communal dining/kitchen facilities, laundries, sitting/activity areas) to complement Capital Assistance Scheme construction projects. The underspend was allocated to other housing programmes.

A.10 Mortgage to rent

Estimate provision €23 million; outturn €11.732 million

The expenditure was €11.268 million lower than the estimate provision due to the impact of Covid-19, which caused significant delays in processing applications through all stages of the process resulting in a lower than anticipated number of completed cases. At the end of 2020, there were 342 approvals in place for active cases progressing through the scheme. €3 million of this underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.11 Capital advance leasing facility

Estimate provision €143.8 million; outturn €158.799 million

The increase in expenditure of €14.999 million relative to the estimate provision was due to an increase in demand for accelerated Capital Advance Leasing Facility (CALF) projects in 2020, which are used to pay deposits and to facilitate stage payments on construction projects.

A.13 Accommodation for homeless

Estimate provision €196 million; outturn €270.9 million

The subhead includes a supplementary estimate of €60 million, which was necessary due to the increasing demands for homeless accommodation, related services and the response to Covid-19. The increase in expenditure of €74.9 million (€60 million plus €14.9 million) relative to the estimate provision was due to the following.

Despite a total of 5,886 adults exiting homelessness to tenancies in 2020 and a significant reduction in family homelessness, there continued to be a high number of presentations of single individuals to homeless services. This led to a continued demand for emergency accommodation and related supports in 2020. New services continued to be introduced including additional capacity in Dublin for rough sleepers, expansion of the Housing First Programme along with the provision of other essential support services to those at risk of homelessness including outreach, prevention and tenancy sustainment measures.

Ensuring the protection of households experiencing homelessness during Covid-19 was also a priority and funding was made available to local authorities to put in place measures to protect homeless households as advised by the HSE. The funding provided allowed for the introduction of significant additional accommodation to meet the social distancing requirements and de-congregation of existing facilities, accommodation to allow for self-isolation when required and additional 24 hour services including all food and support services.

A.15 Estate regeneration/remedial works

Estimate provision €71.75 million; outturn €65.203 million

The expenditure was €6.547 million lower than the estimate provision due to site closures and restrictions caused by Covid-19 resulting in some construction work and the issuance of construction certificates being delayed leading to a reduction in the number of recoupment claims under the scheme. The underspend arising was allocated to other housing programmes.

A.16 Energy efficiency - retrofitting

Estimate provision €88.238 million; outturn €66.092 million

The expenditure was €22.146 million lower than the estimate provision due to construction related working restrictions caused by Covid-19 and lower than anticipated expenditure on the Midlands Retrofit Programme for Local Authority Homes. €19.7 million of this underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.17 Repair and leasing scheme

Estimate provision €10.7 million; outturn €4.003 million

The expenditure was €6.697 million lower than the estimate provision due to construction related working restrictions caused by Covid-19. As a demand led scheme, the delivery was lower than expected. Following a review, the maximum funding limit under the scheme was increased to €60,000 in November 2020 to incentivise activity under the scheme and lead to increased take up and delivery. €3.5 million of the underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.18 Private housing grants

Estimate provision €59 million; outturn €44.407 million

The expenditure was €14.593 million lower than the estimate provision due to construction related working restrictions caused by Covid-19 and it being demand led and it being difficult to predict the precise level of funding drawdown. Individual grants ranged from €200 to €24,000 and there were 8,137 grants paid in 2020. €2 million of the underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.19 Mortgage allowances

Estimate provision €600,000; outturn €408,000

The underspend of €192,000 relative to the estimate provision was due to a decrease in the number of applications under the scheme. The underspend arising was allocated to other housing programmes.

A.20 Affordable housing/shared ownership subsidy

Estimate provision €3 million; outturn €2.325 million

The underspend of €675,000 relative to the estimate provision was due to a lower than anticipated number of eligible households under the Affordable Housing and Shared Ownership Schemes. The underspend arising was allocated to other housing programmes.

A.21 Infrastructure fund

Estimate provision €148.25 million; outturn €31.65 million

The estimate relates to the Local Infrastructure Housing Activation Fund (LIHAF), which is to provide public off-site infrastructure to relieve critical infrastructure blockages and accelerate the delivery of housing in key areas and development sites, and to the Serviced Sites Fund (SSF), which is to provide infrastructure on local authority land banks to facilitate the delivery of affordable housing.

The expenditure was €116.6 million lower than the estimate provision due to the following:

Expenditure on 25 LIHAF projects did not materialise as quickly as expected (three projects were completed in 2020). At the start of 2020, many of the LIHAF projects were at the design stage where costs are modest and involved mainly design and consultancy fees. Expenditure is expected to ramp up significantly in 2021 as more projects move to the construction phase.

At the end of 2020, under the SSF scheme, funding of €127 million had been approved in principle to provide infrastructural work that will support 35 projects in 14 local authorities, delivering 3,200 homes. There was no drawdown in 2020 as projects were at design and planning stages. Drawdown will begin in 2021 as projects move to the construction stage.

€70 million of this underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.22 Pyrite and mica remediation — cash limited

Estimate provision €40 million; outturn €13.775 million

The expenditure was €26.225 million lower than the estimate provision due to Covid-19 restrictions affecting the scheduling and implementation of remediation works for the Pyrite remediation scheme.

In addition, the Defective Concrete Blocks Grant Scheme expenditure was lower than anticipated as the scheme only commenced in June 2020 and given the lead-in times in approving applications, and the commencement of works, it's expected that significant expenditure for this scheme will not happen until 2021 and subsequent years. €24 million of this underspend was carried forward to 2021 as deferred surrender. The remaining amount was allocated to other housing programmes in 2020.

A.23 Housing and Sustainable Communities Agency

Estimate provision €10.5 million; outturn €8.75 million

The underspend of €1.75 million relative to the estimate provision was due to delays in the establishment of the AHB Regulatory Authority and the impact of Covid-19 restrictions, which led to reduced training and information activities provided to housing practitioners and delays in recruitment. The underspend was allocated to other housing programmes.

A.24 Residential Tenancies Board

Estimate provision €9.951 million; outturn €6.87 million

The expenditure was €3.081 million lower than the estimate provision due to the impact of Covid-19 on the work programme of the Residential Tenancies Board. In addition, there were delays in the full roll out of the customer relationship management system, which resulted in savings.

A.25 Rental accommodation inspection

Estimate provision €6.25 million; outturn €4.555 million

The underspend of €1.695 million relative to the estimate provision was due to the impact of the Covid-19 restrictions, which caused inspections to be stopped for periods in 2020 along with delays in staff recruitment and the ability of local authorities to carry out work.

A.26 Other services

Estimate provision €2.996 million; outturn €1.982 million

The underspend of €1.014 million relative to the estimate provision was due to the impact of the Covid-19 restrictions, which meant that a number of construction industry research, planning and development projects were not completed. In addition, expenditure on the development of a national market surveillance authority at the National Building Control Office in Dublin City Council was lower than anticipated because the project was in the early development set up phase during 2020 and did not incur significant expenditure.

Programme B Water

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		4,112	5,686	5,418
B.2	Administration − non pay		1,526	828	1,122
B.3	Water quality programme		25,848	22,618	19,888
B.4	Rural water programme		49,000	43,988	41,104
B.5	Irish Water				
	Original	1,231,500			
	Supplementary	72,000			
			1,303,500	1,303,189	1,208,000
B.6	Local authorities		12,690	12,374	12,760
B.7	Legacy water environmental issues		9,000	43	76
B.8	Marine environment		2,700	945	—
B.9	Water Advisory Body		220	18	27
B.10	Other services		34	5	—
			1,408,630	**1,389,694**	**1,288,395**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €18.936 million lower than originally provided. There was an overspend of €876,108, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €19.812 million, was mainly due to the following.

B.3 Water quality programme

Estimate provision €25.848 million; outturn €22.618 million

The expenditure was €3.23 million lower than the estimate provision mainly due to the EU INTERREG V (Environment Measures) programme because the drawdown by projects was slower than anticipated.

Additional underspend arose because of the impact of Covid-19 restrictions on recruitment and some 2020 claims not being received until 2021.

B.4 Rural water programme

Estimate provision €49 million; outturn €43.988 million

The expenditure was €5.012 million lower than the estimate provision due to the late announcement of the Multi-Annual Rural Water Programme 2019-2021 in October 2019 and the impact of Covid-19 restrictions on the advancement of projects across all the measures of the programme. The underspend was partially offset by increased expenditure from group water schemes availing of the new subsidy rates and schemes continuing works deferred from the previous period of reduced subsidy rates.

B.5 Irish Water

Estimate provision €1.231 billion; outturn €1.303 billion

The subhead includes a supplementary estimate of €72 million, of which €44 million was used to accelerate the delivery of essential major Irish Water infrastructure and €28 million arose from an income shortfall in 2020 from non-domestic customers of Irish Water due to Covid-19 related impacts on the business sector.

B.7 Legacy water environmental issues

Estimate provision €9 million; outturn €43,000

The expenditure was €8.957 million lower than the estimate provision mainly because the submission, approvals and allocations on the Developer Provided Infrastructure programme were slower than anticipated (allocations were announced in mid-September 2020) due to the impact of Covid-19 restrictions. The subsequent advancement of projects was delayed to some extent due to the impact of the Covid-19 restrictions.

Additional underspend arose as a result of the Lead Remediation Grant Scheme being a demand-led scheme under which expenditure is difficult to predict. €7.9 million of the underspend was carried forward to 2021 as deferred surrender.

B.8 Marine environment

Estimate provision €2.7 million; outturn €945,000

The underspend of €1.755 million relative to the estimate provision was mainly due to the impact of Covid-19 restrictions on a number of work programmes and research projects. Funding to the Marine Institute was lower than anticipated as its activities were impacted by Covid-19 restrictions.

In addition, work could not be advanced on a number of INTERREG Atlantic Area programmes due to both difficulties with EU Atlantic Area Platform and Covid-19 restrictions. Time extensions have been granted for these programmes.

B.9 Water Advisory Body

Estimate provision €220,000; outturn €18,000

The underspend of €202,000 relative to the estimate provision was due to the impact of Covid-19 restrictions on the work programme of the Water Advisory Body.

Programme C Local Government

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay		8,898	10,728	9,616
C.2	Administration − non pay		3,285	1,752	1,585
C.3	Local Government Fund				
	Original	756,060			
	Supplementary	300,000			
			1,056,060	1,056,060	185,180
C.4	Fire and emergency services		16,150	15,557	13,316
C.5	Franchise		1,889	365	343
C.6	Other services		1,095	1,667	895
			1,087,377	**1,086,129**	**210,935**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €1.248 million lower than originally provided. There was an overspend of €296,258, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.544 million, was mainly due to the following.

C.3 Local Government Fund

Estimate provision €756.06 million; outturn €1.056 billion

The increase in expenditure of €300 million relates to a supplementary estimate, which was necessary in order to fund the cost of a three month extension of the commercial rates waiver for eligible businesses to continue to support both the local government sector and the ratepayers impacted by the Covid-19 pandemic.

C.5 Franchise

Estimate provision €1.889 million; outturn €365,000

The Department's franchise function relates to policy and legislation concerning administrative aspects of the electoral system. Expenditure was €1.524 million lower than the estimate provision primarily due to the Voter.ie system commencing later than anticipated due to the general election in February 2020 and the impact of the Covid-19 restrictions on the tender process.

C.6 Other services

Estimate provision €1.095 million; outturn €1.667 million

The increase in expenditure of €572,000 relative to the estimate provision was mainly due to support for the severe weather related response of local authorities in the aftermath of major flooding events in 2020.

Programme D Planning

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		7,555	5,000	5,290
D.2	Administration − non pay		2,796	1,345	1,887
D.3	An Bord Pleanála		19,531	19,531	18,548
D.4	Planning Tribunal		4,236	4,322	781
D.5	Office of the Planning Regulator		2,569	2,481	1,637
D.6	Planning policy		420	366	532
D.7	National, regional and urban planning		240	219	220
D.8	My plan		135	115	123
D.9	Urban renewal/regeneration				
	Original	96,510			
	Deferred surrender	33,500			
			130,010	39,564	18,600
D.10	Development contribution rebate scheme		1	—	637
D.11	Ordnance Survey Ireland		17,763	18,055	15,763
D.12	Land Development Agency		17,500	14,100	2,409
D.13	Foreshore		2,400	803	1,138
D.14	Marine spatial planning		750	188	335
D.15	Environmental planning policy		159	65	—
D.16	Other services		10,097	7,750	102
			216,162	**113,904**	**68,002**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €102.25 million lower than originally provided. There was an underspend of €4.005 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €98.245 million, was mainly due to the following.

D.9 Urban renewal/regeneration

Estimate provision €130.01 million; outturn €39.564 million

The subhead includes deferred surrender of €33.5 million carried forward from 2019. Overall the expenditure was €90.446 million lower than the estimate provision due to the nature and type of the projects being supported by the Urban Regeneration and Development Fund programme that have to go through design and planning before they incur significant expenditure.

In addition, the impact of Covid-19 including the shutdown of construction projects early in 2020 resulted in a slow-down on the advancement of projects. €72 million of this underspend was carried forward to 2021 as deferred surrender. The remaining underspend was allocated to Programme A – Housing in 2020.

D.12 Land Development Agency

Estimate provision €17.5 million; outturn €14.1 million

The expenditure was €3.4 million lower than the estimate provision mainly due to the impact of Covid-19 restrictions on the pre development work of the Land Development Agency (LDA) such as environmental surveys and other pre planning processes that were unable to be undertaken. This resulted in a capital underspend of €3.9 million, which was carried forward to 2021 as deferred surrender.

In addition, there was an increase in current expenditure of €600,000 to meet the ongoing operational and administrative costs related to interim arrangements for the LDA, pending the enactment of primary legislation to establish the LDA on a statutory basis.

D.13 Foreshore

Estimate provision €2.4 million; outturn €803,000

The underspend of €1.597 million relative to the estimate provision was due to expenditure on legal cases and contingency for emergency works on the foreshore being lower than anticipated in 2020.

D.14 Marine spatial planning

Estimate provision €750,000; outturn €188,000

The underspend of €562,000 relative to the estimate provision was mainly due to the impact of the Covid-19 restrictions whereby many elements of the final National Marine Planning Framework had to be delayed or cancelled such as public events and consultation meetings. The final stage of the Strategic Environmental Assessment and Appropriate Assessment was also delayed until 2021.

An additional underspend materialised as the finalisation of the service level agreement between the Department, the Department of Agriculture, Food and the Marine and the Marine Institute was also delayed.

D.16 Other services

Estimate provision €10.097 million; outturn €7.75 million

The underspend of €2.347 million relative to the estimate provision was mainly due to the impact of the Covid-19 restrictions on the development of the Cork Event Centre. This resulted in a capital underspend of €5 million, which was carried forward to 2021 as deferred surrender.

In addition, there was an increase in current expenditure of €2.653 million to meet a European Court of Justice fine and penalties of €7.745 million (lump sum fine of €5 million plus penalties of €2.745 million) in case C-261/18 – Derrybrien Wind Farm.

Programme E Met Éireann

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration − pay	16,117	13,573	12,982
E.2	Administration − non pay	12,790	8,577	9,813
E.3	Subs to international meteorological organisations	5,100	5,101	4,814
E.4	Flood forecasting and warning service	1,760	1,016	342
		35,767	**28,267**	**27,951**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €7.501 million lower than originally provided. There was an underspend of €6.757 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €743,697, was mainly due to the following.

E.4 Flood forecasting and warning service

Estimate provision €1.76 million; outturn €1.016 million

The underspend of €744,000 relative to the estimate provision was due to a delay in staff recruitment and the flood forecasting and warning service modelling systems not yet being operational.

Programme F Heritage

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F.1	Administration – pay	22,169	22,166	—
F.2	Administration − non pay	1,681	1,024	—
F.3	Heritage Council (part funded by National Lottery)	7,505	7,394	—
F.4	Built Heritage	6,113	7,165	—
F.5	Natural Heritage (National Parks and Wildlife Service)	17,927	17,979	—
F.6	Irish Heritage Trust	650	650	—
F.7	Built heritage investment scheme	2,500	2,404	—
F.8	Peatlands restoration, conservation and management	10,850	6,988	—
F.9	Waterways Ireland	25,813	27,013	—
		95,208	**92,783**	—

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme F was €2.425 million lower than originally provided. There was an underspend of €659,633, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.765 million, was mainly due to the following.

F.4 Built heritage

Estimate provision €6.113 million; outturn €7.165 million

The increase in expenditure of €1.052 million relative to the estimate provision was to fund additional built heritage and archaeological protection projects including roof repairs at St. Patrick's Cathedral and works at State-owned heritage properties in the care of the Office of Public Works.

F.8 Peatlands restoration, conservation and management

Estimate provision €10.85 million; outturn €6.988 million

The expenditure was €3.862 million lower than the estimate provision due to the impact of Covid-19 restrictions whereby many elements of the peatlands restoration programme particularly in relation to stakeholder engagement were delayed. The Cessation of Turf Cutting Compensation scheme was also affected due to the length of time it takes to process and close these types of files as they depend on the applicant returning relevant information and legal agreements. €3 million of the underspend was carried forward to 2021 as deferred surrender.

F.9 Waterways Ireland

Estimate provision €25.813 million; outturn €27.013 million

The increase in expenditure of €1.2 million relative to the estimate provision was to fund additional capital works on the Shannon Navigation (including Meelick weir), the Ulster Canal, the Grand Canal and the Royal Canal.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees payable by local authorities, etc., for audit of their accounts	1,956	1,747	1,979
2	Receipts from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation) Act, 2005)	741	741	741
3	Met Éireann receipts	9,800	6,361	9,692
4	Miscellaneous receipts	755	1,060	325
5	Foreshore receipts	2,100	1,776	2,211
6	OSI	398	377	384
7	Receipts from additional superannuation contributions on public service remuneration	35,978	36,002	43,811
8	ERDF receipts INTERREG V environment measures	2,500	4,073	1,088
9	Dormant Accounts Fund – Housing First Implementation	3,000	3,000	3,000
10	ERDF receipts – INTERREG Atlantic Area Programme	108	—	—
11	ERDF receipts – RAGES Project	14	15	—
12	Services and charges at national parks and wildlife sites	465	137	—
13	Rents (incl receipts from lettings and fishing rights etc.)	95	29	—
	Total	**57,910**	**55,318**	**63,231**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.592 million less than the estimate. Explanations for variances are set out below.

1 Fees payable by local authorities, etc., for audit of their accounts

Estimate €1.956 million; realised €1.747 million

The shortfall of €209,125 was because demands for audit fees are issued on an ongoing basis as audits are completed and income was lower than expected as there were a number of outstanding fees at the end of 2020.

3 Met Éireann receipts

Estimate €9.8 million; realised €6.361 million

The shortfall of €3.439 million was due to the impact of Covid-19 on the commercial activities of Met Éireann especially in relation to aviation receipts.

4 Miscellaneous receipts

Estimate €755,000; realised €1.06 million

Miscellaneous receipts are difficult to predict reliably.

5 Foreshore receipts

Estimate €2.1 million; realised €1.776 million

The shortfall of €324,000 reflects the difficulty of predicting foreshore receipts precisely due to the complex nature of the foreshore leasing/licencing process.

8 ERDF receipts INTERREG V environment measures

Estimate €2.5 million; realised €4.073 million

The increase of €1.573 million was because the INTERREG V environment measures receipts are difficult to predict due to the timing of the claims submitted by lead partners to the Special EU Programmes Body (SEUPB) and subsequent recoupment claims to the EU.

10 ERDF receipts – INTERREG Atlantic Area Programme

Estimate €108,000; realised €nil

The shortfall of €108,000 was due to difficulties with the Atlantic Area INTERREG IT platform operated by the EU, which affected the submission of claims for the Atlantic Area INTERREG programmes and Covid-19 restrictions.

12 Services and charges at national parks and wildlife sites

Estimate €465,000; realised €137,000

The shortfall of €328,000 was due to the impact of Covid-19 restrictions on the national parks, which were closed for extended periods in 2020. In addition, the significant drop in foreign tour groups visiting the national parks negatively impacted on receipts.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	3,423	1,879
Foreshore lease	3,066	6,561
Recoveries under Pyrite Resolution Act 2013	2,330	—
Residential Tenancies Board pension contributions	91	55
Irish Water – unused funding for domestic water charge refunds	—	6,749
Personal injury settlement	—	12
Transferred to the Exchequer	(8,910)	(15,256)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	1,207	782
Ordnance Survey Ireland	220	226
Local Government Management Agency	104	85
An Bord Pleanála	184	174
Residential Tenancies Board	89	87
Housing and Sustainable Communities Agency	111	82
Housing Finance Agency	15	14
Office of the Planning Regulator	21	15
Land Development Agency	39	11
The Heritage Council	13	—
Waterways Ireland	333	—
Total	**2,336**	**1,476**

5.2 Pay – Department

	2020	2019
	€000	€000
Pay	66,516	43,472
Higher, special or additional duties allowances	721	295
Other allowances	1,711	1,666
Overtime	1,028	742
Employer's PRSI	5,613	3,297
Total pay	**75,589**	**49,472**

5.2 Pay – agencies

	2020	2019
	€000	€000
Pay	54,652	36,365
Higher, special or additional duties allowances	87	70
Other allowances	937	82
Overtime	695	152
Employer's PRSI	4,966	2,886
Total pay	**61,337**	**39,555**

5.3 Allowances and overtime payments – Department [a]

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	184	18	27,290	20,874
Other allowances	261	74	28,134	28,146
Overtime	227	28	31,120	36,496
Extra remuneration in more than one category	204	80	48,159	52,706

Note [a] The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to F.

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	30	2	23,325	12,365
Other allowances	274	22	15,556	7,585
Overtime	296	11	30,663	27,844
Extra remuneration in more than one category	204	56	25,014	21,945

5.4 Other remuneration arrangements

Seven retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €33,530. The payments were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €173,541 in respect of three officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	29	69,799	38,265
Recovery plans in place	12	20,422	7,396

Seven individuals with overpayments to the value of €13,510 transferred into the Department during the year.

5.6 Severance/redundancy

During 2020, two former Ministerial staff whose employment was terminated with the charge of Government in 2020 were paid redundancy payments of €4,248 and €4,164 and severance payments totalling €41,673 and €11,346 respectively.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2020	2020	2019
		€000	€000	€000
Tribunal of inquiry into certain planning matters and payments [a]	1997	140,643	4,322	781

Note [a] Expenditure to the end of 2020 was €140.6 million. There will be further payments associated with the Tribunal. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. On the basis of a Tribunal estimate and expenditure to the end of 2020, additional costs of some €6.8 million may arise, primarily relating to third party legal representation.

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public	13	49	529	283	861	217
EU fines [a]	1	—	—	7,745	7,745	—
	14	**49**	**529**	**8,028**	**8,606**	**217**

Note [a] A payment of a €5 million fine plus daily fines totalling €2.745 million (€7.745 million in total) were made following a Court of Justice of the European Union judgement in case C-261/18, in respect of the validity of retention planning permission for a wind farm in Derrybrien, Co Galway, in line with Department of Public Expenditure and Reform sanction.

This Department is working closely with Department of the Environment, Climate and Communications and the Department of Public Expenditure and Reform, with respect to the resolution of the judgement and the payment of the daily fines.

6.3 Late payment interest

	2020	2019
	€	€
Total of interest and compensation payments	13,385	3,372

6.4 National Lottery funding

		2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
Subhead				
A.9	Communal facilities	500	78	25
A.18	Private housing grants	5,829	5,829	7,327
F.3	Heritage Council	7,505	7,394	—
		13,834	**13,301**	**7,352**

These payments are part funded by the National Lottery and details are available on the Department's website: https://www.gov.ie/en/collection/129d3-national-lottery-funding/

6.5 EU funding

The outturn shown in Subhead B.3 includes payments in respect of activities which are co-financed by the European Regional Development Fund. Estimates of expenditure and actual outturns were as follows.

		2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
Subhead description				
B.3	Water quality programme	7,643	5,472	3,583
D.13	Foreshore	—	—	11
		7,643	**5,472**	**3,594**

6.6 Write-offs

The following sums were written off in the year.

	2020 €	2019 €
Public Procurement Reforms Training Programme	—	21,990

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2020 €000	2019 €000
Opening balance	14,111	17,543
Receipts	—	—
Expenditure for the year	5,726	3,432
	8,385	**14,111**

The Urban Development Fund is a European Regional Development Fund (ERDF) programme to support integrated regeneration initiatives in designated urban centres. The scheme is operated by regional assemblies who are managing authorities responsible for verifying eligible expenditure on approved projects. The Department makes funds available (on instruction by the managing authority and subject to the managing authority's verification) to reimburse local authorities on a matching funding basis. Applications for eligibility under the Fund were adjudicated on in December 2015 with the programme running for the period to the end of 2020. Payments under the programme will continue until early 2023. The balance in the Fund reflects pre-financing made available from the ERDF pending receipt of verified claims in respect of projects concerned.

7.2 Housing Agency Revolving Acquisitions Fund

	2020 €000	2019 €000
Opening balance	69,393	70,941
Non-recoverable costs [a]	(983)	(1,611)
Rental income	50	63
Closing balance at 31 December	**68,460**	**69,393**

Note [a] Certain costs incurred by the Agency such as legal and professional fees and other housing acquisition costs are non-recoverable and therefore reduce the overall balance of the Fund. The non-recoverable costs figure for 2020 is €983,000.

The Housing Agency Acquisitions Fund, which is a revolving fund, was established with effect from 1 January 2017 with the objective of acquiring some 1,600 units over the period to 2021 for social housing use. In the period since the fund's inception in 2017 to the end of 2020, the Housing Agency had acquired 826 properties. The Housing Agency is using this Fund to acquire vacant properties from banks, investors and the general public in areas with high levels of social housing demand. In doing this, the Agency is working in close consultation with local authorities to ensure that suitable properties are only purchased in areas where there is a demand for social housing. The Agency sells the houses, at cost, to approved housing bodies in order to replenish the Fund. On completion of the programme, the Agency will refund the Department any closing balance of the Fund.

Appendix A State-owned land and buildings managed by the Department which do not have valuations

The Department currently manages six national park locations, namely

Ballycroy National Park
The Burren National Park
Connemara National Park
Glenveagh National Park
Killarney National Park
Wicklow Mountains National Park

Appendix B Accounts of bodies and funds under the aegis of the Department of Housing, Local Government and Heritage

The following table lists the bodies under the aegis of the Department in 2020 and where the Department has an obligation to present financial statements. It indicates, as at end March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Bord Pleanála	2019	12 Jun 2020	30 Jun 2020	27 Jul 2020
Ervia and Gas Networks Ireland	2019	31 Mar 2020	10 Jun 2020	29 Jul 2020
Housing Finance Agency	2019	26 Mar 2020	6 Apr 2020	25 Jun 2020
Housing and Sustainable Communities Agency [a]	2019	2 Dec 2020	27 Feb 2021	23 Mar 2021
Irish Water	2019	30 Mar 2020	15 May 2020	29 Jul 2020
Local Government Fund	2019	19 Nov 2020	19 Nov 2020	23 Nov 2020
Local Government Management Agency	2019	30 Jun 2020	16 Oct 2020	24 Nov 2020
Residential Tenancies Board	2019	5 Jun 2020	30 Jun 2020	2 Sep 2020
Ordnance Survey Ireland	2019	26 Jun 2020	30 Jun 2020	30 Jul 2020
Office of Planning Regulator	2019	14 Dec 2020	15 Dec 2020	23 Dec 2020
Land Development Agency	2019	30 Jun 2020	30 Jun 2020	14 Oct 2020
The Heritage Council	2019	23 Dec 2020	22 Feb 2021	—
Waterways Ireland	2018	10 Jul 2019	17 Jul 2019	4 Nov 2019

Note [a] Includes Pyrite Resolution Board

Appropriation Account 2020

Vote 35

Army Pensions

Introduction

As Accounting Officer for Vote 35, 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 2020 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €8.109 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, 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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of pension payroll shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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, with an independent Chair, 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

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 Department
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The internal audit unit works independently and its work is informed by analysis of the financial risks to which the Department, including the Army Pensions Vote 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 2021 internal audit plan includes an audit related to the Army Pensions Vote area. 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.

Compliance with procurement rules

I confirm that the Department 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.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a monthly 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the of Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practicable and appropriate, having regard to the nature of the work in the Department. As a result, the Department has introduced a number of procedural and control changes. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Army Pensions

26 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 35 Army Pensions

Opinion on the appropriation account

I have audited the appropriation account for Vote 35 Army Pensions for the year ended 31 December 2020 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 35 Army Pensions for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Defence 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

24 June 2021

Vote 35 Army Pensions

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision for Defence Forces' pension benefits	259,150	251,027	250,966
Gross expenditure		**259,150**	**251,027**	**250,966**
	Deduct			
B	**Appropriations-in-aid**	**5,000**	**4,986**	**5,081**
Net expenditure		**254,150**	**246,041**	**245,885**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**8,109,287**	**148,239**

Jacqui McCrum
Accounting Officer
Army Pensions

26 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	250,963	250,903
Pay	61	51
Non pay	3	12
Gross expenditure	**251,027**	**250,966**
Deduct		
Appropriations-in-aid	**4,986**	**5,081**
Net expenditure	**246,041**	**245,885**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,793	2,549
Net programme cost	**248,834**	**248,434**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 35 borne elsewhere, in respect of the administration of pension benefits and other services.

		2020	2019
		€000	€000
Vote 18	National Shared Services Office	1,147	1,171
Vote 36	Defence	1,646	1,378
		2,793	**2,549**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Current assets			
Bank and cash		51	201
Other debit balances		—	6
Total current assets		**51**	**207**
Less current liabilities			
Other credit balances	2.1	36	60
Net Exchequer funding	2.2	15	147
Total current liabilities		**51**	**207**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.3	**—**	**—**

2.1 Other credit balances

at 31 December	2020 €000	2019 €000
Amounts due to the State		
Income tax	1	1
Professional services withholding tax	—	3
	1	4
Pension payments held in suspense	35	56
	36	**60**

2.2 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	8,109	148
Exchequer grant undrawn	(8,094)	(1)
Net Exchequer funding	**15**	**147**
Represented by:		
Debtors		
Bank and cash	51	201
Debit balances: suspense	—	6
	51	207
Creditors		
Due to the State	(1)	(4)
Credit balances: suspense	(35)	(56)
	(36)	(60)
	15	**147**

2.3 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	254,150		
Surplus to be surrendered	Account	(8,109)		
Net vote			246,041	245,885
Expenditure (cash) borne elsewhere	1.1		2,793	2,549
Net programme cost	1		(248,834)	(248,434)
Balance at 31 December			**—**	**—**

Note 3 Vote Expenditure

Programme A Provision for Defence Forces' pensions benefits

		2020 Estimate provision €000	2020 Outturn €000	2019 Outturn €000
A.1	Administration – pay	70	64	63
A.2	Defence Forces (pensions) schemes and payments in respect of transferred service	249,535	242,855	242,158
A.3	Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defences Forces	9,000	7,820	8,398
A.4	Payments to spouses of veterans of the War of Independence	220	154	223
A.5	Compensation payments	225	74	74
A.6	Medical appliances and travelling and incidental expenses	100	60	50
		259,150	**251,027**	**250,966**

Significant variations

Overall, the expenditure in relation to Programme A was €8.123 million lower than (originally) provided. The following outlines the reasons for significant variations in programme expenditures (+/- 5% and +/-€100,000).

A.3 Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defences Forces

Estimate provision €9 million; outturn €7.82 million

This subhead accounts for about 4% of the military pensions spend.

The variation is due to fewer than expected new disability pension and disablement lump sum awards coming into payment in 2020. Factors impacting on spend are the numbers and outcome of new disability pension applications. A major factor in 2020 was that the Army Pensions Board which investigates applications for disability pensions and disablement gratuities was unable to meet for most of the year due to Covid-19 restrictions.

A.5 Compensation payments

Estimate provision €225,000; outturn €74,000

The main 'contingency' element of this subhead provides for the payment of special lump sum compensation by the Department of Defence for service-related deaths or disablement of members of the Defence Forces while serving overseas with the UN and certain other missions. There were no such payments in this category during 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Contributions to Defence Forces Spouses' and Children's Pensions Schemes	3,347	3,223	3,425
2	Contributions to Defence Forces Contributory (Main) Pensions Schemes	1,500	1,692	1,636
3	Recoveries of overpayments	40	70	19
4	Payments received in respect of transferred service	40	—	—
5	Miscellaneous	70	—	—
6	Receipts from additional superannuation contributions on public service remuneration	3	1	1
	Total	**5,000**	**4,986**	**5,081**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000).

2 Contributions to Defence Forces Contributory (Main) Pensions Schemes

Estimate €1.5 million; realised €1.692 million

Employee contributions to the pensions schemes by serving Permanent Defence Force personnel account for the bulk of receipts under this subhead. These will vary according to personnel turnover, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Number of staff	**1**	**1**

5.2 Pay

	2020 €000	2019 €000
Pay	59	49
Employer's PRSI	2	2
Total pay [a]	**61**	**51**

Note [a] The pay figure above includes the salary of one full time Department of Defence staff member (see Note 5.1) who provides administrative support to the Army Pensions Board and fees paid to two members of the Board in 2020. These pay costs and associated travel costs of €3,000 are charged to the A.1 subhead.

Currently there are 23.5 employees (FTEs) of the Department of Defence engaged solely in the administration of Defence Forces superannuation and disability arrangements. Their remuneration, which amounts to some €1,074,000 is charged to Vote 36.

5.3 Retirement pension (annual) – average payments to retired Defence Force personnel [a]

Category of pensioner	Number of pension recipients at year-end		Average individual payment (rounded)	
	2020	2019	2020	2019
			€	€
Retired officers	1,853	1,865	32,100	31,500
Retired NCOs and privates	9,086	8,976	17,100	16,800
Dependants and other [b]	1,833	1,846		
Total	**12,772**	**12,687**		

Note [a] Table 5.3 shows the total headcount for all categories of recipients from all relevant subheads as at year-end within Vote 35. Some retired personnel are in receipt of both a military retirement pension and a military disability pension, and similar payments are also payable to some spouses/children of deceased personnel: such dual recipients are counted only once for headcount purposes above. The average individual pension payment recorded for retired personnel is calculated by reference to total expenditure on retirement pensions as at year-end under Subhead A2.

[b] The average individual payment has not been recorded above under 'dependants and other' as the amounts vary due to the different categories of recipients within this sub-group. The overall average dependants' superannuation-related pension for 1,410 recipients in 2020 was €9,300, broadly the same as in 2019.

5.4 Retirement gratuity (lump sum) – average payments where retiring on pension [a]

Category of pensioner	Number of recipients		Average individual payment (rounded)	
	2020	2019	2020	2019
			€	€
New retirees on pension during the year				
Officers	25	51	99,250	91,700
NCOs and privates	267	361	44,550	39,600
Total	**292**	**412**		

Note [a] The level of pension and retirement gratuity varies with retiring rank, pensionable earnings, overall reckonable service, etc.

Note 6 Miscellaneous

6.1 Payments in excess of entitlements

There were 83 overpayments outstanding at year end (2019: 74), amounting to €64,686, of which €24,728 relates to previous years. Overpayments of €102,652 came to light in 2020 of which €61,467 was recovered and €1,227 written off. Efforts are ongoing to recover outstanding amounts. The vast majority of these overpayments relate to the portion of pension paid in the period after the date of a pensioner's death, when the monthly payroll had already been processed for that month.

		2020	2019
	€	€	€
Opening balance		**54,224**	**45,432**
Overpayments identified in year		102,652	58,525
		156,876	103,957
Recouped			
Overpayments identified 2020	61,467		
Overpayments identified pre-2020	26,209	87,676	43,972
		69,200	59,985
Written off			
Overpayments identified 2020	1,227		
Overpayments identified pre-2020	3,287	4,514	5,761
Closing balance		**64,686**	**54,224**

6.2 Payments subject to public service pension abatement

Separately from the figures at 6.1 above, there were 14 other overpayments outstanding at year-end amounting to €40,327 (see table below). These were in respect of former members of the Permanent Defence Force in receipt of military retirement pensions, who had subsequently taken up employment elsewhere in the public service. Such pensions are subject to the abatement provisions of Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. In each case, the pension overpayments arose due to delays on the part of the relevant public service employer in notifying the Department of Defence of the pensioner's re-employment. Overpayments of €8,136 came to light in 2020 in respect of five cases, of which €1,197 has been recovered.

		2020	2019
	€	€	€
Opening balance		**50,201**	**52,950**
Overpayments identified in the year		8,136	18,451
		58,337	71,401
Recouped			
Overpayments identified pre-2020	16,813		
Overpayments identified 2020	1,197	18,010	21,200
Closing balance		**40,327**	**50,201**

Appropriation Account 2020

Vote 36

Defence

Introduction

As Accounting Officer for Vote 36, 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 2020 for the salaries and expenses of the Office of the Minister for Defence, including certain services administered by that Office; for the pay and expenses of the Defence Forces; and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €6.172 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, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account, except for the following.

Stock valuation

Military stocks are valued at average cost. Air Corps stocks are valued at purchase price. Departmental stocks are valued at their most recent purchase price. Military and Air Corps stocks include certain items that have been refurbished.

Capital assets

Capital assets include assets with a valuation of less than €1,000.

Land and buildings are not valued and are not included in capital assets (Note 2.1). A schedule of land and buildings administered by the Department of Defence is shown in appendix A. These are used for Defence Forces purposes and include unique and dedicated properties.

Payments under certain programmes for the development of Defence Forces equipment, including the purchase of aircraft and the refurbishment of armoured personnel carriers, are recorded as prepayments until they are brought into use, at which stage they are recorded as capital assets.

Capital assets under development

Payments in respect of the development of land and buildings administered by the Department of Defence are included as part of note 2.2 – capital assets under development. When such projects are completed, they are removed from capital assets under development. There is no transfer to the asset register as, in line with the policy noted above, land and buildings are not included in capital assets.

Depreciation

Military assets and Civil Defence motor vehicles are depreciated to residual values at rates varying between 3% and 20% per annum using the straight line method.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of shared services for human resources and payroll.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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, with an independent Chair, 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

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. The internal audit unit operates independently and its work is informed by analysis of the financial risks to which the Department 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.

Non-compliance with procurement rules

I confirm that the Department 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 Department complied with the guidelines with the exception of 23 contracts (in excess of €25,000), totalling €818,471 (ex. VAT) in 2020 as follows:

- two contracts with a value of €56,650 were increased beyond the original estimated value
- four contracts with a value of €156,446 were awaiting completion of central purchasing arrangements
- eight contracts with a value of €240,736 were extended beyond the original contract term
- nine contracts with a value of €364,639 were delayed pending the outcome of an internal policy review.

Each of these 23 contracts has been reviewed by the Department, and steps are being taken to bring these contracts into compliance with competitive procurement rules as quickly as possible.

The Department has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. The 23 contracts outlined above, with the exception of three contracts with a value of €76,106, are included in this return.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a monthly 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 assigns responsibility for operation of controls 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with the introduction of remote and virtual working where practical and appropriate, having regard to the nature of the work in the Department. As a result, the Department has introduced a number of procedural and control changes. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 36 Defence

Opinion on the appropriation account

I have audited the appropriation account for Vote 36 Defence for the year ended 31 December 2020 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 36 Defence for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Defence 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 together 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 *Preface to the Appropriation Accounts*.

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 2020.

Seamus McCarthy
Comptroller and Auditor General

1 September 2021

Vote 36 Defence

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Defence policy and support, military capabilities and operational outputs	781,031	780,999	756,094
Gross expenditure		**781,031**	**780,999**	**756,094**
	Deduct			
B	**Appropriations-in-aid**	**24,070**	**30,210**	**32,154**
Net expenditure		**756,961**	**750,789**	**723,940**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**6,171,741**	**11,372,702**

Jacqui McCrum
Accounting Officer
Department of Defence

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		754,376	733,063
Administration pay		19,691	18,586
Administration non pay		6,932	4,445
Gross expenditure		**780,999**	**756,094**
Deduct			
Appropriations-in-aid		**30,210**	**32,154**
Net expenditure		**750,789**	**723,940**
Changes in capital assets			
Purchases cash	(121,708)		
Depreciation	57,007		
Loss on disposals	457		
Disposals cash	124	(64,120)	(58,052)
Changes in assets under development			
Cash payments		(11,714)	(15,495)
Changes in net current assets			
Decrease in closing accruals	(1,206)		
Increase in stock	(3,886)	(5,092)	(51)
Direct expenditure		**669,863**	**650,342**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)	11,510		
Notional rents	1,339		
		12,849	**12,899**
Net programme cost		**682,712**	**663,241**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 36 borne elsewhere, net of expenditure incurred in respect of other votes.

		2020 €000	2019 €000
Vote 1	President's Establishment	(432)	(422)
Vote 2	Department of the Taoiseach	(85)	(82)
Vote 9	Office of the Revenue Commissioners	4	9
Vote 12	Superannuation and Retired Allowances	11,813	11,575
Vote 13	Office of Public Works	643	531
Vote 18	National Shared Services Office	1,002	898
Vote 35	Army Pensions	(1,646)	(1,378)
Vote 43	Office of the Government Chief Information Officer	71	—
Central Fund – Ministerial pensions		140	126
		11,510	**11,257**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	587,408	553,482
Capital assets under development	2.2	6,660	6,012
		594,068	**559,494**
Current assets			
Bank and cash	2.3	17,038	19,267
Stocks	2.4	220,237	216,351
Other debit balances	2.5	521	866
Prepayments	2.6	152,906	116,433
Accrued income		3,085	3,997
Total current assets		**393,787**	**356,914**
Less current liabilities			
Accrued expenses		10,656	6,482
Deferred income		32	45
Other credit balances	2.7	11,384	15,803
Net Exchequer funding	2.8	6,175	4,330
Total current liabilities		**28,247**	**26,660**
Net current assets		365,540	330,254
Net assets		**959,608**	**889,748**
Represented by:			
State funding account	2.9	**959,608**	**889,748**

2.1 Capital assets

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,205,447	4,704	54,644	1,264,795
Additions	88,630	183	2,701	91,514
Disposals	(2,479)	(203)	(2,357)	(5,039)
Cost or valuation at 31 December 2020	1,291,598	4,684	54,988	1,351,270
Accumulated depreciation				
Opening balance at 1 January 2020	666,242	2,273	42,798	711,313
Depreciation for the year	52,418	367	4,222	57,007
Depreciation on disposals	(2,133)	(108)	(2,217)	(4,458)
Cumulative depreciation at 31 December 2020	716,527	2,532	44,803	763,862
Net assets at 31 December 2020 [a]	**575,071**	**2,152**	**10,185**	**587,408**
Net assets at 31 December 2019	539,205	2,431	11,846	553,482

Note [a] The Department of Defence administers land holdings (approx. 8,300 hectares) and buildings at numerous locations throughout the country, being a mix of operational military facilities, training lands, married quarters and other properties, as set out in Appendix A – Schedule of land and buildings.

2.2 Capital assets under development

	Construction contracts
	€000
Amounts brought forward at 1 January 2020	6,012
Cash payments in the year	11,714
Projects completed [a]	(11,066)
Amounts brought forward at 31 December 2020	**6,660**

Note [a] As projects to develop land and buildings are completed, they are removed from capital assets under development. There is no transfer to the asset register as land and buildings are not included in capital assets.

2.3 Bank and cash

at 31 December	2020 €000	2019 €000
PMG balance	15,697	18,570
Other bank and cash account balances	1,341	697
	17,038	**19,267**

Non-Vote bank accounts

There are 13 other bank accounts managed by Defence Forces personnel to administer the casual meals system in barracks. No funding from the Vote is issued to these bank accounts. The amount held at the end of 2020 was €16,261 (2019: €13,375). This balance is not included in the 'bank and cash' amount shown above.

2.4 Stocks

at 31 December	2020 €000	2019 €000
Military stocks [a]	219,115	215,142
Civil Defence	1,045	1,135
Stationery	19	18
IT consumables	58	56
	220,237	**216,351**

Note [a] Write-offs and obsolete military stock in the year amounted to €2.477 million.

2.5 Other debit balances

at 31 December	2020 €000	2019 €000
Payroll	38	—
Imprest	314	724
Cycle to work scheme	129	87
Overseas	3	30
Other suspense	37	25
	521	**866**

2.6 Prepayments

at 31 December	2020	2019
	€000	€000
Maritime patrol aircraft	116,803	55,394
Armoured personnel carrier fleet maintenance and upgrade programme	8,321	21,323
Fixed wing utility aircraft	—	29,000
Troop carrying vehicles	5,546	—
Modernisation of primary armament	3,669	98
Javelin missile programme	3,624	585
Defence Forces equipment acquisition	2,836	—
Other	12,107	10,033
	152,906	**116,433**

2.7 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	4	629
Pay related social insurance	14	793
Professional services withholding tax	250	182
Value added tax	10,677	13,345
Pension contributions	22	101
Local property tax	—	6
Universal social charge	—	156
Relevant contracts tax	176	15
	11,143	15,227
Payroll deductions held in suspense	10	407
Other credit suspense items	231	169
	11,384	**15,803**

2.8 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	6,172	11,373
Exchequer grant undrawn	3	(7,043)
Net Exchequer funding	**6,175**	**4,330**
Represented by:		
Debtors		
Bank and cash	17,038	19,267
Debit balances: suspense	521	866
	17,559	20,133
Creditors		
Due to the State	(11,143)	(15,227)
Credit balances: suspense	(241)	(576)
	(11,384)	(15,803)
	6,175	**4,330**

2.9 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			889,748	828,992
Disbursements from the Vote				
Estimate provision	Account	756,961		
Surplus to be surrendered	Account	(6,172)		
Net Vote			750,789	723,940
Expenditure (cash) borne elsewhere	1.1		11,510	11,257
Other (non-cash) items			—	(366)
Capital assets under development completed in the year	2.2		(11,066)	(12,476)
Non cash expenditure – notional rents	1		1,339	1,642
Net programme cost	1		(682,712)	(663,241)
Balance at 31 December			**959,608**	**889,748**

2.10 Commitments

a) Legally enforceable commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	11,682	9,299
Capital projects	192,324	243,620
Total of legally enforceable commitments	**204,006**	**252,919**

b) Major capital projects

	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Naval vessels replacement programme and armament project	287,591	—	3	287,594	287,594
Maintenance and upgrade programme for armoured personnel carriers	57,246	11,262	26,492	95,000 [a]	68,000
IT infrastructure virtual desktop architecture project	10,754	1,368	678	12,800	12,800
Fixed wing utility aircraft	29,000	18,223	587	47,810 [b]	43,446
Mid-life refit of LE Róisín	5,681	4,941	1,678	12,300	12,300
Mid-life refit of LE Niamh	332	1,596	10,372	12,300	—
Maritime patrol aircraft	55,394	61,409	105,299	222,102 [c]	221,578
¾ tonne, 4x4 fleet replacement (FFR)	4,544	4,591	9,043	18,178	18,178
Troop carrying vehicles	—	5,546	19,054	24,600	—
Total	**450,542**	**108,936**	**173,206**	**732,684**	**663,896**

Note [a] The increase of €27 million on the expected total spend of the project is due to additional requirements which were not possible to forecast at the outset. The increased cost is attributable to additional work carried out and capability provided.

[b] The increase of €4.364 million on the expected total spend of the project is due to the addition of another aircraft to the project.

[c] The increase of €524,000 on the expected total spend of the project is due to additional costs that were provided for in the original contract. The full detail of these costs was not known when the contract was awarded in 2019.

2.11 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	177	1,562

2.12 Contingent liabilities

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of the potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,400	19,691	18,586
ii	Travel and subsistence	650	374	576
iii	Training and development and incidental expenses	315	299	325
iv	Postal and telecommunications services	660	616	385
v	Office equipment and external IT services	4,256	4,090	2,308
vi	Office premises expenses	950	1,429	805
vii	Consultancy services and value for money and policy reviews	190	124	46
		27,421	**26,623**	**23,031**

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €650,000; outturn €374,000

The underspend of €276,000 was due to the restrictions in place because of Covid-19.

vi Office premises expenses

Estimate provision €950,000; outturn €1.429 million

The overspend of €479,000 was mainly due to unanticipated building renovations in the Brussels office.

Programme A Defence policy and support, military capabilities and operational outputs

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	20,400	19,691	18,586
A.2	Administration − non pay	7,021	6,932	4,445
A.3	Permanent Defence Force: pay	438,061	405,459	418,650
A.4	Permanent Defence Force: allowances	47,252	46,488	44,028
A.5	Reserve Defence Force: pay, etc.	1,650	1,015	1,551
A.6	Chaplains and officiating clergy: pay and allowances	1,250	1,116	1,103
A.7	Defence Forces civilian support: pay and allowances, etc.	21,200	20,180	19,352
A.8	Defence Forces: capability development	89,500	128,436	102,476
A.9	Air Corps: equipment and support	17,660	20,403	17,450
A.10	Military transport	18,990	21,002	16,275
A.11	Naval Service: equipment and support	12,200	11,720	13,443
A.12	Barrack expenses and engineering equipment	14,680	13,009	13,791
A.13	Defence Forces built infrastructure: construction and maintenance	28,100	20,835	23,826
A.14	Defence Forces uniforms, clothing, equipment and catering	14,480	15,892	15,505
A.15	Defence Forces communications and IT	14,340	15,390	13,133
A.16	Military education and training	2,350	2,386	2,319
A.17	Defence Forces logistics and travel	3,578	3,236	3,908
A.18	Defence Forces medical and healthcare support	7,300	6,822	6,732
A.19	Lands	800	563	855
A.20	Equitation	900	845	970
A.21	Litigation and compensation costs	6,800	6,997	6,417
A.22	Miscellaneous expenditure	4,067	3,679	3,773
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	1,947	2,445	1,839
A.24	Civil Defence (including dormant accounts fund)	5,540	5,493	4,735
A.25	Irish Red Cross Society	965	965	932
		781,031	**780,999**	**756,094**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

A.3 Permanent Defence Force: pay

Estimate provision €438.061 million; outturn €405.459 million

The underspend of €32.602 million was due to lower than projected recruitment in 2020, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force during the year.

A.5 Reserve Defence Force: pay, etc.

Estimate provision €1.65 million; outturn €1.015 million

The underspend of €635,000 was due to strength levels being less than targeted and as a consequence the uptake of paid training by reservists was less than anticipated.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.25 million; outturn €1.116 million

The underspend of €134,000 was due to a lower than anticipated number of chaplains serving in 2020 as a result of delays in recruitment.

A.8 Defence Forces: capability development

Estimate provision €89.5 million; outturn €128.436 million

The overspend of €38.936 million was mainly due to additional expenditure on the aircraft replacement programme and defensive equipment procurement.

A.9 Air Corps: equipment and support

Estimate provision €17.66 million; outturn €20.403 million

The overspend of €2.743 million was due to the acquisition of two crash vehicles and increased costs in specialised training. This overspend was partly offset by a decrease in fuel costs.

A.10 Military transport

Estimate provision €18.99 million; outturn €21.002 million

The overspend of €2.012 million was mainly due to the purchase of replacement military vehicles. This overspend was partly offset by lower than anticipated fuel costs.

A.12 Barrack expenses and engineering equipment

Estimate provision €14.68 million; outturn €13.009 million

The underspend of €1.671 million was due to improved barracks energy efficiencies and the reduction in operation/training activities due to Covid-19 restrictions.

A.13 Defence Forces built infrastructure: construction and maintenance

Estimate provision €28.1 million; outturn €20.835 million

The underspend of €7.265 million was due to delays in progressing the capital programme, in addition to the closure of construction sites and other measures required under Covid-19.

A.14 Defence Forces uniforms, clothing, equipment and catering

Estimate provision €14.48 million; outturn €15.892 million

The overspend of €1.412 million was due to additional costs arising from the procurement of Covid-19 PPE and increased uniform costs. The overspend was partly offset by lower than anticipated catering and provisions costs.

A.15 Defence Forces communications and IT

Estimate provision €14.34 million; outturn €15.390 million

The overspend of €1.050 million was mainly due to the requirement for additional procurement of essential telecommunications equipment.

A.17 Defence Forces logistics and travel

Estimate provision €3.578 million; outturn €3.236 million

The underspend of €342,000 was due to lower than estimated travel costs for domestic and foreign travel due to Covid-19 restrictions.

A.18 Defence Forces medical and healthcare support

Estimate provision €7.3 million; outturn €6.822 million

The underspend of €478,000 was due to the cancellation of some medical appointments and procedures due to Covid-19.

A.19 Lands

Estimate provision €800,000; outturn €563,000

The underspend of €237,000 was due to delays in some environmental projects planned for 2020 that did not proceed due to Covid-19 and associated restrictions.

A.22 Miscellaneous expenditure

Estimate provision €4.067 million; outturn €3.679 million

The underspend of €388,000 was due to a substantial reduction in official ceremonial events due to Covid-19. There was also a delay in work on special projects proposed for veterans.

A.23 EU Common Security and Defence Policy costs

Estimate provision €1.947 million; outturn €2.445 million

The overspend of €498,000 was mainly due to an increase in the EU common costs and in funding of the European Defence Agency.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from United Nations in respect of overseas allowances, etc.	8,113	13,234	14,919
2	Receipts from EU in respect of fishery protection costs	—	—	—
3	Receipts from banks and other organisations	1,300	1,445	1,333
4	Receipts from occupation of official quarters	90	140	175
5	Receipts from rations on repayment	450	347	766
6	Receipts from other issues on repayment	20	25	24
7	Receipts for aviation fuel	40	48	16
8	Receipts on discharge by purchase	50	104	243
9	Lands and premises			
	(a) rents, etc.	462	407	560
	(b) sales	650	1	217
10	Sale of surplus stores	100	311	83
11	Refunds in respect of services of seconded personnel	50	67	75
12	Miscellaneous	300	601	690
13	Receipts from additional superannuation contributions on public service remuneration	11,345	12,475	12,551
14	Dormant Accounts Fund	1,100	1,005	502
	Total	**24,070**	**30,210**	**32,154**

Significant variations

The following outlines the reasons for significant variations in receipts expenditure (+/- 5% and €100,000). Overall, appropriations-in-aid were €6.14 million more than the original estimate. Explanations for variances are set out below:

1 Receipts from United Nations in respect of overseas allowances, etc.

Estimate €8.113 million; realised €13.234 million

The surplus of €5.121 million was due to higher than anticipated UN receipts in respect of equipment and troop costs. The timing of receipts from the UN is difficult to predict. See Note 6.1.

3 Receipts from banks and other organisations

Estimate €1.3 million; realised €1.445 million

The surplus of €145,000 was due to higher than anticipated receipts for providing armed security.

5 Receipts from rations on repayment

Estimate €450,000; realised €347,000

The shortfall of €103,000 was due to lower than anticipated numbers in the Defence Force availing of rations.

9 Land and premises

Estimate €1.112 million; realised €408,000

The shortfall of €704,000 was due to delays in planned sales of surplus military property.

10 Sale of surplus stores

Estimate €100,000; realised €311,000

The surplus of €211,000 was due to more than anticipated receipts received for scrap material.

12 Miscellaneous

Estimate €300,000; realised €601,000

The surplus of €301,000 was mainly due to higher than anticipated receipts in respect of refunds for training and education fees.

13 Receipts from additional superannuation contributions on public service remuneration

Estimate €11.345 million; realised €12.475 million

The surplus of €1.13 million arose because receipts from additional superannuation contributions are difficult to accurately estimate, particularly in the Defence Forces given the range of issues that can impact on the calculations, including enlistments, retirements, range of allowances, etc.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Voluntary surrender of pay	—	12
Transferred to the Exchequer	—	(12)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**9,396**	**9,477**

5.2 Pay

Remuneration of all staff

	2020 €000	2019 €000
Pay	403,752	416,033
Higher, special or additional duties allowances	220	244
Overtime	373	339
Shift and roster allowance	240	228
Military and other allowances	40,515	37,142
Employer's PRSI	40,972	39,888
Total pay [a, b]	**486,072**	**493,874**

Note [a] The overall totals do not include the Office of the Ombudsman for the Defence Forces which accounts for four personnel and total pay of €273,097. That office produces a separate account.

[b] Total pay represents the pay elements of Subheads A.1, A.3, A.4, A.6 and A.7.

5.3 Civil servants

	2020	2019
Full time equivalents		
Number of staff at year end	357	351

	2020	2019
	€000	€000
Pay	18,337	17,358
Higher, special or additional duties allowances	87	95
Other allowances	51	50
Overtime	99	92
Employer's PRSI	1,117	991
Total pay	**19,691**	**18,586**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	12	2	20,722	20,505
Other allowances	14	—	8,645	8,505
Overtime	66	1	23,551	13,821
Extra remuneration in more than one category	10	2	15,410	14,726

5.4 Civilian employees

	2020	2019
Full time equivalents		
Number of staff at year end	444	442

	2020 €000	2019 €000
Pay	16,882	16,049
Higher, special or additional duties allowances	133	149
Overtime	274	247
Shift and roster allowances	240	228
Travel time allowance	445	444
Tool and other allowances	202	200
Employer's PRSI	1,831	1,787
Total pay	**20,007**	**19,104**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	63	—	9,361	11,465
Overtime	128	—	9,375	9,298
Shift and roster allowances	36	4	15,935	15,265
Travel time allowance	62	16	13,257	12,890
Tool and other allowances	262	—	3,298	3,235
Extra remuneration in more than one category	168	36	26,158	26,413

5.5 Permanent Defence Force (including Army Nursing Service and Chaplaincy)

	2020	2019
Full time equivalents		
Number of staff at year end	8,595	8,684

	2020 €000	2019 €000
Pay and military service allowance	368,533	382,626
Overseas allowances	19,371	20,751
Security duty allowances	14,186	8,905
Border duty allowance	2,128	2,121
Patrol duty allowance	1,743	2,469
Miscellaneous allowances	2,389	2,202
Employer's PRSI	38,024	37,110
Total pay	**446,374**	**456,184**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Overseas allowances	1,631	916	41,376	39,184
Security duty allowances	7,449	31	21,815	18,823
Border duty allowance	493	—	5,840	12,710
Patrol duty allowance	572	—	9,015	10,668
Miscellaneous allowances	826	97	15,147	16,132
Extra remuneration in more than one category	2,720	1,072	41,024	34,532

5.6 Revenue payment

A payment of €74,797 was made to the Revenue Commissioners in 2020 for benefit-in-kind in relation to statutory public hospital charges for the dependants of enlisted members of the Permanent Defence Force in 2019.

5.7 Other remuneration arrangements

A total of €1,000,879 was paid to 31 retired Defence Force personnel in receipt of Defence Force pensions, ranging from €899 to €72,974, who were re-employed on various duties during 2020. In addition, a total of €34,973 ranging from €260 to €6,441 was paid to 22 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2020. Appropriate procedures are in place with regard to payments to retired personnel in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.8 Seconded staff

This account includes expenditure of €160,707 in respect of five officers who were serving outside the Department for all or part of 2020 and whose salaries were not recouped by the Department.

This account does not include expenditure in respect of four officers who were serving outside the Department for all or part of 2020 in other Government departments/offices. Their salaries were paid by the departments/offices in which they were serving.

5.9 Payroll overpayments

At 31 December	2020	2019
Number of recipients	137	185
Recovery plans in place	45	70
	€	€
Overpayments	175,210	196,132
Value of recovery plans	78,454	122,054

No overpayments were transferred from the Department of Defence to any other department/office in 2020.

5.10 Medical treatment

Inpatient and outpatient services were provided to enlisted personnel and their dependants in public hospitals without application of the statutory charge.

5.11 Severance/redundancy

During 2020, two staff members whose employment was terminated, were paid redundancy payments totalling €17,184 and severance payments totalling €42,671.

Grade	Severance payment	Added years of notional service	Early payment of pension with no actuarial reduction (years)
	€		
Principal Officer equivalent	24,098	—	—
Clerical Officer equivalent	18,573	—	—
Total	**42,671**		

Note 6 Miscellaneous

6.1 Overseas missions

This account includes the sums indicated below in respect of the remuneration of military personnel serving with UN and EU peace support operations and various organisations, together with travel and subsistence and transportation costs:

	2020	2019
	€000	€000
UN and EU missions:		
UNIFIL (Lebanon)	31,235	36,283
UNDOF (Golan Heights)	12,581	11,273
KFOR (Kosovo)	1,463	1,468
EUFOR (Bosnia Herzegovina)	567	569
Other UN and EU missions	4,878	4,164
	50,724	53,757
Other:		
Military representatives and advisors	2,103	1,896
German Battlegroup	1,611	361
Organisation for Security and Co-operation in Europe	183	28
Mediterranean operations (search and rescue)	682	229
Total	**55,303**	**56,271**

Of the sum of €50.72 million for UN and EU missions, €6.9 million relates to missions, the full costs of which are borne by the State. The remaining €43.82 million relates to UNIFIL and UNDOF in respect of which arrangements for the re-imbursement of certain costs have been agreed with the UN. The timing of re-imbursements from the UN are dependent on various factors including the funding available to that organisation.

The amount actually received from the UN by way of appropriations-in-aid in 2020 was €13.2 million, made up of €6.8 million for personnel costs and €6.4 million for equipment costs. The amount outstanding at year end was €3.2 million (€1.7 million personnel costs and €1.5 million equipment costs).

6.2 Support for Defence Forces' representative associations

This account includes a total of €519,629 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.3 Write-offs

The following sums were written off within the year.

	2020	2019
	€000	€000
Damage to military vehicles	73	73
Loss of, or damage to, stores, equipment or property	35	—
Debt write-off	11	—

6.4 Compensation and legal costs

	Number of cases	Legal costs paid by Department	Compensation awarded	Legal costs awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Employees of the Vote						
Personal injury cases	218	1,340	2,787	1,460	5,587	3,996
Administrative/ employment related cases	697	128	296	748	1,172	1,208
Members of the public						
Personal Injury	33	13	83	263	359	1,196
		1,481	**3,166**	**2,471**	**7,118**	**6,400**

Note The above figures relate to all cases where payments were made in 2020. These include cases that were settled in prior years, those settled in 2020 and those still open.

6.5 Arbitration and conciliation

In 2020, costs of €3,000 were incurred (2019: €28,674). No cases were settled at adjudication, arbitration and/or conciliation in 2020 (2019: five cases).

Appendix A Schedule of land and buildings

1. Vested in the Minister for Defence

Property	Area (hectares) [a]
Clare	
Knockalisheen Camp	51.24
Cork	
Murphy Barracks, Ballincollig	0.89
Collins Barracks, Cork	24.22
Portion of Camp Field, Collins Barracks	—
Old Barracks and Graveyard, Fermoy	4.23
Fitzgerald Camp, Fermoy	0.40
RDF Premises, Kilcrohane	0.40
Michael Collins Memorial Plot, Béal na Bláth	0.004
RDF Premises, Skibbereen	0.20
RDF Premises, Mallow	0.03
Dublin	
Casement Aerodrome, Baldonnel including sewage plant on adjacent land	276.93
Esplanade, Collins Barracks	0.20
Site at Islandbridge, Dublin 8	0.40
Galway	
Oranmore Rifle Range	216.10
Springfield water supply to Oranmore Range	—
Dún Uí Mhaoilíosa, Galway	29.95
Kerry	
Ballymullen Barracks, Tralee	6.07
Fort Shannon, Tarbert	0.81
RDF Premises, Kilorglin	0.10
Kildare	
Curragh Camp and lands	1,968.12
Curragh Lands – Kildare by-pass	—
Nos. 2, 78 and 96 Orchard Park, Curragh	0.06
Magee Barracks, Kildare	1.99
Lands at Blackrath, Curragh	14.37
Kilkenny	
Stephens Barracks, Kilkenny	5.67
Louth	
Red Barns Rifle Range, Dundalk	5.46

Property	Area (hectares) [a]
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF Premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	1.98
Roscommon	
Rifle Range, Carna	114.53
Tipperary	
Rifle Range, Kilcoran	5.46
Waterford	
Military Barracks, Waterford	0.28
Westmeath	
Columb Barracks, Mullingar	9.61
Custume Barracks, Athlone	5.26
Garrynafela Lands, Athlone	5.97
Wicklow	
Glen of Imaal Artillery Range	2,698.85
Coolmoney Camp and Lands	97.53
Rockbrae House and Lands, Bray	1.95
Range Warden's Post, Seskin	0.40

Note [a] Hectares stated are approximate. Most of the properties contain buildings thereon.

2. Vested in the Minister for Public Expenditure and Reform

Property	Area (hectares) [a]
Clare	
RDF Premises, Ennis	0.10
Cork	
Kilworth Camp and Range	1,377.55
Portion at Kilworth Camp for provision of road services to TII	10.69
Bere Island	91.05
Naval Base, Haulbowline [b]	33.99
Fort Davis, Whitegate	22.04
Fort Templebreedy, Crosshaven	14.97
Furious Pier, Castletownbere	—
Landing Pier, Cobh	—
Donegal	
Finner Camp, Bundoran	337.01
Dublin	
Cathal Brugha Barracks, Rathmines, Dublin 6	18.62
Nos. 17-28, Cathal Brugha Apartments, Rathmines, Dublin 6	0.27
McKee Barracks, Blackhorse Avenue, Dublin 7	18.21
64 McKee Park, Dublin 7	0.02
St Bricin's Hospital, Dublin 7	3.24
Old School House, Arbour Hill, Dublin 7	—
2 Tomar Court, Arbour Hill, Dublin 7	0.01
Laois	
RDF Premises, Portlaoise	0.03
Limerick	
Sarsfield Barracks, Limerick	5.99
Louth	
Aiken Barracks, Dundalk	7.28
Mayo	
Military Barracks, Castlebar	2.43
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16

Property	Area (hectares) [a]
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

Note [a] Hectares are approximate. Most of the properties contain buildings thereon.

[b] Temporarily transferred to the Department of Agriculture, Food and the Marine for the remedial work on the former ISPAT site.

Appendix B Accounts of bodies and funds under the aegis of the Department of Defence

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the end of March 2021, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Ombudsman for the Defence Forces	2019	30 Sep 2020	23 Dec 2020	12 Feb 2021
Defence Forces Canteen Board	2019	25 Jun 2020	9 Jul 2020	21 Sep 2020

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Social Protection

Introduction

As Accounting Officer for Vote 37, 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 2020 for the salaries and expenses of the Office of the Minister for Social Protection, for certain services administered by that Office for payments to the Social Insurance Fund (SIF) and for certain grants.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year (the Further Revised Estimates was voted on by Dáil Éireann on the 18 November 2020), and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €861.943 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.

Provision of agency services

The Department continues to act as a paying agent of the Department of Finance for the purpose of the discharge of the approved liabilities of the Waterford Crystal pensioners' lump sum payments and Waterford Crystal ongoing pension payments, under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No.2) Act 2014. Funding is drawn down by the Department from the Central Fund and transferred by the Department to the National Shared Services Office, who commenced processing the individual payments from October 2017. The amounts paid are reported by the Department of Finance in the Finance Accounts.

Emergency measures

A total of €5 billion was paid out in 2020 in relation to the Pandemic Unemployment Payment, introduced in March 2020. €1.3 billion was paid from Vote 37 and the balance (€3.7 billion) was paid from the Social Insurance Fund.

The Revenue Commissioners administered the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS) on behalf of the Department. Payments totaling €4.07 billion have been charged to Vote 37 for 2020 — €2.7 billion in relation to TWSS which operated from March to August 2020 and €1.37 billion in relation to EWSS which operated from 1 September 2020.

Further details of emergency measures are included in the SIFC below.

Transfer of functions

Responsibility for employment affairs was transferred on 14 October 2020 from this Department to the Department of Enterprise, Trade and Employment (DETE). This Department's name changed from the Department of Employment Affairs and Social Protection to the Department of Social Protection.

The functions transferred included responsibility for the Low Pay Commission and related EU and international functions. In line with the accounting arrangements set out by Government Accounting, the *Revised Estimates for Public Services 2020* reflects the transfer of the Department functions on a full year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full year basis. The full year estimate of gross pay and non-pay allocations associated with the transfer of functions was €1.553 million.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account with the exception of the following.

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows.

- Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayments receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.
- Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a bank holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments. In addition, under new banking arrangements implemented during 2020, the Department issues funds to the bank one day in advance of customer payments. These funding payments are also included in scheme prepayments.

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 Department.

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared service.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Control of capital assets

A multi-year plan to address asset identification including write off and transfers, asset tagging and periodic inventories, which began implementation in 2019, was continued in 2020.

The Department continued its review of the asset register during 2020. This resulted in the identification of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings assets with individual values of under €1,000. Prior to 2019, the Department had capitalised assets less than the €1,000 threshold. Approximately €35.2 million of these categories of assets were written off in 2020. The net book value of these assets is nil. Ongoing data cleansing of the asset register is in progress to ensure assets can be traced from the asset register back to a physical inventory or equivalent.

A new tag/barcode format was developed in 2019 in conjunction with our IT support contractors. The asset barcode format is compatible with future Financial Management Shared Services plans. The Department produced tags for 2018 and 2019 additions, and these were attached to relevant assets during 2020. Due to the ongoing Covid-19 related restrictions, no further tags were produced. Tagging of assets will recommence later in 2021.

Scheduled weekly inventory scans of IT hardware and software were completed by the Lansweeper system. The Department can run reports on a weekly, monthly or ad hoc basis to ascertain what IT assets are linked to the Department's network.

Following the major review of the asset register detailed above, the Department plans, in 2021, to send inventory details to business areas to verify existence of furniture and fittings. This process has been delayed by the ongoing pandemic and the subsequent working arrangements for many Departmental staff. Once resumed, this process will be completed on a rotational basis to ensure coverage of all areas over several years.

DPER circular 27/2019 states that assets which cost less than €10,000 should not be included in the statement of capital assets in the appropriation accounts. It was recognised that, due to the impact of the pandemic in 2020 and delays in the finalisation of some matters arising from the new capital asset policy, not all Departments would report on the basis of these new arrangements for the 2020 account. Accordingly, Departments may, on a once-off basis, continue to report on the old threshold of €1,000 for the 2020 account. As provided for in circular 1 of 2020, the Department applied a threshold of €1,000 for the capitalisation of its capital assets for the period January to March 2020. The cost of these assets amounted to €49,000. Since March 2020, the Department is no longer adding assets to the register which are below the €10,000 threshold. Further reviews will take place to ensure that any future additions are over the prevailing threshold for inclusion on the fixed asset register.

Debt reconciliations

The Department's debt and receipts accounting system (DRAS) allows for the automatic recording and posting of debt recovered in its local offices, from its receiving bank accounts and by way of deduction from the Department's payments to customers.

Since the introduction of DRAS in late 2014, the annual statements on internal financial control have made reference to unresolved variances in regard to DRAS related debtors, amounts recovered and bank and cash balances. The Department has applied additional resources to this area and has made substantial progress in addressing these issues.

Unmatched amounts

Overpaid customers sometimes make repayments with insufficient details to associate it with their outstanding debt. As a result, in some cases, the Department is constrained from identifying and matching these amounts to the customer. Since DRAS went live in 2014, it has processed over €475 million in receipts and scheme deduction overpayment recoveries. As at 31 December 2020, the total amount recorded on the Department's accounting system for unmatched overpayment recoveries is €4.7 million (1%) (2019: €3.2 million). Unmatched amounts may also include amounts processed in advance of debts being raised and customer payments which require refunds.

Work continues on the resolution of these unmatched amounts but progress has been slower than anticipated due to staffing changes in 2020 and the impact of Covid-19. The work being undertaken consists of: (a) a reconciliation of unmatched customer receipts in suspense on DRAS with unmatched receipts on the Department's accounting system; and (b) an age analysis of those receipts with a view to bringing to account, on a permanent basis, those amounts that have been fully investigated but remain unresolved.

Impact of Covid-19

During 2020, the Department processed 1.4 million Pandemic Unemployment Payment (PUP) claims. The Department also funded the Temporary Wage Subsidy Scheme (TWSS) and the Employment Wage Subsidy Scheme (EWSS) which were both administered and paid by Revenue.

Pandemic Unemployment Payment

The Covid-19 PUP was introduced by the Government from 13 March 2020 as an emergency scheme to provide monetary assistance to employees and the self-employed who lost their jobs as a results of the pandemic. The PUP was established under Section 202 of the Social Welfare (Consolidation) Act, 2005 which deals with granting supplementary welfare allowance in cases of urgent need.

The Social Welfare (Covid-19) (Amendment) Act 2020, enacted on 5 August 2020, placed the PUP on a discrete statutory basis under Part 2 of the Social Welfare (Consolidation) Act 2005.

Initially, scheme payments were met from the Vote. Section 6 of the Act provided that the benefit to be paid from the Social Insurance Fund (SIF) should include such sums as the Minister should estimate and agree with the Minister for Public Expenditure and Reform for pre-enactment PUP expenditure. The amount determined was over €1.8 billion, for which sanction was obtained from the Department of Public Expenditure and Reform (DPER) and subsequently charged to the SIF.

Total PUP expenditure during 2020 amounted to €5 billion, split between the Vote (€1.3 billion) and SIF (€3.7 billion).

Given the extremely high volume of claims, the projections regarding the likely infection rate of Covid-19 among the population, including Department staff, which would affect the capacity to process claims, and the overriding public health and public interest consideration, it was neither possible nor appropriate to exercise all the normal control checks when registering claims. Initially, all claims were processed at a single flat rate of €203 for the first week with this amount increasing to €350 a week thereafter.

The approach created an increased level of risk – both in the level of control applied to the scheme but also in relation to information technology where, in effect, a new payment system was built and implemented in less than a week.

While, as Accounting Officer, I am not normally disposed to accepting such an increased level of risk, I was satisfied on this occasion that the approach followed was both necessary and proportionate and was in the public interest.

I was also satisfied that the risk was mitigated somewhat by a number of underlying control and eligibility checks. These checks looked at a range of issues including age, address, attachment to employment, PPSN validity, duplicate claiming and ensuring that there was no overlap in cases where individuals were also receiving payment through the TWSS. Department risk registers and business plans were updated to both identify and deal with the risks associated with Covid-19 claim processing.

During 2020, the impact of public health restrictions necessitated widespread redeployment of staff within the Department and restrictions on personal movement and interactions, and had an extraordinary impact on the labour market leading to an unprecedented increase in unemployment. In this context, some of the normal control measures that would operate in a standard environment (for example calling jobseekers to interview in Intreo centres) had to be curtailed or suspended. The measures taken were appropriate and proportionate both to comply with the public health restrictions and to ensure the Department could deploy staff resources to the priority task of processing, paying and maintaining Covid-19 related claims. Where possible, and where staff availability and public health restrictions permitted, such control measures were reinstated or alternative methods were used to the limited extent possible (e.g. phone interviews with customers).

During 2020, the Department's Internal Audit function undertook an audit of the PUP, which included a review of a random sample of payments. Management committed to deal with any issues raised.

Temporary Wage Subsidy Scheme (TWSS)/Employment Wage Subsidy Scheme (EWSS)

During 2020, Revenue administered payment of the TWSS and EWSS on behalf of the Department of Social Protection as part of the Government's response to the Covid-19 crisis.

The TWSS, which was legislated for under section 28 of the Emergency Measures in Public Interest (Covid-19) Act 2020, operated from 26 March 2020 to 31 August 2020.

The EWSS, which was announced by Government on 23 July 2020, replaced the TWSS from 1 September 2020. This scheme has been extended until 31 December 2021.

EWSS was legislated for in the Financial Provisions (Covid-19) (No. 2) Act 2020 which inserted section 28B into the Emergency Measures in the Public Interest (Covid-19) Act 2020.

I rely on letters of assurances requested and received from the Chairman of the Revenue Commissioners that the appropriate controls are exercised in relation to the administration and payments made under both schemes.

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 Department
- 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 Department 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 and Audit Committee

I confirm that the Department 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 Department 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.

Non-compliance with procurement rules

I confirm that the Department 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 Department complied with the guidelines with the exception of 92 contracts (in excess of €25,000), totalling €32,886,984 (ex. VAT) as set out below:

- Twenty-five service provider contracts with a total spend of €18,156,258 in 2020 to deliver local employment services across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. A request for tender (RFT) for a procurement consultancy has been published with the objective of putting in place competitive contracts for these services.
- Twenty-four service provider contracts with a total spend of €8,844,483 in 2020 to deliver the EmployAbility Service across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. An RFT for procurement consultancy has been published with the objective of putting in place competitive contracts for these services.
- Forty service provider contacts with a total spend of €4,452,585 in 2020 to deliver the JobsClubs service across the State. Steps to regularise these contracts were unavoidably delayed due to the pandemic. An RFT for procurement consultancy has been published with the objective of putting in place competitive contracts for these services.

- One contract with expenditure of €1,157,389 was due to a delay in the availability of an Office of Government Procurement (OGP) framework. A new contract for this service from an OGP framework is in place since 01/10/2020.
- One services contract for translations with expenditure of €175,572 was rolled over as there was a legal challenge on an RFT. A new RFT is currently being drafted for this service.
- One supply contract for stationery had a spend of €100,697 in 2020. It was necessary to roll over the contract while the Department was awaiting the conclusion of a legal challenge on an OGP framework. A new contract has since been put in place.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly year 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 the business area responsible for the risk actions.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

The impact of essential Covid-19 measures on the control environment has been set out above. No other weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

John McKeon
Accounting Officer
Department of Social Protection

21 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Social Protection for the year ended 31 December 2020 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 37 Social Protection for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Social Protection 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 together 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 *Preface to the Appropriation Accounts*.

Regularity of social welfare payments

Chapter 9 of my report on the accounts of the public services for 2020 refers to welfare payments in excess of entitlement included in the 2020 appropriation account for Vote 37. I consider the estimated level of irregular payment to be material.

Management of social welfare appeals

Chapter 10 of my report on the accounts of the public services for 2020 examines the management of social welfare appeals. The costs of operation of the appeals system are borne by Vote 37.

Controls over the Covid-19 pandemic unemployment payment

Chapter 11 of my report on the accounts of the public services for 2020 examines the Department's controls over the pandemic unemployment payment (PUP) scheme. Part of the expenditure under the scheme was charged to the appropriation account for Vote 37. The other part of the scheme expenditure was charged to the Social Insurance Fund.

Controls over the temporary wage subsidy scheme

Chapter 12 of my report on the accounts of the public services for 2020 examines the controls operated over the temporary wage subsidy scheme, the expenditure of which is charged to the appropriation account for Vote 37.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

22 September 2021

Vote 37 Social Protection

Appropriation Account 2020

			2020	2019
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
Estimate provision	565,694			
Deferred surrender	1,187			
		566,881	536,309	541,140
Pensions		1,064,010	1,048,546	1,042,838
Working age – income supports		3,782,500	3,794,149	2,426,227
Working age – employment supports		5,245,718	4,717,276	712,375
Illness, disability and carers		3,231,410	3,203,725	3,021,168
Children		2,761,730	2,608,327	2,615,036
Supplementary payments, etc.		606,418	564,028	512,377
Subvention to the Social Insurance Fund		93,195	—	—
Gross expenditure				
Estimate provision	17,350,675			
Deferred surrender	1,187			
		17,351,862	**16,472,360**	**10,871,161**
Deduct				
Appropriations-in-aid		**218,190**	**201,541**	**223,035**
Net expenditure				
Estimate provision	17,132,485			
Deferred surrender	1,187			
		17,133,672	**16,270,819**	**10,648,126**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €910,000 of unspent allocations in respect of the capital elements of Subhead A.2 (v) and A.2 (vi) was carried forward to 2021.

	2020	2019
	€	€
Surplus	862,853,290	52,647,107
Deferred surrender	(910,000)	(1,187,000)
Surplus to be surrendered	**861,943,290**	**51,460,107**

John McKeon
Accounting Officer
Department of Social Protection

21 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		15,936,051	10,330,021
Pay		298,995	294,952
Non pay		237,314	246,188
Gross expenditure		**16,472,360**	**10,871,161**
Deduct			
Appropriations-in-aid		**201,541**	**223,035**
Net expenditure		**16,270,819**	**10,648,126**
Changes in capital assets			
Purchases cash	(24,131)		
Depreciation	17,475		
Gain on disposal/write off	(1)	(6,657)	8,132
Changes in net current assets			
Increase in closing accruals	13,144		
Increase in stock	(8)	13,136	(3,808)
Direct expenditure		**16,277,298**	**10,652,450**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		92,663	84,457
Notional rents		14,386	14,386
Net programme cost		**16,384,347**	**10,751,293**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners [a]	370	364
Vote 12	Superannuation and Retired Allowances	77,101	69,985
Vote 13	Office of Public Works	14,441	13,421
Vote 18	National Shared Services Office	686	659
Central Fund – ministerial pensions		65	28
		92,663	**84,457**

Note [a] The costs incurred by Revenue on the administration of the Covid-19 Temporary Wage Subsidy Scheme and the Employment Wage Subsidy Scheme have not been included.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	145,336	136,714
Current assets			
Stocks	2.3	277	269
Other debit balances	2.4	88,530	70,430
Prepayments	2.11	65,884	64,376
Total current assets		**154,691**	**135,075**
Less current liabilities			
Bank and cash	2.2	15,475	38,434
Other credit balances	2.5	25,697	35,330
Net Exchequer funding	2.6	47,358	(3,334)
Accrued expenses	2.12	62,899	48,247
Total current liabilities		**151,429**	**118,677**
Net current assets		3,262	16,398
Net assets		**148,598**	**153,112**
Represented by:			
State funding account	2.7	**148,598**	**153,112**

2.1 Capital assets

	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	25,741	320,261	18,339	364,341
Adjustment [a]	—	—	1,965	1,965
Additions [b]	49	3,085	20,997	24,131
Disposals	—	—	—	—
Write-off [c]	(5,438)	(29,738)	—	(35,176)
Transfers	—	8,882	(8,882)	—
Cost or valuation at 31 December 2020	20,352	302,490	32,419	355,261
Accumulated depreciation				
Opening balance at 1 January 2020	22,855	204,772	—	227,627
Adjustment	—	—	—	—
Depreciation for the year	702	16,773	—	17,475
Depreciation on disposals/write off	(5,439)	(29,738)	—	(35,177)
Cumulative depreciation at 31 December 2020	18,118	191,807	—	209,925
Net assets at 31 December 2020	**2,234**	**110,683**	**32,419**	**145,336**
Net assets at 31 December 2019	2,886	115,489	18,339	136,714

Note

[a] Adjustments totalling €1.965 million were made to capital assets under development (CAUD) because expenditure incurred in previous years in respect of CAUD projects had been incorrectly classified as non-capital expenditure.

[b] As provided for in Circular 1 of 2020, the Department applied a threshold of €1,000 for the capitalisation of its capital assets for the period January to March 2020. The cost of these assets was €49,000. Since March 2020, the Department is no longer adding assets to the register which are below the €10,000 threshold.

[c] Write-offs consist of software, IT hardware, furniture and equipment including franking machines, photocopiers, tables, chairs, etc. Significant data cleansing of the asset register occurred during 2020. The Department identified a number of IT software assets on the register that had become obsolete, a number of IT hardware assets which had been replaced and furniture and fittings with asset values of under €1,000. All of these assets had been fully depreciated and were redundant.

2.2 Bank and cash

at 31 December	2020 €000	2019 €000
An Post advance balances [a]	197,920	110,841
PMG balances (overdraft)	(222,697)	(179,044)
Commercial bank account balance	9,302	29,769
	(15,475)	**(38,434)**

Note [a] As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2020, the combined balance held by An Post in respect of Vote 37 and the SIF was €335.6 million. The combined corresponding balance at the end of 2019 was €185.8 million.

2.3 Stocks

at 31 December	2020 €000	2019 €000
Stationery	226	246
IT consumables	51	23
	277	**269**

2.4 Other debit balances

at 31 December	2020 €000	2019 €000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	1,251	901
Advances to Pobal	4,922	5,836
Advance to Revenue Commissioners [a]	20,436	—
Scheme prepayments [b]	24,650	28,405
Other debit suspense	4,212	2,227
Due from SIF in respect of		
• Vote related receipts recovered through SIF	18,927	16,719
• payments by Vote on behalf of SIF	12,456	14,436
• imprest payments receivable from SIF	669	899
	88,530	**70,430**

Note [a] Advance to the Revenue Commissioners is in respect of both the Emergency Wage Subsidy Scheme and the Temporary Wage Subsidy Scheme.

[b] Scheme prepayments include scheme payments made in the year and not charged in the current year.

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	3,407	6,345
Pay related social insurance	2,676	4,599
Universal social charge	654	1,306
Professional services withholding tax	3,626	3,701
Value added tax	54	85
Pension contributions	1,295	2,103
Local property tax [a]	42	83
Extra Exchequer Receipts	1	6
	11,755	18,228
Payroll deductions	2,176	2,197
Due to SIF in respect of		
• payments by SIF on behalf of Vote	5,784	9,335
• imprest payments received from SIF	(6)	984
Unmatched overpayment recoveries	4,639	3,169
Debt recovery on behalf of other EU countries	869	839
Other credit suspense items	480	578
	25,697	**35,330**

Note [a] Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct the Department to make deductions from certain scheme payments in respect of liable persons for local property tax. The Department also make voluntary deductions of local property tax from some staff salaries. Amounts paid over to the Revenue Commissioners in 2020 were €651,401 and €317,348 respectively.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	861,943	51,460
Deferred surrender	910	1,187
Exchequer grant undrawn	(815,495)	(55,981)
Net Exchequer funding	**47,358**	**(3,334)**
Represented by:		
Debtors		
Debit balances: suspense	88,530	70,430
Creditors		
Bank and cash	(15,475)	(38,434)
Due to the State	(11,755)	(18,228)
Credit balances: suspense	(13,942)	(17,102)
	(41,172)	(73,764)
	47,358	**(3,334)**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			153,112	164,652
Disbursements from the Vote				
Estimate provision	Account	17,133,672		
Deferred surrender	Account	(910)		
Surplus to be surrendered	Account	(861,943)		
Net vote			16,270,819	10,648,126
Expenditure (cash) borne elsewhere	1.1		92,663	84,457
Non cash expenditure – notional rent	1		14,386	14,386
Capital assets under development adjustment	2.1		1,965	
Net assets adjustment	2.1			(4,033)
Depreciation adjusted	2.1			(3,183)
Net programme cost	1		(16,384,347)	(10,751,293)
Balance at 31 December			**148,598**	**153,112**

2.8 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	51,386	38,909
Capital projects	4,701	18,417
Total of legally enforceable commitments	**56,087**	**57,326**

2.9 Matured liabilities

at 31 December	2020	2019
	€000	€000
Estimate of matured liabilities not discharged at year end	**122**	**90**

2.10 Contingent liabilities

The Department is involved in 94 legal cases which may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

2.11 Prepayments

at 31 December	2020	2019
	€000	€000
Administration expenses	108	104
Office expenses	1,841	903
Programme advances/floats [a]	63,660	63,098
Consultancy	275	271
	65,884	**64,376**

Note [a] The Department provides advance funding to some organisations delivering schemes. These include advances or floats for cash flow paid to schemes and other organisations providing Community Employment, Jobs Initiative, Local Employment Services and Job Clubs. Advances are provided to Community Employment and Job Initiative schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats are provided to Local Employment Services and Job Clubs to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

2.12 Accrued expenses

at 31 December	2020	2019
	€000	€000
Administration expenses	6,526	4,442
Office expenses	6,393	8,945
Consultancy expenses	17	78
Programmes cost [a]	49,963	34,782
	62,899	**48,247**

Note [a] Moneys owed to organisations providing Community Employment, Jobs Initiative and Local Employment Services on behalf of the Department. This money relates to organisations as opposed to individual claimants.

Note 3 Vote Expenditure

Analysis of administration expenditure

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		299,995	298,995	294,952
ii	Travel and subsistence		4,998	1,478	4,695
iii	Training and development and incidental expenses		14,076	12,867	11,322
iv	Postal and telecommunications services		16,412	11,967	12,707
v	Office equipment and external IT services		69,683	59,257	54,657
vi	Office premises expenses				
	Estimate provision	18,915			
	Deferred surrender	1,187			
			20,102	16,841	15,267
vii	Consultancy services		2,085	346	476
viii	Payments for agency services		127,230	121,650	134,156
ix	eGovernment related projects		12,300	12,908	12,908
			566,881	**536,309**	**541,140**

Significant variations

The following outlines for significant variations in administration expenditure (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €4.998 million; outturn €1.478 million

The underspend of €3.52 million relative to the estimate provision was because travel requirements reduced in 2020 due to the Covid-19 pandemic. In line with Government advice all non-essential travel for officials of the Department, including face-to-face EU and international meetings, were suspended and many activities were moved online. The savings were used to fund excess expenditure on other subheads.

iv Postal and telecommunications expenses

Estimate provision €16.412 million; outturn €11.967 million

The underspend of €4.445 million relative to the estimate provision was because:

- Savings of €2.431 million were incurred under postal charges. The increase in online services primarily due to Covid-19 has reduced the volume of post received and issued by the Department. In addition, the postal price increase scheduled for March 2020 was postponed.
- Savings of €2.014 million were incurred under telecommunications. There is an element of unpredictability in estimating the telecommunications expenditure as costs arise from both volumes of telephone calls and the extent of data utilisation by staff using mobile telephony and data services. Telephone call volumes and data usage is highly variable.

The savings were used to fund excess expenditure on other subheads.

vii Consultancy services

Estimate provision €2.085 million; outturn €346,000

The underspend of €1.739 million relative to the estimate provision was as a result of:

- Four funding allocations with a value of €135,000 are for auditing contracts and are only drawn down as needed. Approximately half of this allocation was spent.
- Following due diligence, consultancy funding of €400,000 for two separate projects was not required as the work was carried out internally.
- One project with a value of €255,000 was merged with another project within the IT Department and the funding was no longer required under consultancy.
- Two projects with a combined value of €250,000 were delayed due to the pandemic and the contracts were not awarded until late 2020.
- Due to the Covid-19 pandemic, resources from policy areas within the Department were temporarily assigned to assist with the PUP scheme. This delayed the start of a number of projects, with a combined value of approximately €800,000, which will now continue into 2021.

The savings were used to fund excess expenditure on other subheads.

Programme A Social assistance schemes, services, administration and payment to Social Insurance Fund

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		299,995	298,995	294,952
A.2	Administration − non pay				
	Estimate provision	265,699			
	Deferred surrender	1,187			
			266,886	237,314	246,188
Pensions					
A.3	State Pension (Non-Contributory)		1,064,010	1,048,546	1,042,838
Working Age - Income Supports					
A.4	Jobseeker's Allowance		1,636,700	1,656,771	1,628,172
A.5	One-Parent Family Payment		558,220	564,887	533,122
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension		12,990	13,425	13,938
A.7	Deserted Wife's Allowance		840	859	959
A.8	Basic Supplementary Welfare Allowance Payments		128,890	115,212	120,175
A.9	Farm Assist		62,180	66,414	68,569
A.10	Exceptional and Urgent Needs Payments		44,230	41,029	43,206
A.11	Other Working Age – Income Supports		19,080	18,076	18,086
A.xx	Covid-19 – Pandemic Unemployment Payment		1,319,370	1,317,476	—
Working Age – Employment Supports					
A.12	Community Employment Programme		369,680	340,612	353,366
A.13	Rural Social Scheme		54,870	52,745	52,817
A.14	Tús		99,248	83,568	99,048
A.15	Jobs Initiative		15,090	14,973	16,417
A.16	Back to Work Enterprise Allowance		40,020	39,274	59,695
A.17	Youth Employment Support Scheme		3,350	2,015	2,014
A.18	Back to Education Allowance		77,200	65,921	65,327
A.19	JobsPlus		10,100	5,376	14,390
A.20	Local Employment Service		19,300	18,156	18,318
A.21	Jobs Clubs		5,400	4,452	4,841
A.22	Work Placement and Experience Programme		3,670	—	—
A.23	Other Working Age – Employment Supports		23,490	12,333	7,785
A.yy	Covid-19 Wage Subsidy		2,784,300	2,706,962	—
A.zz	Employment Wage Subsidy Scheme		1,740,000	1,370,889	—

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Illness, Disability and Carers				
A.24	Disability Allowance	1,804,510	1,811,854	1,705,778
A.25	Blind Pension	13,140	12,641	12,971
A.26	Carer's Allowance	936,440	926,352	862,447
A.27	Domiciliary Care Allowance	199,770	193,104	182,485
A.28	Carer's Support Grant	237,320	227,543	219,535
A.29	Disability Activation Supports	15,680	13,875	14,142
A.30	Wage Subsidy Scheme	24,550	18,356	23,810
Children				
A.31	Child Benefit	2,119,980	2,102,329	2,102,435
A.32	Working Family Payment	402,490	377,312	397,204
A.33	Back to Work Family Dividend	17,220	12,978	18,357
A.34	Back-to-School Clothing And Footwear Allowance	152,880	54,054	53,451
A.35	School Meals Scheme	61,600	53,468	54,312
A.36	Other Child Related Payments	7,560	8,186	7,634
Supplementary Payments, Agencies and Miscellaneous Services				
A.37	Rent Supplement	164,600	133,090	125,248
A.38	Telephone Support Allowance	8,239	8,326	8,143
A.39	Household Benefits Package	75,479	77,347	69,290
A.40	Free Travel	95,000	94,529	93,919
A.41	Fuel Allowance	183,485	181,446	147,363
A.42	Grant to the Citizens Information Board	61,774	55,993	56,462
A.43	Miscellaneous Services	17,841	13,294	11,589
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005	93,195	—	—
	Low Pay Commission	—	*3*	*363*
Total		**17,351,862**	**16,472,360**	**10,871,161**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €879.5 million less than Further Revised Estimates provided. This was made up as follows:

- An underspend of €30.6 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained
- An underspend of €848.9 million relates to scheme and service subheads. The main variances are described below.

A.8 Basic Supplementary Welfare Allowance Payment

Estimate provision €128.9 million; outturn €115.2 million

The underspend of €13.7 million relative to the estimate provision was due to:

- Average recipient numbers (13,820) were 2,760 lower than provided for in the original estimate (16,580).

  This is due to less pending claims for Disability Allowance, Invalidity Pension and Carers Allowance, meaning less recourse to Supplementary Welfare Allowance (Basic) payments. This results in an underspend of €30 million.
- Higher average payment values (€208.20) than the original estimate (€206.52). This resulted in an overspend of €1.2 million.
- Less recoupment of expenditure from primary schemes (e.g. Disability Allowance, Jobseekers Allowance) which outturned at €37.4 million. This was €13.9 million less than provided in the estimate (€51.3 million) reflecting less recourse to SWA Basic Payments.

A.9 Farm Assist

Estimate provision €62.2 million; outturn €66.4 million

The overspend of €4.2 million relative to the estimate provision was due to:

- Average recipient numbers (5,891) were 426 higher than provided for in the original estimate (5,465). The rate of decline in recipients arising from the age profile of claims was slower than provided for in the original estimate. This resulted in an overspend of €4.8 million.
- Lower average payment values (€214.05) than the original estimate (€216.10). This resulted in an underspend of €600,000.

A.10 Exceptional and Urgent Needs Payments

Estimate provision €44.2 million; outturn €41 million

The underspend of €3.2 million relative to the estimate provision was due to:

- Recipient numbers were 19,911 less than provided for in the Further Revised Estimate (87,500) compared to the Outturn (67,589). This resulted in an underspend of €10.1 million. Owing to Covid-19 restrictions, there was a significant reduction in some of the categories of ENPs which tend to be high volume low value, particularly travel and clothing.
- Recovery of overpayments not included in estimate resulted in an underspend of €100,000.
- Average payment value of €609.48 was €103.99 more than provided for the Further Revised Estimate (€505.49). This resulted in €7 million overspend. The main reason for the overspend was in the housing category, which accounts for almost 70% of the scheme expenditure and tends to be high value payment amounts.

A.11 Other Working Age – Income Supports

Estimate provision €19.1 million; outturn €18.1 million

The underspend of €1 million relative to the estimates provision was due to:

- Daily Expenses Allowance was €300,000 less than the estimate of €13.3 million.
- Humanitarian Aid expenditure was €100,000 less than the estimate of €200,000.
- Other supplements expenditure was €600,000 less than the estimate of €5.5 million.

A.12 Community Employment Programme

Estimate provision €369.7 million; outturn €340.6 million.

The underspend of €29.1 million relative to the estimate provision was due to:

- Lower participant numbers (20,330) than provided for in the 2020 Further Revised Estimate (21,540) due to Covid-19 restrictions which made it difficult to fill vacancies on Community Employment projects. This resulted in an underspend of €16.7 million.
- Lower participant average payment values (€253.59) than provided for in the original estimate (€260.47). This resulted in an underspend of €7.4 million.
- Lower training expenditure of €3.3 million, resulting in an underspend of €3.7 million compared to the estimate (€7 million).
- Lower course consumable expenditure amounting to €12.1 million resulting in an underspend of €1.1 million compared to the estimate (€13.2 million).
- Lower supervisor numbers (1,300) than provided for in the 2020 estimate (1,310). This resulted in an underspend of €400,000.
- Overpayment recoveries of €100,000 which were not provided for in the 2020 REV estimate.
- Rounding of €100,000 underspending not captured above.

Offset by:

- Higher supervisor weekly average payment value €745.36 per week in 2020 compared to €744.43 as provided for in the 2020 Further Revised Estimate. This resulted in an overspend of €100,000.
- The Community Employment project expenditure of €700,000 exceeded the original estimate of €400,000 by €300,000 due to the higher recoupment of advances issued to projects than provided in the estimate.

A.14 Tús - Community Work Placement

Estimate provision €99.2 million; outturn €83.6 million.

The underspend of €15.6 million relative to the estimate provision was due to:

- Lower participant numbers (4,753) than provided for the 2020 Further Revised Estimate (5,811) due to Covid-19 restrictions which made it difficult to fill vacancies on Tús projects. This resulted in an underspend of €14.2 million.
- Lower non payroll running costs (€8.2 million) than provided for in the original estimate (€9.5 million). This resulted in a saving of €1.3 million.
- Lower recipient average payment values (€253.36) than provided for in the original estimate (€253.94). This resulted in an underspend of €200,000.
- Offset by higher supervisor average payment values (€726.05) than provided for in the original estimate (€722.89). This resulted in an overspend of €100,000.

A.17 Youth Employment Support Scheme

Estimate provision €3.3 million; outturn €2 million

Covid-19 restrictions for significant periods during 2020 meant that it was not possible to engage with employers or for jobseekers to be offered and take-up places on YESS which resulted in an underspend of €1.3 million.

A.18 Back to Education Allowance

Estimate provision €77.2 million; outturn €65.9 million.

The underspend of €11.3 million relative to the estimate provision was due to:

- An underspend of €15.9 million during the academic year months (Jan to May and Oct to Dec) due to average participant numbers (6,104) being less than provided for in the estimate (8,714).
- Offset by higher spending of €4.6 million during the summer months (June to September) when participants averaged 3,981 compared to 2,218 provided for in the estimate.

A.19 JobsPlus

Estimate provision €10.1 million; outturn €5.4 million.

The underspend of €4.7 million relative to the estimate provision was due to:

- Actual recipient numbers (1,012) were 818 lower than provided for in the original estimate (1,830). There was a large fall in participants in April as a result of Covid-19. Measures were implemented to pause scheme payments while JobsPlus participants were either temporarily laid off (in receipt of PUP) or their employer applied for TWSS to fund the employment. This resulted in an underspend of €4.5 million.
- Lower average payment values (€442.88) than provided for in the original estimate (€460.00). This resulted in an underspend of €200,000.

A.20 Local Employment Service

Estimate provision €19.3 million; outturn €18.2 million

Organisations providing Local Employment Services (LES) are only reimbursed for costs incurred during the year. The underspend of €1.1 million relative to the estimate provision was due to:

- Outturn on Mediation services was €600,000, which was €400,000 less than provided in the estimate (€1 million). Although LES service providers continued to work with clients already engaged during Covid-19 restrictions, this has largely been performed remotely and has resulted in less grants being provided.
- Outturn for LES staff costs was €14.2 million, which was €800,000 less than provided for in the estimate.

A.21 Jobs Clubs

Estimate provision €5.4 million; outturn €4.5 million.

Organisations contracted to provide Job Club services are only paid in respect of costs incurred. Referrals were severely curtailed during 2020 because of Covid-19 restrictions. The underspend of €900,000 relative to the estimate provision was due to:

- Outturn for Travel and Subsistence was €60,000, which was €400,000 less than the estimate (€460,000), all due to Covid-19 travel restrictions.
- Outturn for Job Club operational costs was €900,000 which was €200,000 less than estimate (€1.1 million).
- Outturn for staff costs was €3.5 million which was €300,000 less than the estimate (€3.8 million).

A.22 Work Placement and Experience Programme

Estimate provision €3.7 million; outturn €nil

The Work Placement Experience Programme (WPEP) is a work experience programme targeted at jobseekers that are in receipt of a qualifying social welfare payment and who have been unemployed for six months and over. It is one of the measures identified in the July Jobs Stimulus agreed by the Government in 2020. This was deferred because of significantly reduced levels of economic activity due to the extended Covid-19 restrictions. Consequently, there was no expenditure incurred in 2020.

A.23 Other Working Age – Employment Supports

Estimate provision €23.5 million; outturn €12.3 million

The underspend of €11.2 million relative to the estimates provision was due to:

- Enterprise Support Grant – outturn was €8.5 million, of which €7.7 million related to the extension of the grant to former self-employed PUP recipients who reopened their business and €800,000 to Back to Work Enterprise Allowance participants. This was €6.5 million less than provided for in the 2020 Further Revised Estimate.
- Training Support Grant – outturn was €1.3 million which was €2 million less than provided for in the estimate (€3.3 million).
- Targeted Activation Supports - the estimate of €2.5 million for 2020 was not spent because following its introduction in October 2020, Level 5 public health restrictions were introduced which prevented implementation of the proposed targeted activation supports.
- The balance of the underspend amounting to €200,000 is made up of six other elements of the subhead.

A.zz Employment Wage Subsidy Scheme (EWSS)

Estimate provision €1,740 million outturn €1,370.9 million

There was an underspend of €369.1 million.

The Employment Wage Subsidy Scheme (EWSS) was introduced as an emergency scheme from September 2020 as a replacement for the Temporary Wage Subsidy Scheme (TWSS).

The estimate was based on 350,000 employees supported by EWSS every week. Actual numbers varied from week to week and were less than forecast.

A.29 Disability Activation Supports

Estimate provision €15.7 million; outturn €13.9 million

The underspend of €1.8 million relative to the estimate provision was due to:

- Ability: Estimate provision: €5.4 million, outturn: €4.5 million. An underspend of €900,000. Ability participants include many people who are particularly vulnerable to Covid-19 and the associated restrictions of movement. Projects didn't progress to the extent anticipated.
- EmployAbility Service: Estimate provision: €9.9 million, outturn: €8.9 million. An underspend of €1 million. Organisations providing EmployAbility Services are only reimbursed for costs incurred.
- Offset by overspend of €100,000 on Disability Activation Supports. Estimate provision: €400,000, outturn: €500,000. An additional €100,000 was provided to AHEAD (the Association for Higher Education Access & Disability) in respect of the WAM (Willing Able mentoring Programme and the GetAHEAD Programme).

A.30 Wage Subsidy Scheme

Estimate provision €24.6 million; outturn €18.4 million

- The Wage Subsidy Scheme provides financial support to employers that employ people with disabilities.Recipient numbers on the Wage Subsidy Scheme (1,367) were 1,518 lower than provided for in the original estimate (2,885). There was a substantial reduction in participants in April as a result of Covid-19. Measures were implemented to pause scheme payments while Wage Subsidy Scheme participants were either temporarily laid off (in receipt of PUP) or their employer applied for TWSS to fund the employment. This resulted in an underspend of €6.2 million.

A.32 Working Family Payment

Estimate provision €402.5 million; outturn €377.3 million.

The underspend of €25.2 million relative to the estimate provision was due to:

- Average payment value (€142.47) was €8.73 lower than provided for in the original estimate (€151.20). This resulted in an underspend of €23.1 million.
- Lower average recipient numbers (49,950) than the original estimate (50,010). This resulted in an underspend of €500,000.
- Inter-scheme adjustments underspend by €1.6 million.

A.33 Back to Work Family Dividend

Estimate provision €17.2 million; outturn €13 million.

The underspend of €4.2 million relative to the estimate provision was due to:

- Actual recipient numbers (4,258) were 1,087 lower than provided for in the original estimate (5,345). This was due to Covid-19 impact on the labour market which resulted in an underspend of €3.5 million.
- Lower average payment values (€58.58) than the original estimate (€61.48). This resulted in an underspend of €700,000.

A.34 Back-to-School Clothing and Footwear Allowance

Estimate provision €152.9 million; outturn €54.1 million.

The underspend of €98.8 million relative to the estimate provision was due to:

- Recipient numbers (144,429) were 267,182 lower than provided for in the original estimate (411,611). The number of recipients estimated was based on the Government decision at the time that PUP would close in mid-June 2020. This would have resulted in significant numbers of additional jobseekers from June 2020, who would have also qualified for the BTSCFA. As the PUP scheme continued beyond June 2020, the additional jobseekers and BTSCFA claimants did not materialise. This resulted in an underspend of €99.2 million.
- Slightly higher average payment values (€374.25) than the original estimate (€371.42). This offset the overall overspend by €400,000.

A.35 School Meals Scheme

Estimate provision €61.6 million; outturn €53.5 million

The underspend of €8.1 million on the School Meals Scheme in 2020 was due to school closures during the pandemic from March 2020. While School Meals funding remained available throughout, not all schools availed of this option. Of the schools that did, many only provided support to children of the most financially vulnerable families. This was achieved largely through the home delivery of food parcels by suppliers.

The recommencement of the hot school meals programme was also delayed from September 2020 to January 2021 as a result of prolonged school closures.

A.36 Other Child Related Payments

Estimate provision €7.6 million; outturn €8.2 million.

An overspend of €600,000 in other child related payments, in relation to Guardians Payment (Non-Contributory) and Widowed Parent Grant (Non-Contributory) is made up as follows:

- An overspend of €500,000 on Guardian's (Non-Contributory), with an outturn of €7.8 million compared to an estimate of €7.3 million. This was due to recipients being 24 higher than the estimate (526) and average weekly payment values being €7.80 higher than the estimate (€263.85).
- An overspend of €100,000 on Widowed Parent Grant (Non-Contributory), with an outturn of €400,000 compared to an estimate of €300,000 due to a number of grants being 21 more than estimated (48).

A.37 Rent Supplement

Estimate provision €164.6 million; outturn €133.1 million

The underspend of €31.5 million relative to the estimate provision was due to:

- Actual recipient numbers (20,430) were 7,980 lower than provided for in the Further Revised Estimate (28,410) due to lower number of Covid-related Rent Supplement claims than expected. This resulted in an underspend of €46.2 million.
- Recovery of overpayments not included in estimate resulted in an underspend of €100,000.
- Higher weekly average weekly payment values (€125.36) than the original estimate (€111.42) which resulted in an overspend of €14.8 million.

A.42 Grant to the Citizens Information Board

Estimate provision €61.8 million; outturn €56 million

The underspend of €5.8 million was due to the impact of Covid-19 on services provided by the Citizens Information Board (CIB) including overheads and staffing proposals. Funding for a Public Personal Insolvency Practitioner (PIP) under the Abhaile Scheme had been included but a new proposal has now been progressed which did not require this funding. There was a large underspend in Advocacy due to the implementation of the ISL Act 2017 taking longer to progress and so overall budget allocation was not required.

A.43 Miscellaneous Services

Estimated provision €17.8 million; outturn €13.3 million.

The underspend of €4.5 million relative to the estimate provisions is due to:

- Promoting Social Inclusion for Family Carers & Young Jobseekers with Disabilities.

  The underspend of €1.8 million on this scheme is mainly due to the nature and timing of the process.

  There is a significant lead in time between the application for a Dormant Accounts measure, ensuring voted expenditure is available as part of the Estimates process, its approval by the Minister for Rural and Community Development, the agreement of a contract between Pobal, the call for applications from groups and the subsequent assessment and award procedure.

  There is no way of predicting with any degree of accuracy the number of applications that will be received in relation to a call for proposals.
- EU Aid to the Most Deprived (FEAD).

  The underspend of €3 million was due to a number of charities having to close or suspend their work due to Covid-19.
- Offset by an overspend of €300,000 which is spread over the remaining schemes.

A.44 Payment to the Social Insurance Fund Under Section 9(9) Of the Social Welfare Consolidation Act 2005

Estimate provision €93.2 million; outturn €nil

An Exchequer subvention to the SIF is required when current year expenditure is in excess of income and the Fund's retained surplus, built up over previous years, is not sufficient to meet the shortfall.

The 2020 Further Revised Estimate provided for the surplus of €3.9 billion (built up from previous years) to be eliminated before the end of year and that a deficit of €93.2 million would materialise which would result in Exchequer subvention being required.

The main reasons for the variance are:

- The SIF income in 2020 was €10,644.7 million, €192.8 million higher than provided for in the estimate (€10,451.9 million). This was due to the impact of Covid-19 Government restrictions on PRSI receipts being lower than anticipated.
- Expenditure on SIF schemes was €14,106.5 million, which was €327.2 million lower than provided for in the estimate (€14,433.7 million). The main drivers for this were:
  (a) State Pension (Contributory) – expenditure was €5,834.6 million, €85.6 million less than estimated (€5,920.2 million);
  (b) Pandemic Unemployment Payment (Post Aug 2020) – expenditure was €1,844 million, which was €113.6 million less than estimated (€1,957.6 million);
  (c) Redundancy and Insolvency Payments – expenditure was €48.4 million which was €31.5 million less than in the estimate (€79.9 million);
  (d) Other schemes such as Illness Benefit (€18.9 million less expenditure than estimated) and Enhanced Covid-19 Illness Benefit (€17.1 million less expenditure than estimated) contributed to the overall underspend on SIF schemes.

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Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
Social Insurance Fund transfer to Vote 37				
1	Recovery of administration expenses from the Social Insurance Fund	121,980	121,980	131,930
Appropriations-in-aid: Other				
2	Recoveries of social assistance overpaid	58,300	49,071	59,423
3	Repayment from the Social Insurance Fund of amounts paid initially as social assistance	4,000	5,698	5,545
4	Receipts under 'liability to maintain family' provision in Part XII of the Social Welfare (Consolidation) Act 2005	320	332	334
5	Receipts from the General Register Office	340	253	344
6	Receipts from additional superannuation contributions on public service remuneration	6,000	6,820	7,477
7	Receipts from European Social Fund	7,250	17	721
8	Receipts from National Training Fund (Community Employment)	6,100	4,538	6,369
9	Receipts from Pensions Authority – staff superannuation	600	582	649
10	Homeless Unit operational costs – contributions from external agencies	—	156	2,717
11	Receipts form dormant accounts	5,000	3,216	610
12	Recovery of social assistance from insurance claims	2,800	1,923	2,633
13	Receipts from Fund for European Aid to the Most Deprived	4,500	5,235	3,507
14	Miscellaneous	1,000	1,720	776
	Total	**218,190**	**201,541**	**223,035**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €16.649 million less than the estimate. Explanations for variances are set out below:

2 Recoveries of social assistance overpaid

Estimate €58.3 million; realised €49.1 million

This subhead covers that element of overpayment recoveries from over 40 social assistance schemes treated as income. The 2020 outturn was made up of €32.6 million in cash recoveries, €17.4 million in deduction recoveries from claims less appropriations-in-aid overpayments of €900,000. The Covid-19 pandemic led to an economic downturn with increased levels of unemployment, due to this the pursuit of debt recovery was paused and as such would have impacted recoveries in 2020. The easing of Covid-19 restrictions is facilitating a return to work for many and it is anticipated that debt recovery will increase accordingly.

3 Repayment from the Social Insurance Fund of amounts paid initially as social assistance

Estimate €4 million; realised €5.7 million

This subhead is used to record the recovery of social assistance from the SIF where the inter-scheme adjustment is effected after the close of the financial year. For example, it includes customers paid Supplementary Welfare Allowance (SWA) basic payment (funded form Vote 37) while awaiting a decision on their claim for Illness Benefit, Invalidity Pension or State Pension Contributory. The amount of SWA basic paid is subsequently recovered from the SIF when their IB, IP or SPC claim is decided. When the decision is made in a later year to when the SWA basic payment occurred, the recovery from the SIF is recorded as income under this subhead.

Receipts can vary significantly from month to month. In 2020, monthly receipts ranged from €100,000 to over €1.8 million, which makes it difficult to accurately forecast. The 2020 estimate was based on the medium term trend from 2016 to 2018 when receipts averaged €4 million per year. However, receipts in 2020 were €1.7 million higher than this trend.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate €6 million; realised €6.8 million

This subhead is used to record additional superannuation contributions (formerly Pension Levy) in respect of staff working in the Department.

The Public Service Stability Agreement (PSSA) 2018 to 2020 provided for the gradual reduction in thresholds and rates between 2019 and 2020. The 2020 estimate overstated the impact of these reductions in 2020 and as a result the yield was €800,000 more than provided for in the estimate.

7 Receipts from European Social Fund

Estimate €7.2 million; realised €17,000

The Department's claim covering the years 2015-2018 for Back to Work Enterprise Allowance and Jobs Plus was not submitted by the Managing Authority in 2020 as anticipated. The Department's claim forms part of an aggregate claim which also includes schemes and services provided by other Departments. While it was expected that the claim would be submitted during 2020, this will instead take place in 2021.

8 Receipts from National Training Fund (Community Employment)

Estimate €6.1 million; realised €4.5 million

This subhead is used to recoup the cost of training for Community Employment (CE) and Training Support Grant (TSG) participants. Receipts in respect of Community Employment realised €3.3 million, which was €900,000 less than provided for in the estimate. Receipts in respect of Training Support Grant participants were €1.2 million or €700,000 less than provided for in the estimate.

As employment and training opportunities were seriously impacted by Covid-19 throughout 2020, the referral of CE participants and jobseekers to programmes to bridge the skills gap to the workplace was greatly reduced.

10 Homeless Unit operational costs – contributions from external agencies

Estimate €nil; realised €156,000

The services operated by the Department for homeless persons on behalf of Cork City Council ceased on 18 January 2019. A similar arrangement was in place with Cork County Council and this service ceased on 30th June 2020. All ENP expenditure for temporary emergency accommodation was submitted to the local authorities on a regular basis for reimbursement recognising the local authorities' responsibility in this area. As service continued in the county areas until Cork County Council assumed responsibility on 1st July 2020, receipts from the Council continued throughout much of 2020.

11 Receipts from dormant accounts

Estimate €5 million; realised €3.2 million

This subhead funds promoting social inclusion for family carers and young jobseekers with disabilities from Dormant Account receipts. There is a significant lead time between the application for a dormant accounts measure, ensuring voted expenditure is available as part of the Estimates process, its approval by the Minister for Rural and Community Development, the agreement of a contract between Pobal, the call for applications from groups and the subsequent assessment and award procedure.

There is no way of predicting with any degree of accuracy the number of applications that will be received in relation to a call for proposals.

12 Recovery of social assistance from insurance claims

Estimate €2.8 million; realised €1.9 million

This subhead is used to record receipts from insurance compensation awards in respect of Disability Allowance recipients. Receipts can vary significantly from month to month. Average receipts per month in 2020 were €160,000, a reduction of €73,000 on the average for 2019. This was mainly due to courts not sitting for significant periods in 2020 due to the Covid-19 pandemic.

13 Receipt from Fund for European Aid to the Most Deprived

Estimate €4.5 million; realised €5.2 million

The Department received the balance of the 2018 claim valued at €250,000 in 2020. The Department also submitted two claims in 2020 receiving a reimbursement of €930,000 in February 2020 and €4.05 million in December 2020, bringing the total receipts to €5.2 million. A projected reimbursement claim for Q1 2021 was included in the December 2020 claim which resulted in higher receipts from the Fund for European Aid to the Most Deprived (FEAD) than estimated.

14 Miscellaneous

Estimate €1 million; realised €1.7 million

This subhead provides for small receipts not covered elsewhere under appropriation-in-aid receipts and not anticipated when the estimates were prepared. The outturn in 2020 was €1.7 million. This was €0.7 million more than was provided for in the estimate (€1 million). This was due to the recovery of an overpayment of €0.8 million in 2020 which occurred in 2019 from Bus Éireann Expressway offset by €0.1 million due to a range of offsetting factors.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	6	8
Conscience money	10	8
Witness expenses	1	2
Pensions Authority fines	—	12
Transferred to the Exchequer	(16)	(24)
Balance at 31 December	**1**	**6**

4.3 Recovery of welfare assistance overpayments

The Central Debt Unit (CDU) is responsible for the management of individual customer overpayments and debt recovery. The management of overpayments and debt recoveries that arise from contractual relationship or service level agreements with corporate entities delivering group schemes such as Treatments Benefits and Community Employment are administered by the respective scheme area.

The summary position on welfare assistance overpayments managed by Central Debt Unit (CDU) at 31 December 2020 was as follows:

		2020 Outturn		2019 Outturn
	€000	€000	€000	€000
Overpayments outstanding at 1 January 2020		381,195		399,397
Adjustment [a]		(4)		—
Adjusted Opening Balance at 1 January 2020		381,191		399,397
Net overpayments recorded				
Suspected fraud	17,829		28,642	
Claimant error	31,452		35,957	
Official error	918		1,699	
Estate cases	25,826		21,500	
		76,025		87,798
		457,216		487,195
Less:				
Amounts recovered [b]	(56,604)		(63,909)	
Recoveries adjustment [c]	432		619	
		(56,172)		(63,290)
Prior year debts cancelled [d]		(5,254)		(7,610)
Amounts written off as irrecoverable [e]		(4,896)		(35,100)
Overpayments outstanding at 31 December		**390,894**		**381,195**

Note

[a] The opening balance adjustment is to bring the reported balanced into line with the opening debtor listing at 1 January 2020.

[b] The amount of debt recovered in 2020 is analysed as follows.

(a) €48.7 million posted to income in respect of previous years debt

(b) €7.9 million posted against expenditure in respect of the current years debt.

[c] The adjustment of €432,000 is in respect of recorded recoveries in prior years which were cancelled in 2020.

[d] The prior year debts cancelled of €5,254,000 represents overpayments raised in prior years which were cancelled in 2020.

[e] Debts totalling €4.9 million were written off as part of the normal course of business. The 2019 debt write off includes amounts written off on foot of a specific project. The 2019 project resulted in the Department writing off 7,802 cases with a value of €30.3 million which were deemed irrecoverable (Vote €26.5 million, SIF: €3.8 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	6,402	6,041
Agencies [a]	157	137
	6,559	**6,178**

Note [a] Agencies in this note comprise the Citizen Information Board and the Pensions Authority.

5.2 Pay

	2020 €000	2019 €000
Pay	297,019	294,607
Higher, special or additional duties allowances	1,025	1,248
Other allowances	348	356
Overtime	4,097	2,914
Employer's PRSI	20,743	19,704
Total pay	**323,232**	**318,829**

Remuneration of Department staff

The following remuneration arrangements refer to pay elements of subheads A.1 (i), A.2 (viii) and A.2 (ix).

	2020 €000	2020 €000
Pay	288,422	286,740
Higher, special or additional duties allowance	914	1,078
Other allowances	348	356
Overtime	4,097	2,914
Employer's PRSI	19,858	18,920
Total pay	**313,639**	**310,008**

Agency remuneration

	2020 €000	2020 €000
Pay	8,597	7,867
Higher, special or additional duties allowance	110	170
Other allowances	—	—
Overtime	1	—
Employer's PRSI	885	784
Total Pay	**9,593**	**8,821**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Department staff				
Higher, special or additional duties allowances	424	18	21,445	38,638
Other allowances	43	13	12,719	12,365
Overtime	2,719	28	22,513	16,025
Extra remuneration in more than one category	7	1	11,224	10,205
Agency staff				
Higher, special or additional duties allowances	20	2	17,839	16,238
Overtime	1	—	733	—

5.4 Other remuneration arrangements

The cost of staff serving outside the Department in 2020 was €600,000 in respect of 16 staff. These costs are recouped by the Department from the relevant organisations.

5.5 Payroll overpayments

at 31 December	Number of recipients	2020 €000	2019 €000
Overpayments*	565	1,970	2,000
Recovery plans in place*	279	1,023	1,061

27 individuals with recovery plans to the value of €19,858 transferred to other Departments in the year.

Note* The 2019 figures have been restated for overpayments and recovery plans in place from those disclosed in note 5.5 payroll overpayments in the 2019 appropriation account (2019 overpayments €2.4 million, recovery plans in place €1.5 million). This is as a result of more accurate information provided by National Shared Services Office.

5.6 Severance/redundancy

During 2020, two staff members whose employment was terminated, were paid redundancy payments totalling €9,204 and severance payments totalling €18,926.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by employees of the Department						
Personal injuries [a]	17	64	213	14	291	293
Breach of HR/employment policies [b]	2	—	15	—	15	44
Claims by members of the public						
Personal Injuries [c]	8	56	60	67	183	74
Department schemes [d]	468	—	3,568	558	4,126	4,494
Other [e]	3	68	—	10	78	1,182
		188	**3,856**	**649**	**4,693**	**6,087**

Notes

[a] Total costs in respect of individuals ranged from €10 to €106,500.

[b] Total costs ranged from €5,000 to €10,000. The cases related to closure of Branch Offices and employment rights cases.

[c] Total costs in respect of individuals ranged from €369 to €99,000.

[d] An amount of €3.566 million was paid to survivors of Magdalen Laundries during 2020. The amounts paid ranged from €14 to €72,842. The balance of €560,000 was made up of ex gratia payments to claimants in respect of loss of purchasing power payments and legal costs. The largest individual payment was €229,655.

[e] Total costs ranged from €10,000 to €46,637. Details of a case not released due to a non-disclosure clause. The other costs relate to Legal Advisors under contract by the Department to cover staff on leave.

6.2 EU funding

The outturn shown in Subheads A.1 and A.42 includes payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns recording in Note 4.1, subheads 7 and 13 were as follows.

Subhead description:	2020 Estimate €000	2020 Realised €000	2019 Realised €000
Fund for European Aid to the Most Deprived	4,500	5,235	3,507
European Social Fund, programme for Employability, Inclusion and Learning/European Employment Services	7,250	17	531
Connecting Europe Facility Fund	—	—	190

Funds for European Aid to the Most Deprived

Funding of €5.2 million was received from the EU in respect of the Fund for European Aid to the Most Deprived (FEAD) programme which supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. Expenditure of €19.9 million has been incurred in the operation of this programme to December 2020. The EU provides funding to member states that match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023.

European Social Fund, programme for Employability, Inclusion and Learning and European Employment Services

The European Social Fund (ESF) is the European Union's financial instruction for investing in people. The mission of the ESF is to help prevent and fight unemployment, to make Europe's workforce and companies better equipped to face new challenges and to prevent people losing touch with the labour market. This receipt of €17,178 was received from the EU in respect of EURES to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member state by the Public Employment Service.

Receipts under both of these headings are in respect of aggregated European Employment Services (EURES) claims for 2015, 2016 and 2017. The EU co-funds this programme on a 50% basis through the ESF.

Connecting Europe Facility Fund

The CEF was to assist member states with their national implementation of the Electronic Exchange of Social Security Information. DSP and the HSE were in partnership on this implementation. This was a one off grant which was completed in June 2019.

6.3 Late interest payments

	2020 €000	2019 €000
Interest payments	12	4

Appendix A Department of Social Protection Summary of Programme Expenditure

	2020 €million	2019 €million
Vote 37		
Gross expenditure	**16,472**	**10,871**
Less non-scheme expenditure		
Administration	(536)	(541)
Grant to Citizens Information Board	(56)	(57)
Miscellaneous services and Grants to the Low Pay Commission	(4)	(3)
Vote 37 scheme expenditure (A)	**15,876**	**10,270**
Social Insurance Fund		
Gross expenditure	**14,823**	**10,727**
Less non-scheme expenditure		
Administration	(221)	(230)
National Training Levy	(717)	(712)
Social Insurance Fund scheme expenditure (B)	**13,885**	**9,785**
Total Department scheme expenditure (A+B)	**29,761**	**20,055**

Scheme expenditure breakdown

Payments by scheme and category	2020 €million	2019 €million
Pensions		
State Pensions (Contributory)	5,835	5,603
State Pensions (Non-Contributory)	1,049	1,043
Widows'/Widowers'/Surviving Civil Partners' Pension	1,586	1,559
Bereavement Grant	—	1
Total	**8,470**	**8,206**
Working Age Income Supports		
Jobseeker's Allowance	1,657	1,628
One Parent Family Payment	565	533
Jobseeker's Benefit	416	346
Redundancy and Insolvency Benefit	48	32
Maternity Benefit	258	267
Paternity Benefit, Parents Benefit and Adoptive Benefit	19	14
Basic Supplementary Welfare Allowance	115	120
Farm Assist	66	69
Deserted Wife's Benefit	68	72
Other Working Age- Income Supports	18	18
Exceptional and Urgent Needs payments	41	43
Treatment Benefits and Health and Safety Benefit	92	101
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	14	14
Deserted Wife's Allowance	1	1
Covid-19 Pandemic Unemployment Payment	4,979	—
Total	**8,357**	**3,258**
Supplementary Payments		
Rent Allowance	—	1
Fund for European Aid to the Most Deprived (FEAD)	5	5
Magdalen Laundries and other Institutions Payments	4	4
Rent Supplement	133	125
Household Benefits Package	263	247
Telephone Support Allowance	18	17
Fuel Allowance	290	235
Free Travel	95	94
Total	**808**	**728**
Working Age Employment Supports		
Community Employment Programme	341	353
Back to Education Allowance	66	65
Back to Work Enterprise Allowance	39	60
TÚS Community Work Placement Scheme	84	99
JobsPlus	5	14
Other Working Age – Employment Supports	12	8
Youth Employment Support Scheme	2	2
Rural Social Scheme	53	53
Jobs Initiative	15	17
Local Employment Scheme	18	18

Jobsclub	4	5
Partial Capacity Benefit	25	21
Covid-19 Wage Subsidy	2,707	—
Employment Wage Subsidy Scheme	1,371	—
Total	**4,742**	**715**
Illness, Disability and Carers		
Disability Allowance	1,812	1,706
Illness Benefit	650	605
Invalidity Pension	760	728
Carer's Payment	975	905
Carer's Support Grant	228	220
Domiciliary Care Allowance	193	182
Wage Subsidy Scheme	18	24
Disablement Benefit	70	73
Blind Pension	13	13
Death Benefit	10	10
Injury Benefit and Medical Care	12	14
Disability Activation Supports	14	14
Total	**4,755**	**4,494**
Children		
Child Benefit	2,102	2,103
Working Family Payment	377	397
Back to Work Family Dividend	13	18
Back to School Clothing and Footwear	54	53
School Meals	53	54
Child Related Payments	30	29
Total	**2,629**	**2,654**
Net expenditure on all schemes	**29,761**	**20,055**

Appendix B Accounts of bodies and funds under the aegis of the Department of Social Protection

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/Department	Date presented to the Oireachtas
Social Insurance Fund	2019	31 Aug 2020	31 Aug 2020	6 Nov 2020
Pensions Authority	2020	28 Jun 2021	30 Jun 2021	24 Aug 2021
Citizens Information Board	2019	17 Dec 2020	23 Dec 2020	12 Feb 2021

Appropriation Account 2020

Vote 38

Health

Introduction

As Accounting Officer for Vote 38, 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 2020 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including grants to the Health Service Executive and miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €51.76 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.

Changes to Vote structure

The account has been prepared in accordance with the 2020 Revised Estimate for the Department of Health. Certain HSE subheads have been restricted in order to improve linkage between the estimates' presentation and the HSE's national service plan, including the reporting of expenditure incurred due to the outbreak of Covid-19 in early 2020.

Subhead J HSE (including service developments) was changed to subhead J.1 and an additional subhead J.2 (HSE – Covid-19 actions) was added. Expenditure charged to this subhead relates to expenditure by the HSE service areas in relation to the organisation's response to Covid-19, with the exception of the primary care re-imbursement schemes. Subhead L.2 was amended for expenditure charged to primary care re-imbursement schemes relating to Covid-19. Long term residential care expenditure incurred by the HSE which was previously charged to subhead L.2 is now charged to subhead L.3.

Subhead M.3 (building, equipping and furnishing of health facilities (part funded by the National Lottery)) was amalgamated with subhead M.2 and subhead M.4 (information services and related services for health agencies) became subhead M.3. A new subhead M.4 (capital Covid-19 actions including ICT) was created in the revised estimates.

The Department adopted Department of Public Expenditure and Reform circular 21 of 2020 and increased the threshold for capital assets to €10,000 in 2020.

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 and Reform in circular 22 of 2020, have been applied in the preparation of the account except for the following.

Payments to the HSE

Funds are advanced to the HSE in relation to the provision of services on a grant basis, in line with funding set out in the annual letter of determination which issues to the HSE setting out its approved level of expenditure. The total amount paid to the HSE was charged against the relevant subheads. Grant funding paid to the HSE in 2020 amounted to €20.475 billion (2019: €17.15 billion). This is accounted for across 14 subheads – each subhead from I to M.4, excluding M.1 which related to the capital expenditure of agencies under the aegis of the Department other than the HSE.

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 Department.

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

Shared services

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of (e.g. HR) shared service. I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

The Department will continue to strengthen the control environment in which it operates in 2021.

Cyber attack

The Department received indications of a potential security event on 13 May 2021. A number of immediate actions were taken to limit the scope of an attack and the National Cyber Security Centre (NCSC) was immediately notified.

On 14 May 2021, the Department's ICT infrastructure came under attack, but the measures already taken successfully limited its effect. As a precautionary measure, the Department shut down its ICT systems to safeguard the integrity of the systems and data, and to provide an opportunity to conduct the necessary analysis and protect against any further attack.

While the recovery took considerable time and effort, access to key ICT systems was fully restored within a short period. There were limited issues accessing niche or legacy systems which are currently being resolved. The incident and subsequent access issues created significant backlogs in a number of areas which the Department is working to clear.

Improved security measures have been put in place within the Department's ICT systems. A complete security review of the Department's infrastructure was undertaken. The Department of Health continues to liaise closely with the NCSC, the Office of the Government Chief Information Officer, our security partner and with colleagues across the public service to ensure that best practice is followed as it relates to all aspects of cyber security.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Procurement compliance

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. In 2020, the Department did not follow normal competitive processes for procurement of contracts in 26 instances totalling €4.562 million.

- As the lead Department in the response to the Covid-19 pandemic, there was an unusually high level of non-competitive expenditure in 2020. 16 contracts totaling €3,152,119 were awarded as a direct result of urgent Covid-19 requirements.
- €1,180,792 related to six contracts which were procured from contractors with specialised expertise or due to urgency.
- €88,496 was in respect of a contract for ongoing software support where the cost implications and timelines for developing a new package would not have represented value for money for the Exchequer.

Three contracts totalling €140,171 were considered non-compliant with procurement guidelines on the following basis.

- €88,694 related to mobile and telephony services that was extended beyond the original contract date. It had been expected that a new competitively tendered agreement would be concluded in 2019. The Department had been liaising with the Office of Government Procurement in relation to this tendering process. Unfortunately, this tender competition was delayed due to technical framework issues identified by the Office of Government Procurement. The tender process has now been completed and the new contract has been awarded. An agreed transition plan was completed with the successful tenderer and the new service commenced with effect from 21 September 2020.
- €26,049 related to a media monitoring contract which had previously been tendered for but exceeded the relevant threshold. This service is essential to facilitate the ongoing requirement for media monitoring of the evolving public health situation as reported in the media nationally and internationally. The Department intends to undertake a procurement exercise to address future requirements for this service.

- €25,428 related to legislative drafting/settling services. A tender competition was undertaken by the Department in 2020 and a dedicated panel of service providers was put in place to provide these services to units of the Department as required.

The Department is committed to addressing the issues of non-compliant procurement. The Department is currently strengthening its policies and procedures in respect of procurement issues and regular updates are provided to all staff in this regard. Where appropriate, the Department utilises centrally available frameworks. Improvements to existing contract management processes are a priority and are currently being implemented internally. The Department continues to work closely with the Office of Government Procurement to improve compliance when undertaking its procurement activities.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by the Accounting Officer, 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. This function will be strengthened in 2021 to reflect the increasingly complex environment in which the Department operates. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and control framework

The Department 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 sub-committee is in place and reports to the Management Board. In 2020 an external report reviewing the Department's risk management framework made recommendations on strengthening the framework within the Department. These recommendations are currently being considered.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the management board and its risk sub-committee.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Governance in the health sector

The Department continued to strengthen its approach to managing governance across the health sector in 2020, based on the revised Department of Public Expenditure and Reform *Code of Practice for the Governance of State Bodies* (2016). Oversight of aegis bodies is undertaken by the designated units within the Department led at Principal Officer level with input and support from the Department's Governance Unit and other relevant units.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each Board, and the Chairman of the Board.

The relationship between the Department and the bodies under its aegis is determined primarily by

- the underpinning legislation establishing the body, and
- the requirements set out in the Department of Public Expenditure and Reform's *Code of Practice*.

Under the revised *Code of Practice*, oversight agreements and performance delivery agreements were in place with aegis bodies as at December 2020, except for the HSE and the Dental Council. This approach focuses on outputs and outcomes and includes performance indicators to ensure that resources are used both in an effective and efficient manner to deliver quality services.

A corporate plan covering a three-year period is prepared by the HSE and approved by the Minister for Health. Each year, the HSE continues to prepare a national service plan setting out the type and volume of services it intends to provide for the funding available. This plan is approved by the Minister for Health. Performance reports are submitted at least monthly by the HSE during the course of the year, and monthly meetings take place between the two organisations.

In relation to other aegis bodies, legislation generally provides for a multi-annual corporate plan and an annual business plan. These plans allow, respectively for overall corporate strategy and annual priorities to be developed and agreed with the Department.

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 and the management board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework. An external review of the accounts function was performed in quarter one of 2021 and the recommendations from this review will be implemented.

Covid-19 pandemic

On 22 January 2020, the World Health Organisation (WHO) announced that there was evidence of human-to-human transmission of the novel coronavirus, Covid-19, in Wuhan, China. On 30 January, the WHO declared a public health emergency of international concern. By March it became evident that unprecedented action was needed in Ireland to prevent the spread of infection, high rates of hospitalisation and intensive care unit admissions and significant mortality.

While the scale of the challenge was unprecedented, so, too, was the Department of Health led response. It was widely acknowledged that the country's healthcare capacity is challenged in normal times, so the Department moved quickly to utilise all available resources to deal with this pandemic.

Covid-19 affected every part of society, including finances and previously agreed budgets. The Department's response to the pandemic required significant additional funding. Additional funding of €1.997 billion was voted to the Department in a revised estimate in June 2020. This represented the expenditure approved by the Government for Covid-19 measures taken up to the date of the passing of the revised estimate.

The scale of expenditure and measures taken in response to Covid-19 and the overall impact of Covid-19 on the finances of the health system meant that the passing of this revised estimate was essential. This revised estimate ensured compliance with section B1.2 of the *Public Financial Procedures* and the provisions of the Central Fund (Permanent Provisions) Act 1965, in relation to the four-fifths expenditure rule. This facilitated the continuation of operations of Vote 38 ensuring a strong and resilient health service was maintained in these unprecedented times.

There was no additional funding provided for non-HSE subheads as part of the revised estimate. However, to reflect the changes in the Department's internal expenditure requirements due to the pandemic, expenditure allocations were revised as part of the revised estimate.

Existing oversight structures between this Department, the Department of Public Expenditure and Reform and the HSE, including the health budget oversight group, along with new structures and processes, facilitated timely decision-making during the pandemic while also ensuring high standards of governance were maintained. These structures ensured that this significant investment was approved, monitored and reported in line with agreed sanctioning processes and financial procedures.

The HSE reported to the Department each week on the estimated Covid-19 related non-capital and capital expenditure that had been incurred to date. These reports detailed the expenditure incurred in each area as well as an estimate of the indirect impact costs in areas such as loss of income.

A further net supplementary estimate of €514.5 million was required for additional funding requirements that arose in provision of personal protective equipment and testing and contact tracing.

Due to Covid-19 restrictions, some grants to agencies under subheads B.2 (Healthy Ireland Fund) and H (Sláintecare) were not subject to compliance checks in 2020 as provided for in service level agreements.

In compliance with public health advice, departmental staff have worked from home since March 2020. To enable the vital work of the Department to continue, staff have worked from home through a secure virtual private network connection. To reflect the changed circumstances the Department operated in during 2020, financial controls were amended.

The Department's financial controls were amended to enable authorisation, approval, and processing of transactions to be completed remotely rather than using hard-copy documentation. Controls over new suppliers and fraud prevention were strengthened during the year. A specific cost centre was set up to monitor and report on Covid-19 related expenditure incurred within the Department.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Robert Watt
Accounting Officer
Department of Health

21 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

Opinion on the appropriation account

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2020 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 38 Health for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Health 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 September 2021

Vote 38 Health

Appropriation Account 2020

Service				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Administration					
A.1	Salaries, wages and allowances		36,250	36,117	31,493
A.2	Travel and subsistence		275	194	567
A.3	Training and development and incidental expenses		2,204	2,649	1,826
A.4	Postal and telecommunications services		230	158	229
A.5	Office equipment and external IT services		2,573	1,850	1,810
A.6	Office premises expenses		972	624	1,094
A.7	Consultancy services and value for money and policy reviews		1,000	456	910
Grants					
B.1	Grants to research bodies and other research grants		42,150	40,756	38,927
B.2	Healthy Ireland Fund		6,000	6,609	6,186
B.3	Drugs Initiative		7,487	6,729	5,955
Other services					
C	Expenses in connection with the World Health Organisation and other international bodies		2,700	1,968	2,353
D	Statutory and non-statutory inquires and miscellaneous legal fees and settlements		13,200	9,363	29,722
E.1	Developmental consultative, supervisory, regulatory and advisory bodies				
	Original	80,481			
	Supplementary	14,320			
			94,801	91,862	64,618
E.2	The Food Safety Promotion Board		5,691	5,341	5,386
E.3	The National Treatment Purchase Fund		100,022	80,000	75,000
E.4	Ireland/Northern Ireland INTERREG		3,200	3,013	2,148
F.1	Payments in respect of disablement caused by Thalidomide		495	380	439

Service			2020		2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Other services (continued)					
F.2	Payments in respect of persons claiming to have been damaged by vaccination		1	—	—
F.3	Payments to a special account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002		22,000	9,245	16,023
F.4	Payments to a reparation fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002		3,000	1,229	1,721
G	Dissemination of information, conferences and publications in respect of health and health care services		2,600	2,611	1,773
H	Sláintecare		45,500	21,540	11,013
Corporate administrative					
I	Net pension costs		562,500	517,520	536,452
HSE health and social care services					
J.1	HSE (including services developments)				
	Original	11,715,617			
	Supplementary	7,116			
			11,722,733	11,697,124	11,271,467
J.2	HSE – Covid-19 actions				
	Original	1,666,688			
	Supplementary	496,383			
			2,163,071	2,351,156	—
Other HSE services					
K.1	Health agencies and similar organisations (part funded by the National Lottery)		7,513	1,879	1,879
K.2	Payments to Special Account – Health (Repayment) Act 2006		1,700	150	501
K.3	Payment to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,500	1,686	620

Service				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
K.4	Payment to State Claims Agency		400,000	377,452	390,000
K.5	Economic and social disadvantage (dormant account funding)		2,700	997	2,450
Care programme					
L.1	Primary care reimbursement services		3,218,400	3,238,400	3,150,774
L.2	Primary care reimbursement services – Covid-19 actions				
	Original	110,350			
	Supplementary	29,681			
			140,031	140,031	—
L.3	Long term residential care		1,062,396	998,146	989,881
Capital services					
M.1	Grants in respect of building, equipping (including ICT)		14,527	12,466	10,924
M.2	Building, equipping and furnishing of health facilities				
	Estimate provision	744,000			
	Deferred surrender	30,000			
			774,000	607,726	593,423
M.3	Information services and related services for health agencies		222,000	221,996	211,690
M.4	Capital Covid-19 actions (including ICT)		220,000	320,566	—
Gross expenditure					
	Original	20,327,922			
	Deferred surrender	30,000			
	Supplementary	547,500			
			20,905,422	**20,809,989**	**17,459,254**
	Deduct				
N	**Appropriations-in-aid**				
	Original	430,222			
	Supplementary	33,000			
			463,222	**487,723**	**463,858**
Net expenditure					
	Original	19,897,700			
	Deferred surrender	30,000			
	Supplementary	514,500			
			20,442,200	**20,322,266**	**16,995,396**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €68.174 million of unspent allocations in respect of the capital elements of subhead M.2 was carried forward to 2021.

	2020 €	2019 €
Surplus	119,933,743	34,918,785
Deferred surrender	(68,174,000)	(30,000,000)
Surplus to be surrendered	**51,759,743**	**4,918,785**

Robert Watt
Accounting Officer
Department of Health

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Expenditure on Department administration		42,048	37,929
Expenditure on services and programmes		20,767,941	17,421,325
Gross expenditure		**20,809,989**	**17,459,254**
Deduct			
Appropriations-in-aid		**487,723**	**463,858**
Net expenditure		**20,322,266**	**16,995,396**
Changes in capital assets			
Purchases cash	(73)		
Depreciation	22		
Loss on disposals	5	(46)	87
Changes in net current assets			
Decrease in closing accruals	(1,020)		
Increase in stock	(2)	(1,022)	713
Direct expenditure		**20,321,198**	**16,996,196**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		19,288	19,492
Net programme cost		**20,340,486**	**17,015,688**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 38 borne elsewhere. The figures below are estimated based on provisional outturn figures supplied by the central services section of the Department of Public Expenditure and Reform.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	50	38
Vote 12	Superannuation and Retired Allowance	10,800	10,112
Vote 13	Office of Public Works	8,031	9,030
Vote 18	National Shared Services Office	62	52
Vote 43	Office of the Government Chief Information Officer	83	—
Central Fund – ministerial pensions		262	260
		19,288	**19,492**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	79	824
Current assets			
Bank and cash	2.2	51,654	24,979
Stocks	2.3	18	16
Other debit balances	2.4	14,675	1,450
Prepayments		2,036	313
Accrued income		102	205
Total current assets		**68,485**	**26,963**
Less current liabilities			
Accrued expenses		1,915	1,315
Other credit balances	2.5	2,644	975
Net Exchequer funding	2.6	63,685	25,454
Total current liabilities		**68,244**	**27,744**
Net current assets/(liabilities)		241	(781)
Net assets		**320**	**43**
Represented by:			
State funding account	2.7	**320**	**43**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	824	450	1,274
Additions	73	—	73
Disposals	(35)	—	(35)
Adjustments [a]	(749)	(450)	(1,199)
Cost or valuation at 31 December 2020	113	—	113
Accumulated depreciation			
Opening balance at 1 January 2020	360	90	450
Depreciation for the year	22	—	22
Depreciation on disposals	(30)	—	(30)
Adjustments [a]	(318)	(90)	(408)
Cumulative depreciation at 31 December 2020	34	—	34
Net assets at 31 December 2020	**79**	**—**	**79**
Net assets at 31 December 2019	464	360	824

Note [a] These adjustments relate to the removal of individual items with values of under €10,000 from the asset register as per circular 21 of 2020: *Increase in the Value Threshold for Inclusion of Assets in Asset Register.*

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances and cash	51,579	24,434
Other bank account balances	75	545
	51,654	**24,979**

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	12	11
IT consumables	6	5
	18	**16**

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable salaries	—	39
Recoupable travel expenditure	—	12
Recoupable travel pass scheme expenditure	41	187
Hepatitis C Compensation Tribunal [a]	13,561	1,206
Value added tax	—	1
Other debit suspense items	1,073	5
	14,675	**1,450**

Note [a] The Department of Health acts as paying agent to the Hepatitis C Compensation Tribunal and are responsible for paying tribunal awards and reparation awards and for paying the administration and legal costs of the Tribunal. The expenditure is recouped from the Special Account and Reparation Fund on foot of returns of expenditure certified by the Accounting Officer of the Department of Health. Sanction is sought from the Department of Public Expenditure and Reform to recoup these funds from the Department of Finance.

The balance at year end on the suspense account represents costs discharged by the Department of Health in respect of the Tribunal for which funding has yet to be recouped from the Special Account and Reparation Fund.

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	560	—
Pay related social insurance	334	—
Universal social charge/income levy	114	—
Local property tax	2	—
Value added tax	54	—
Professional services withholding tax	100	73
	1,164	73
RISF special account [a]	50	429
Payroll deductions held in suspense	239	—
Other credit suspense items	1,191	473
	2,644	**975**

Note [a] A contribution of €429,000 was received in December 2019 in accordance with Section 43 of the Residential Institutions Statutory Fund Act 2012 and paid to the HSE in relation to the costs of the national paediatric hospital in November 2020. A further contribution of €500,000 was received in October 2020. These contributions are to be used only for purposes related to the development of a new national paediatric hospital. The contributions were placed in a special holding account.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	51,760	4,919
Deferred surrender	68,174	30,000
Exchequer grant undrawn	(56,249)	(9,465)
Net Exchequer funding	**63,685**	**25,454**
Represented by:		
Debtors		
Bank and cash	51,654	24,979
Debit balances: suspense	14,675	1,450
	66,329	26,429
Creditors		
Due to the State	(1,164)	(73)
Credit balances: suspense	(1,480)	(902)
	(2,644)	(975)
	63,685	**25,454**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			43	843
Disbursements from the Vote				
Estimate provision	Account	20,442,200		
Deferred surrender	Account	(68,174)		
Surplus to be surrendered	Account	(51,760)		
Net vote			20,322,266	16,995,396
Expenditure (cash) borne elsewhere	1.1		19,288	19,492
Non cash expenditure – capital assets adjustment			(791)	—
Net programme cost	1		(20,340,486)	(17,015,688)
Balance at 31 December			**320**	**43**

2.8 Commitments

a) Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	2,007	2,520
Non-capital grant programmes	30,486	30,530
Capital grant programmes	25,721	32,909
Total of legally enforceable commitments	**58,214**	**65,959**

b) Non-capital grant programmes	**2020 €000**	**2019 €000**
Opening balance	30,530	8,912
Grants paid in the year	(27,691)	(8,820)
New grant commitments	28,526	30,530
Grants cancelled	(879)	(92)
Closing balance	**30,486**	**30,530**

c) Capital grant programmes	**2020 €000**	**2019 €000**
Opening balance	32,909	28,619
Grants paid in the year	(9,574)	(8,566)
New grant commitments	2,409	18,995
Grants cancelled	(23)	(6,139)
Closing balance	**25,721**	**32,909**

2.9 Contingent liabilities

The Department is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation.

2.10 HSE revenue debtor

at 31 December	2020	2019
	€000	€000
Opening liability 1 January [a]	(53,990)	(54,861)
Determination	(19,451,541)	(16,471,023)
Grants issued	19,451,541	16,471,894
2019 surplus applied	53,990	—
Closing liability 31 December	**—**	**(53,990)**

Note [a] Comparative figure has been adjusted to reflect HSE revenue debtor.

A balance of €54.8 million originally arose at the end of 2015 when the HSE requested insurance companies to accelerate their cash payments to improve cash flow and to reduce the time between the service provided and the receipt of the payment. These payments resulted in the HSE having additional cash holdings at the end of 2015 and requiring lower Exchequer funding in the year than would otherwise have been the case for the same approved level of expenditure. The avoidance of providing excess Exchequer funding is in line with *Public Financial Procedures*.

The figure of €54.8 million was the difference between the level of expenditure, as approved by the Minister, and the level of voted funding received by the HSE in 2015. In 2020, the Minister for Health approved the application of €53.99 million of the 2019 surplus of the HSE to meet this liability.

Note 3 Vote Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the original estimate provision by more than €100,000, and by more than 5% (25% in some cases of administration subheads). Excess spending on some subheads was met through virement of savings on other subheads.

Administration expenditure

A.5 **Office equipment and external IT services**

Estimate provision €2.573 million; outturn €1.85 million

The underspend of €723,000 on expenditure on office equipment and IT services was due to some licence costs not arising until 2021 (€296,000) with the remaining underspend caused by delays in implementing some projects as a result of the reallocation of resources due to Covid-19.

A.6 **Office premises expenses**

Estimate provision €972,000; outturn €624,000

The underspend of €348,000 on expenditure on office premises expenses was due to lower than anticipated accommodation costs as a result of remote working arrangements for most of 2020.

A.7 **Consultancy services and value for money and policy reviews**

Estimate provision €1 million; outturn €456,000

The underspend of €544,000 on expenditure on consultancy services was due to the delay in projects' funding approval as a result of the reallocation of resources due to Covid-19.

Grants to agencies

B.2 **Healthy Ireland Fund**

Estimate provision €6 million; outturn €6.609 million

The overspend of €609,000 was due to an increase in communications costs to support a public health campaign on living with Covid-19 and the reallocation of €250,000 of dormant account funding to the Healthy Ireland Fund.

B.3 **Drugs initiative**

Estimate provision €7.487 million; outturn €6.729 million

The underspend of €758,000 was due to a number of planned research initiatives being unable to proceed due to Covid-19 restrictions.

C **Expenses in connection with the World Health Organisation and other international bodies**

Estimate provision €2.7 million; outturn €1.968 million

The underspend of €732,000 was mainly due to the 2020 membership of one agency not being paid until February 2021 (€612,000).

D **Statutory and non-statutory inquiries and miscellaneous legal fees and settlements**

Estimate provision €13.2 million; outturn €9.363 million

The underspend of €3.837 million was mainly due to delays in court hearings as a result of Covid-19.

E.1 Developmental, consultative, supervisory, regulatory and advisory bodies

Estimate provision €80.481 million; outturn €91.862 million

Expenditure was €11.381 million higher than anticipated due to a contribution of €14 million by the Department to support the vaccine strand of the European Support Instrument set up by the European Commission. This contribution, and the contributions of other member states, was used by the Commission to enter into additional advance purchase agreements with vaccine manufacturers, so as to obtain a broad portfolio of vaccine candidates. This maximised the opportunities for Ireland to access a successful vaccine in the shortest possible time.

E.2 The Food Safety Promotion Board

Estimate provision €5.691 million; outturn €5.341 million

The funding for the Food Safety Promotion Board is subject to appropriate matched funding provision by the Department of Health Northern Ireland (DOHNI). DOHNI was not in a position to confirm the last part of matched funding before the year end therefore funding to the value of €350,000 was held back.

E.3 National Treatment Purchase Fund

Estimate provision €100.022 million; outturn €80 million

The shortfall of €20.022 million in expenditure was as a result of a public health decision to stop almost all non-essential care in hospitals for a period of time due to Covid-19.

E.4 Ireland/Northern Ireland INTERREG

Estimate provision €3.2 million; outturn €3.013 million

Payments under this subhead are requested by the Special EU Programmes Body based on actual payments made to projects under this scheme. The expenditure was €187,000 lower than estimated due to the timing of project funding requests.

F.1 Payments in respect of disablement caused by thalidomide

Estimate provision €495,000; outturn €380,000

The underspend on this subhead was due to the fact that the mediation process was not concluded and estimated expenditure of €115,000 was not incurred during the year.

F.3 Payments to a special account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €22 million; outturn €9.245 million

The shortfall in expenditure of €12.755 million relative to the estimate provision was due to delays in Tribunal sittings in 2020 as a result of Covid-19 and the number and value of awards was lower than anticipated.

F.4 Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €3 million; outturn €1.229 million

Section 11 of the Act provides for the payment of amounts in lieu to claimants who had accepted an award from the Tribunal or an offer of settlement. As set out in F.3, there were delays in Tribunal sittings due to Covid-19 and the number and value of awards by the Tribunal were lower than budgeted. As a result, payments from the reparation fund were €1.771 million lower than budgeted.

H **Sláintecare**

Estimate provision €45.5 million; outturn €21.54 million

The shortfall in expenditure of €23.96 million relative to the estimate provision was mainly because the funding for the Sláintecare Care Redesign Fund (€12 million) and Enhanced Community Care Plan (€10 million) was provided directly through the HSE. €22 million was vired to subhead J.1 for these items.

Corporate administrative

I **Net pension costs**

Estimate provision €562.5 million; outturn €517.52 million

The shortfall in expenditure was due to fewer retirements than originally anticipated in 2020. €15 million of this underspend was vired to J.2.

HSE health and social care services

J.2 **HSE Covid-19 actions**

Estimate provision €1,666.688 million; outturn €2,351.156 million

The increase in expenditure of €684.468 million relative to the estimate provision was mainly due to procurement of PPE being €516 million higher than planned and non-PPE Covid-19 procurement being €156 million higher than originally estimated. Sanctions for this expenditure were approved by Government and received from the Department of Public Expenditure and Reform. €496.383 million of this shortfall was met through a supplementary estimate. €169.017 million was vired to this subhead from other HSE subheads and €19.068 million was vired from non-HSE subheads.

Other HSE services

K.1 **Health agencies and similar organisations (part funded by the National Lottery)**

Estimate provision €7.513 million; outturn €1.879 million

The shortfall in expenditure of €5.634 million relative to the estimate provision was due to the grants not being paid until the conditions of the grants are fulfilled. Delays occur due to outstanding information requirements.

K.2 **Payments to Special Account – Health (Repayment) Act 2006**

Estimate provision €1.7 million; outturn €150,000

The shortfall in expenditure of €1.55 million relative to the estimate provision was due to the nature of payments under this subhead being such that the timing of funding requests may be unpredictable, particularly if there are queries to be resolved in the verification process, and therefore the timing of payments can be subject to change. Because of the statutory nature of the Scheme, the liabilities arising under the Scheme must be met by the State and therefore it is important to ensure that funding for the Scheme remains in the relevant subhead to meet final liabilities.

K.3 **Payments to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme**

Estimate provision €1.5 million; outturn €1.686 million

The increase in expenditure of €186,000 relative to the estimate provision was because this is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year. This was met through virement from other HSE subheads.

K.4 Payment to State Claims Agency

Estimate provision €400 million; outturn €377.452 million

The underspend of €22.548 million occurred because there were fewer court sittings than anticipated in 2020 due to public health measures introduced during the year. €10 million of the underspend was vired to subhead J.2.

K.5 Economic and social disadvantage (dormant account funding)

Estimate provision €2.7 million; outturn €997,000

Expenditure was €1.703 million less than initially estimated because projects were deferred due to resources being reallocated due to Covid-19.

Care programme

L.2 Primary care reimbursement services – Covid-19 actions

Estimate provision €110.35 million; outturn €140.031 million

The increase in expenditure of €29.681 million relative to the estimate provision was due to the Government decision to extend the Covid-19 GP scheme. The overspend was met through a supplementary estimate.

L.3 Long term residential care

Estimate provision €1,062.396 million; outturn €998.146 million

Expenditure was €64.25 million less than initially estimated because of a decrease in demand for some schemes due to Covid-19 restrictions. This underspend was vired to subhead J.2.

Capital services

M.1 Grants in respect of building, equipping (including ICT)

Estimate provision €14.527 million; outturn €12.466 million

The shortfall in expenditure of €2.061 million relative to the estimate provision was due largely to a small number of ICT capital projects for directly funded agencies being deferred in 2020.

M.2 Building, equipping and furnishing of health facilities and of higher education facilities

Estimate provision €744 million; outturn €607.726 million

The shortfall in expenditure in 2020 was €136.274 million relative to the estimate was due largely to the costs associated with capital expenditure on the new Children's Hospital being less than anticipated in 2020 (€147 million). This was due to delays in works being carried out due to Covid-19 restrictions.

€101 million was vired to M.4 to meet Covid-19 capital requirements while the Department of Public Expenditure and Reform sanctioned that €68.174 million be deferred to 2021 in respect of the cost of the Children's Hospital project.

M.4 Capital Covid-19 actions including ICT

Estimate provision €220 million; outturn €320.566 million

The increase in expenditure of €100.566 million relative to the estimate was due to extensive and essential Covid-19 capital works across the country. This expenditure was sanctioned by the Department of Public Expenditure and Reform.

Note 4 Receipts

4.1 Appropriations-in-aid

		Estimated		2020 Realised	2019 Realised
		€000	€000	€000	€000
1	Recovery of cost of health services provided under regulations of the European Community				
	Original	250,000			
	Supplementary	20,000			
			270,000	270,000	270,000
2	Receipts from certain excise duties on tobacco products		167,605	167,605	167,605
3	Recoupment of certain Ophthalmic Service Scheme costs from the Social Insurance Fund		2,000	5,807	5,530
4	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund		3,800	3,126	3,122
5	Miscellaneous receipts				
	Original	51			
	Supplementary	3,500			
			3,551	24,615	1,015
6	Dormant accounts		2,700	11,247	2,700
7	Receipts from additional superannuation contributions on public service remuneration		3,915	3,510	3,886
8	Receipts in respect of Special EU Programmes		150	1,813	—
9	Receipts in respect of European Social Fund (ESF) and European Regional Development Fund (ERDF)				
	Original	1			
	Supplementary	9,500			
			9,501	—	—
10	Capital receipt from Department of Education and Skills		—	—	10,000
	Total		**463,222**	**487,723**	**463,858**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €57.501 million greater than the original estimate. Explanations for variances are set out below:

1 Recovery of cost of health services provided under regulations of the European Community

Estimate €250 million; realised €270 million

The amount recovered under the regulations of the European Community was €20 million greater than anticipated. The amount received is negotiated during the year and it is uncertain what the amount to be received will be prior to negotiations being conducted during the year.

3 Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund

Estimate €2 million; realised €5.807 million

The increase of €3.807 million was due to claims under the ophthalmic services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

4 Recoupment of certain Dental Treatment Services Scheme from the Social insurance Fund

Estimate €3.8 million; realised €3.126 million

The decrease of €674,000 was due to claims under the dental services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Social Protection on the level of claims arising.

5 Miscellaneous receipts

Estimate €51,000; realised €24.615 million

The increase of €24.564 million was mainly due to a receipt of €23.279 million from the EU Solidarity Fund in December 2020. Miscellaneous receipts also consisted of transfers of unused funds from the EU Funding suspense account, receipts for licence fees under the Misuse of Drugs Act and Freedom of Information Fees.

6 Dormant accounts

Estimate €2.7 million; realised €11.247 million

On foot of a Government decision, the Department of Rural and Community Development, the Department of Health and the Department of Children, Equality, Disability, Integration and Youth funded the Covid-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises. €10 million was received from the Dormant Accounts Fund in relation to this scheme. The scheme was administered by Pobal on behalf of the Department of Rural and Community Development. Expenditure relating to this scheme was paid from subhead E.1.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.915 million; realised €3.51 million

The amount received from additional superannuation contributions was €405,000 less than estimated due to a decrease in contributions received from agencies under the aegis of the Department.

8 Receipts in respect of Special EU Programmes

Estimate €150,000; realised €1.813 million

The receipts received in respect of Special EU Programmes were €1.663 million greater than expected due to the nature of the INTERREG programme meaning that the timing of these receipts is unpredictable.

9 Receipts in respect of European Social Fund (ESF) and European Regional Development Fund (ERDF)

Estimate €1,000; realised €nil

During the revised estimates process in June 2020, the Department worked with the Department of Public Expenditure and Reform to access funds from EU Structural Funding Programmes to assist in meeting the costs incurred due to Covid-19. Subsequently this funding was provided directly to the Exchequer rather than the Department itself.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	—	—
Collected	48	50
Transferred to the Exchequer	(48)	(50)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2020**	**2019**
Number of staff at year end		
Department	596	521
Health Service Executive direct employees	81,192	76,905
Voluntary (Section 38) acute and non-acute services employees	44,982	42,912
Other agencies [a]	1,787	1,753
Number of staff at year end	**128,557**	**122,091**

Note [a] 'Other agencies' includes all agencies operating under the Department's aegis including those that do not receive direct Exchequer funding.

5.2 Pay

Remuneration of Department staff

	2020	**2019**
	€000	**€000**
Pay	34,346	30,045
Higher, special or additional duties allowances	257	205
Other allowances	11	10
Overtime	255	115
Employer's PRSI	2,624	2,137
Total pay [a]	**37,493**	**32,512**

Note [a] The total pay figure as in subhead A.1 and H.

Health Service Executive remuneration

	2020	**2019**
	€000	**€000**
Pay	4,074,480	3,803,874
Higher, special or additional duties allowances	488,601	449,759
Arrears	44,240	39,430
Overtime	210,830	187,752
Employer's PRSI	471,299	429,071
Superannuation	766,704	747,476
Total pay Health Service Executive direct employees	6,056,154	5,657,362
Agency staff costs	390,098	349,447
Total pay [a]	**6,446,252**	**6,006,809**

Note [a] The pay costs above does not include employees in the voluntary sector.

Other agencies remuneration [a]

	2020 €000	2019 €000
Pay	60,047	55,919
Higher, special or additional duties allowances	150	114
Other allowances	123	103
Overtime	12	20
Employer's PRSI	6,173	5,604
Total pay	**66,505**	**61,760**

Note [a] Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Department staff				
Higher, special or additional duties allowances	23	12	22,029	27,368
Other allowances	8	—	1,878	1,855
Overtime	76	9	23,399	19,541
Extra remuneration in more than one category	4	4	20,918	23,847
Other agencies staff [a]				
Higher, special or additional duties allowances	41	6	28,625	9,296
Other allowances	39	1	11,436	6,351
Overtime	13	—	2,906	3,389
Extra remuneration in more than one category	2	—	3,445	—

Note [a] Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.4 Other remuneration arrangements

One civil servant in receipt of a civil service pension, who had not previously served in this Department, was re-engaged on a fee basis in 2019 and received the final fee instalment of €35,000 in 2020. The payment made was consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

One former civil servant, who had previously served in this Department, was re-engaged on a salary basis in 2020.

This account includes the expenditure of €123,716 in respect of three officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	**Number of recipients**	**2020**	**2019[a]**
		€	**€**
Overpayments	25	54,712	82,112
Recovery plans in place	9	16,025	27,188

Note [a] These figures for 2019 were amended from the 2019 appropriation account to reflect revised figures received by the Department from the National Shared Services Office.

5.6 Severance/redundancy

During 2020, nine staff members whose employment was terminated were paid redundancy payments totalling €67,904 and severance payments totalling €184,618.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2020	Expenditure in 2020	Expenditure in 2019
		€000	€000	€000
Commission of Investigation (Certain matters relative to a disability service in the South East and related matters)	2017	5,050	1,376	1,583
CervicalCheck Tribunal	2020	1,847	1,847	—
Scoping Inquiry into the CervicalCheck screening programme	2018	2,181	190	958
		9,078	**3,413**	**2,541**

Section 3 of the Commissions of investigation Act 2004 provided for the establishment of a commission to investigate the matters specified in Article 3(a) of the Act and to make any reports required under that Act in relation to its investigation. In March 2017, a commission of investigation was established into certain matters relative to a disability service in the South East and related matters. Expenditure of the Commission is charged to Subhead D – statutory and non-statutory inquires and miscellaneous legal fees and expenses.

The CervicalCheck Tribunal was established by the Minister for Health on 27 October 2020. The Tribunal was established under Section 4 of the CervicalCheck Tribunal Act 2019 which implements the report of the Hon. Mr Justice Charles Meenan on an *Alternative System for Dealing with Claims Arising From CervicalCheck*. The Minister appointed the nominated members to the Tribunal with effect from 1 December 2020 facilitating the Tribunal in starting its work. Expenditure of the Tribunal is also charged to Subhead D.

The final payment in relation to the scoping inquiry into the CervicalCheck screening programme was made in 2020.

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
		€000	€000	€000	€000	€000
Claims by members of the public						
Awards and claim settlements	13	1,816	2,341	575	4,732	23,763
Total	**13**	**1,816**	**2,341**	**575**	**4,732**	**23,763**

6.3 Special Obstetrics Investment Fund

In 2008, the Minister for Health established a Special Obstetrics Indemnity Scheme. Under the scheme, the Minister agreed to indemnify Bon Secours Hospital (Cork) and Mount Carmel Hospital in respect of specified obstetric claims. A fund was established with contributions from the two hospitals, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health has authorised the State Claims Agency to draw down moneys from the fund to cover the cost of claims.

At 31 December 2020, the balance on the fund totalled €4.950 million (2019: €4.951 million). The fund is managed by the National Treasury Management Agency and the related income and expenditure is reflected in the annual financial statements of the State Claims Agency.

6.4 National Lottery funding

	2020	2020	2019
	Estimate	Outturn	Outturn
Subhead	**€000**	**€000**	**€000**
K.1 Health agencies and similar organisations (part funded by the National Lottery)	7,513	1,879	1,879
	7,513	**1,879**	**1,879**

6.5 EU funding

Expenditure under subhead E.4 is co-financed by the EU.

6.6 Late interest payments and compensation payments

	2020	2019
	€000	€000
Total of interest payments paid	**6**	**3**

Appendix A Accounts of bodies and funds under the aegis of the Department of Health

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas [a]
Health Service Executive	2019	14 May 2020	27 May 2020	19 Jun 2020
Beaumont Hospital	2019	11 Feb 2021	17 Feb 2021	25 Mar 2021
Children's Health Ireland	2019	20 Nov 2020	26 Nov 2020	12 Jan 2021
Dublin Dental Hospital	2019	24 Dec 2020	13 Jan 2021	22 Jan 2021
Leopardstown Park Hospital	2018	16 Dec 2019	6 Jan 2020	28 Jan 2020
St. James's Hospital	2019	24 Nov 2020	9 Dec 2020	10 Dec 2020
National Paediatric Hospital Development Board	2019	17 Jun 2020	12 Aug 2020	13 Aug 2020
National Haemophilia Council	2019	30 Jun 2020	30 Aug 2020	27 Oct 2020
Food Safety Promotion Board	2019	21 Dec 2020	12 Feb 2021	3 Mar 2021
Food Safety Authority of Ireland	2019	25 Aug 2020	11 Sep 2020	23 Sep 2020
Health Information and Quality Authority	2019	24 Apr 2020	13 May 2020	26 May 2020
Health Research Board	2019	29 Oct 2020	27 Nov 2020	8 Dec 2020
Health and Social Care Professionals Council (CORU)	2019	15 Dec 2020	18 Dec 2020	21 Dec 2020
Irish Blood Transfusion Service Board	2019	30 Jun 2020	20 July 2020	22 Jul 2020
Health Products Regulatory Authority	2019	25 Jun 2020	29 Jun 2020	12 Aug 2020
Mental Health Commission	2019	30 Jun 2020	3 July 2020	7 July 2020
National Cancer Registry Board	2019	7 Oct 2020	23 Oct 2020	7 Dec 2020
Pre-Hospital Emergency Care Council	2019	29 Jan 2021	4 Feb 2021	31 Mar 2021
Health Insurance Authority	2019	5 Jun 2020	23 Jul 2020	12 Aug 2020
Risk Equalisation Fund	2019	5 Jun 2020	23 Jul 2020	12 Aug 2020
Nursing and Midwifery Board	2019	21 Dec 2020	2 Feb 2021	23 Mar 2021
Medical Council	2019	17 Jun 2020	9 Sep 2020	23 Sep 2020
Pharmaceutical Society of Ireland [b]	2019	26 Mar 2020	1 Sep 2020	30 Sep 2020
Dental Council [b]	2018	8 Mar 2019	28 Mar 2019	16 Apr 2019
National Treatment Purchase Fund	2019	22 Dec 2020	22 Jan 2021	16 Mar 2021
Consolidated Patient Private Property	2019	12 Dec 2020	11 Jan 2021	31 Mar 2021
Health Repayments Scheme (Donations Fund)	2019	22 Dec 2020	22 Dec 2020	31 Mar 2021
Special Account for Health Repayments Scheme	2019	22 Dec 2020	22 Dec 2020	31 Mar 2021
Hep C – Insurance Scheme	2019	22 Dec 2020	23 Dec 2020	26 Feb 2021

Notes

[a] The audited accounts are laid before the House of the Oireachtas in accordance with the legislation under which they were established.

[b] The financial statements of these State bodies are not audited by the Comptroller and Auditor General.

Appropriation Account 2020

Vote 39

Office of Government Procurement

Introduction

As Accounting Officer for Vote 39, 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 2020 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €2.308 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

Depreciation

A full year's depreciation is charged in the year of acquisition / commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

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 Secretary 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of (e.g. HR) shared service.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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.

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.

Non-compliance with procurement rules

I confirm that 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 one contract (in excess of €25,000), details are set out below:

- €103,609 relating to the purchase of software assurance and product support to ensure continuity of support for a Customer Relationship Management ICT system. The issue will be addressed for future requirements.

The Office has provided details of two non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board (MB) 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 and the MB, where relevant, 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

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office'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 Office responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out and the results are as follows:

- Adopting a proactive approach reduced the impacts of Covid-19
  - Approximately 50% of staff were immediately enabled for remote working resulting from a Business Continuity Planning exercise in Quarter 4 2019. Access for the remainder of staff was facilitated through remote desktop software resulting in all Office of Government Procurement (OGP) staff being enabled with remote working in a quick and effective manner with no gap in service. Following a decision taken by Senior Management all OGP staff were moved to laptops by Quarter 3.
  - Access to all necessary ICT applications were facilitated through secure connections to the network allowing control procedures continue as normal.
  - Procurement of an electronic signature platform enabled the remote signature of Framework Agreements, contracts and various other procurement documentation.
  - "A Return to Workplace" group was established and implemented Health and Safety measures across all office locations.
  - To support wellbeing a number of tools and webinars were introduced along with the sharing of weekly resources to help staff unwind. Leadership development supports were launched to allow staff grow their leadership abilities.
  - Regular communication is issued from the CEO/Senior Management providing staff with organisational updates.
- Operationally, OGP have supported the wider public service:
  - Publication of guidance relating to public procurement and Covid-19.
  - Guidance to protect the National Development Plan in managing the closure and restart of public work contracts.
  - Continued operation of OGP helpdesk.
  - Continued delivery of sourcing programme of work.

- ‘Open for business’ message communicated to stakeholders.
- Direct support to HSE in supporting establishment of emergency facilities.
- Helping secure essential supplies for Public Service bodies.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Office of Government Procurement

30 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 39 Office of Government Procurement

Opinion on the appropriation account

I have audited the appropriation account for Vote 39 Office of Government Procurement for the year ended 31 December 2020 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 39 Office of Government Procurement for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of Government Procurement 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

27 August 2021

Vote 39 Office of Government Procurement

Appropriation Account 2020

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Delivery of central procurement				
	Estimate provision	18,710			
	Deferred surrender	59			
			18,769	16,497	16,164
Gross expenditure			**18,769**	**16,497**	**16,164**
	Deduct				
B	**Appropriations-in-aid**		**358**	**453**	**492**
Net expenditure					
	Estimate provision	18,352			
	Deferred surrender	59			
			18,411	**16,044**	**15,672**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €59,000 of unspent allocations in respect of the capital elements of Subhead A.2 was carried forward to 2021.

	2020 €	2019 €
Surplus	2,367,301	2,454,792
Deferred surrender	(59,000)	(59,000)
Surplus to be surrendered	**2,308,301**	**2,395,792**

David Moloney
Accounting Officer
Office of Government Procurement

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,980	1,863
Pay		13,177	12,645
Non pay		1,340	1,656
Gross expenditure		**16,497**	**16,164**
Deduct			
Appropriations-in-aid		**453**	**492**
Net expenditure		**16,044**	**15,672**
Changes in capital assets			
Purchases cash	(111)		
Depreciation	111		
Loss on disposals	197	197	142
Changes in net current assets			
Increase in closing accruals	112		
Increase in stock	(1)	111	(100)
Direct expenditure		**16,352**	**15,714**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,841	1,507
Notional rents		50	50
Net programme cost		**18,243**	**17,271**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 39 borne elsewhere.

		2020	2019
		€000	€000
Vote 7	Finance	75	59
Vote 12	Superannuation and Retired Allowances	573	266
Vote 13	Office of Public Works	925	941
Vote 18	National Shared Services Office	23	21
Vote 43	Office of the Government Chief Information Officer	245	220
		1,841	**1,507**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	277	474
Current assets			
Bank and cash		555	728
Stocks	2.2	7	6
Prepayments		470	556
Other debit balances	2.3	44	113
Total current assets		**1,076**	**1,403**
Less current liabilities			
Accrued expenses		126	100
Other credit balances	2.4	483	472
Net Exchequer funding	2.5	116	369
Total current liabilities		**725**	**941**
Net current assets		351	462
Net assets		**628**	**936**
Represented by:			
State funding account	2.6	**628**	**936**

2.1 Capital assets

	ICT equipment	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,719	152	6	1,877
Additions	111	—	—	111
Disposals	(987)	—	—	(987)
Cost or valuation at 31 December 2020	843	152	6	1,001
Accumulated depreciation				
Opening balance at 1 January 2020	1,321	76	6	1,403
Depreciation for the year	96	15	—	111
Depreciation on disposals	(790)	—	—	(790)
Cumulative depreciation at 31 December 2020	627	91	6	724
Net assets at 31 December 2020	**216**	**61**	**—**	**277**
Net assets at 31 December 2019	398	76	—	474

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	5	5
IT consumables	2	1
	7	**6**

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Recoupable travel pass scheme expenditure	27	99
OPW advances	3	—
Other debit suspense items	14	14
	44	**113**

2.4 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	175	155
Pay related social insurance	130	119
Professional services withholding tax	28	39
Value added tax	33	30
Pension contributions	44	42
Local property tax	1	1
Universal social charge	34	32
	445	418
Payroll deductions held in suspense	37	39
Other credit suspense items	1	15
	483	**472**

2.5 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,308	2,396
Deferred surrender	59	59
Exchequer grant undrawn	(2,251)	(2,086)
Net Exchequer funding	**116**	**369**
Represented by:		
Debtors		
Bank and cash	555	728
Debit balances: suspense	44	113
	599	841
Creditors		
Due to the State	(445)	(418)
Credit balances: suspense	(38)	(54)
	(483)	(472)
	116	**369**

2.6 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			936	990
Disbursements from the Vote				
Estimate provision	Account	18,411		
Deferred surrender	Account	(59)		
Surplus	Account	(2,308)		
Net vote			16,044	15,672
Expenditure (cash) borne elsewhere	1.1		1,841	1,507
Non-cash items – capital assets adjustments			—	(12)
Non-cash expenditure – notional rent	1		50	50
Net programme cost	1		(18,243)	(17,271)
Balance at 31 December			**628**	**936**

2.7 Commitments

Global commitments	**2020**	**2019**
at 31 December	**€000**	**€000**
Procurement of goods and services	**157**	**488**

2.8 Matured liabilities

at 31 December	**2020**	**2019**
	€000	**€000**
Estimate of matured liabilities not discharged at year end	**—**	**3**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 39 Office of Government Procurement is classified as administration expenditure applied towards a single programme: Delivery of the Government central procurement service.

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		14,914	13,177	12,645
ii	Travel and subsistence		150	60	204
iii	Training and development and incidental expenses		765	654	751
iv	Postal and telecommunications services		107	81	85
v	Office equipment and external IT services				
	Estimate provision	395			
	Deferred surrender	6			
			401	408	421
vi	Office premises expenses				
	Estimate provision	127			
	Deferred surrender	53			
			180	137	195
			16,517	**14,517**	**14,301**

Programme A Delivery of Central Procurement Services

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		14,914	13,177	12,645
A.2	Administration − non pay				
	Estimate provision	1,544			
	Deferred surrender	59			
			1,603	1,340	1,656
A.3	Procurement consultancy and other costs		2,252	1,980	1,863
			18,769	**16,497**	**16,164**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €2.272 million lower than provided. €2 million of this related to administration expenditure and the balance of the variance of €272,000 was mainly due to the following:

A.3 Procurement consultancy and other costs

Estimate provision €2.252 million; outturn €1.98 million

This underspend is primarily due to longer than expected start up times on a number of key projects.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	308	330	399
2	Miscellaneous	50	123	92
	Total	**358**	**453**	**491**

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Collected	121	544
Transferred to the Exchequer	(121)	(544)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**231**	**226**

5.2 Pay

	2020 €000	2019 €000
Pay	11,993	11,559
Higher, special or additional duties allowances	33	31
Other allowances	3	1
Overtime	4	4
Employer's PRSI	1,144	1,050
Total pay	**13,177**	**12,645**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties	6	1	13,945	11,560
Other allowances	1	—	2,580	964
Overtime	3	—	1,821	2,538

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	10	12,928	24,330
Recovery plans in place	5	7,027	18,303

Overpayment recovery plans in respect of three individuals to the value of €1,067 were transferred to other Departments in 2020.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Number of cases	Legal costs paid by the Office	Legal costs awarded	Compensation awarded	2020 Total	2019 Total
	€000	€000	€000	€000	€000
1	—	360	—	360	—

An unsuccessful bidder challenged an OGP procurement competition for the provision of interpretation services.

The case had been successfully defended in the High Court but the Court of Appeal subsequently made an order setting aside the decision to award the contract. This was appealed to the Supreme Court, which, in May 2019, upheld the decision to set-aside the contract.

Costs to be paid by the Office of Government Procurement in relation to these actions is confirmed in the sum of €359,545.

There is a separate ongoing judicial review involving the same applicant against the award of other contracts under a framework agreement.

Appropriation Account 2020

Vote 40

Children, Equality, Disability, Integration and Youth

Introduction

As Accounting Officer for Vote 40, 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 2020 for the salaries and expenses of the Office of the Minister for Children, Equality, Disability, Integration and Youth, for certain services administered by that Office and for payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €118.627 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.

I wish to draw attention to some items that are relevant to the appropriation account for 2020 in regard to the operations of the Department. These relate to changes in the composition and responsibilities of the Department as a result of a transfer of functions, and the impacts of the Covid-19 pandemic on the Department's operations and controls. The salient matters in respect of these two items are outlined in paragraphs below and are further reflected in the relevant notes to the account.

Transfer of functions

The Department of Children and Youth Affairs was renamed the Department of Children, Equality, Disability, Integration and Youth following the transfer of functions on 14 October 2020. The renamed Department was assigned virtually all of the responsibilities of the then Department of Children and Youth Affairs, as well as additional functions in relation to equality, integration and international protection

Two expenditure programmes in respect of equality, integration and international protection transferred to this Department from the Department of Justice. A relatively smaller number of functions in respect of certain youth justice matters transferred from this Department to the Department of Justice.

Having regard to the transfer of functions and the restructured Department, the estimate for the Vote for Children, Equality, Disability, Integration and Youth were for the full year 2020 and the account is presented on that basis in accordance with Section 24 of the Exchequer and Audit Department Act 1866.

The Department has taken on significant extra responsibilities as a result of the transfer of functions. In addition to the existing important functions in the areas of child protection and welfare, prevention and early intervention, adoption, family supports, early learning and childcare, youth services and youth justice, and the experiences of past generations, the Department has added the major areas of equality, integration, international protection and disability policy during 2020.

In order to facilitate these additional functions, the resources to the Department have also increased in terms of funding, staffing and accommodation. The completion of the transfer of functions was a challenging exercise especially given the specific additional pressures of the Covid-19 pandemic.

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 and Reform in circular 22 of 2020 have been applied in the preparation of the account except for the following.

Depreciation

The Oberstown Children Detention Campus is vested in the Minister and is included in capital assets as land and buildings. Buildings are depreciated at a rate of 2% per annum on a straight line basis over their estimated useful life. Land is not depreciated. Motor vehicles are depreciated over five years at a rate of 20% per annum.

Payments to Pobal

Funds are advanced to Pobal in relation to the provision of certain services on an agency basis. Funds not required (e.g. due to lower than anticipated demand) are returned by Pobal to the Department. The net amount advanced to Pobal in the year is charged against the relevant vote subheads in the year (see note 6.1).

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 Department.

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

Shared services

Certain services are provided to the Department on a shared services basis.

I have fulfilled my responsibilities in relation to the requirements of the service level agreements between this Department and the Department of Health for the provision of ICT shared services, and the National Shared Services Office for the provision of HR and payroll shared services. I have also fulfilled my responsibilities under public financial procedures regarding the IT services provided by the Department of Justice in respect of the Oberstown Children Detention Campus.

I rely on a letter of assurance from the Accounting Officers of the Department of Health and the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department. The Director of Oberstown Children Detention Campus also holds a letter of assurance from the Head of Information Management and Technology in the Department of Justice for the provision of ICT services.

Agency services

Pobal administers a number of programmes on behalf of the Department across a range of early years and youth related programmes. In 2020, net funding of €518 million was advanced to Pobal in this regard (note 6.1).

The relationship between the Department and Pobal is governed by an overarching service level agreement (SLA) which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The duration of the current agreement is until 31 December 2022. A review of the SLA was scheduled to take place in 2020 but did not occur due to the impacts of Covid-19 on planned activities. Instead, the Department and Pobal will conduct the review in 2021, in accordance with the specified process agreed between the two parties.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The senior management of the Department sign off on financial control assurance statements in relation to their individual areas of responsibility. These statements are available to me as Accounting Officer in finalising the appropriation account.

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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines are in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel and operates in accordance with a written Charter which I have approved. Its work is informed by analysis of the risks to which the Department is exposed and its annual audit plans, which are approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. On a periodic basis I meet with the Head of Internal Audit and also with the Chair of the Audit Committee. The minutes and annual report of the Audit Committee are considered by the Department's Management Board.

The Head of Internal Audit (HIA) is a professional accountant and the staffing complement has been increased to include two Higher Executive Officers and two Executive Officers. In addition to the permanent staffing, the audit function is supported by audit services provided by an external contractor. Audits are conducted to DPER/CIIA standards. The internal audit function is reviewed periodically by me and by the Audit Committee. The function was subject to an external quality review in February 2020 by the CIIA and the conclusion was that it "achieved a high degree of general conformance to the standards".

The internal audit plan for 2020 was signed off by me in February 2020. I approved a revised internal audit plan in June 2020 to take account of the significantly changed landscape brought about by the Covid-19 pandemic.

During 2020 Internal Audit issued nine reports. On no occasion was a 'no assurance' or a 'limited assurance' audit opinion made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately followed up.

Procurement compliance

I confirm that the Department 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 Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform. The Department complied with the guidelines with the exception of

- 151 contracts with a combined value of €91,068,052 relating to the provision of international protection accommodation
- one contract with a value of €29,600 related to the Commission of Investigation into Mothers and Babies Homes
- one contract with a value of €74,385 regarding the transfer of the finance system to this Department. This system was previously managed for the Department by the Department of Health.

All except one contract above were in existence or a continuation of contracts in existence and transferred to the Department. 151 contracts were part of a transfer of functions and one a transfer of service.

With regard to contracts relating to international protection accommodation, the previous Department took the view '…that the procurement of accommodation services is, where possible, undertaken using a competitive process. All accommodation requirements for seekers of international protection are advertised publicly in national and local newspapers. It is an open process for which members of the public are eligible to apply. Following receipt of responses, they are reviewed to ensure the accommodation proposed is suitable and compliant with the Department's requirements.'

Notwithstanding the view of the previous Department, that the contracts were 'competitive' and the potential for non-inclusion on the circular 40 of 2002 annual return, I am not satisfied that the procurement of the relevant contracts is fully compliant. Accordingly, now that responsibility for these contracts has transferred to this Department, steps will be taken to clarify the position and put in place procedures to ensure improved compliance in 2021.

An explanation of the circumstances behind these matters is contained in my annual return under circular 40 of 2002.

Risk and control framework

The Department has a comprehensive risk management policy framework in place. Risk is overseen by a Risk Management Committee made up of all members of the Management Board. The Committee is chaired by me as Accounting Officer. Risk is formally reviewed on a quarterly basis by the Committee and on a monthly basis at individual unit level.

The risk management system involves the identification of risk across the Department and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The system is supported by a risk register which identifies key corporate and unit level risks facing the Department, each of which is identified, evaluated and graded according to their significance. The register details the controls and actions in place or to be taken to mitigate risk. The register is reviewed and updated by the Risk Management Committee on a quarterly basis.

The system is also supported by a risk appetite statement which is in place for the Department. While we are prepared to take controlled risks to capitalise on new opportunities and to find innovative ways of furthering our objectives, we will have no tolerance for risks which infringe on our operating procedures or regulatory requirements.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial controls is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The assessment of the impact of Covid-19 has been a primary focus of the senior management team and business units across the Department since the onset of the pandemic. Assessment and management of the impacts of Covid-19 was conducted through the establishment of a Covid-19 Response Management Unit (incorporating Facilities Management).

The Department maintains a listing of corporate risks which is reviewed by the Risk Committee on a quarterly basis. In 2020, a specific Covid-19 corporate risk was included to reflect the impact of Covid-19 on the ability of the Department, and bodies under its aegis, to continue to function as normal and to deliver essential services to children and families.

Various mitigations, controls and management actions taken since the outbreak include the following.

- A Covid-19 Response Committee was established in March 2020 to co-ordinate the Department's response and to report on agency responses. The Committee was chaired at Assistant Secretary level and included Senior Management Team representatives from each Division.
- Risk assessments were carried out and mission critical functions were identified to support business continuity and key personnel were identified and supported to ensure same.
- A Covid-19 Response Unit was established, led at Principal Officer level, to support staff working remotely and to plan for a safe return to the building in line with the Government's *Return to Work Safely* protocol.
- All relevant national guidance was implemented, including from the Departments of the Taoiseach, Public Expenditure and Reform, Health, and the HSE.

- Key payment controls were maintained throughout the pandemic with revisions to certain processes to allow for remote approval of payment forms and finance functions.
- The Management Board maintained close and ongoing oversight of the impact of Covid-19 on the Department and bodies under its aegis, with the Minister kept fully informed.
- The Department was represented at various central committees chaired by the Department of the Taoiseach to oversee all Department responses to Covid-19, including the Senior Officials Group (which reports to the Cabinet Committee), Communications Group and Civil and Public Service Sectoral groups.
- All staff were equipped to work from home, and arrangements were put in place to ensure that the business of the Department could continue without significant interruption. All staff were supported through an enhanced network of remote communications.
- Physical presence in the Department's offices was limited to a small number of essential staff, with strict protocols in place for such attendance.
- Close contact was maintained with all bodies under the aegis of the Department, with the impact of Covid-19 on services assessed and response measures put in place or supported where required.
- A strong focus was placed on all service provision matters affecting the Department and bodies under its aegis, including a particular emphasis on the re-opening of childcare facilities and continuity of service provision by the Child and Family Agency for vulnerable children and their families

Internal financial control issues

Early Years — compliance with programme rules

Covid-19 impacted significantly on the operation of the various Early Learning and Care (ELC) and School Age Childcare (SAC) schemes. All ELC and SAC services were closed from the middle of March until the end of June 2020. The reduced level of operation had a significant impact on scheme expenditure and also on scheduled compliance activity in line with Covid-19 restrictions. As schemes operate broadly in line with the academic year, the 2019/20 onsite compliance visits effectively concluded in the middle of March.

To ensure some measure of ongoing compliance activity, a desk-based compliance approach was devised for the remainder of 2020 and into 2021 due to the ongoing impacts of Covid-19. Desk-based checks commenced in November 2020 but subsequently paused from January 2021 to mid-April 2021 during the third wave of the pandemic, before resuming. All Department funded ELC and SAC schemes were covered during the programme cycle of 2020/21 with a concentration on the higher risk CCSP scheme whilst the period from April 2021 through to June 2021 also incorporated testing on the ECCE scheme.

It is recognised that desk based checks have their administrative limits given that they are conducted off site. However, a range of tests were determined with a focus on obtaining reasonable assurance that Exchequer funds were used for purposes intended as well as seeking self-declarations from service providers regarding adherence to rules and contract conditions. There are also the impacts of additional compliance/verification activity arising from new funding schemes such as the DCEDIY-led Temporary Wage Subsidy Childcare Scheme (TWSCS), a Reopening Support Payment (RSP), the Covd-19 Operating Support payment (COSP) and a Covid-19 Capital Grant which were developed to support services through this crisis. Compliance checks on the Covid-19 schemes are ongoing and occurring in parallel to the beneficiary funding schemes.

In recent years, compliance with programme rules in the older payment schemes has been an area of concern. This has been primarily due to the design of the rules of the original schemes which were developed incrementally over a period of time and certain legacy issues. Improving compliance continued as a focus for attention during 2020. In the 2019/2020 programme cycle (September 2019 to August 2020), the Department's approach to the compliance function continued to be to concentrate on areas of greatest potential risk to Exchequer funding. This included focusing on high-value contracts and on services where overclaiming had been an issue in the past. This approach improved the overall protection of Exchequer funds; where an overclaim was identified it was then routinely recouped.

New schemes were introduced to support services during the Covid-19 pandemic, including a Temporary Wage Subsidy Childcare Scheme (TWSCS) immediately following closure of all services on 12 March 2020. The scheme was developed on a temporary, emergency basis and was governed by a contract with providers. Pre-payment checks were implemented to provide assurance regarding the level of funding given to services. The TWSCS is now closed. While the scheme was being developed expediently, preliminary payments were made to the sector to ensure continued funding. As a result, some providers received excess funding, of which approximately €3.4 million remained to be recouped at the end of 2020 and as of August 2021 approximately €0.526 million remains outstanding. This process will be completed as soon as possible. Post-payment verification checks on a sample of participating providers commenced in late 2020 and this will be extended to a wider sample in 2021, with completion targeted for Q4 2021.

Other new funding schemes, including a Reopening Support Grant and a Covid-19 Capital Grant scheme, were developed to support services through the pandemic, and compliance/verification activity for these special Covid-19 schemes will also be undertaken.

In terms of overall compliance, the Department is carrying out a review of the Compliance Framework, which includes an escalating series of sanctions and supports to improve services' compliance. This is a three year framework which aims to address levels of compliance within the sector and it has continued to show positive results. The Department's intention is to deliver an enhanced Framework in 2021.

The introduction of the National Childcare Scheme (NCS) at the end of 2019 was designed to improve significantly the overall position regarding governance and compliance of providers with scheme rules. An NCS Compliance Working Group was convened in late 2019 towards formalising procedures, and work on this area continued in 2020. The NCS is due to be reviewed after its first year in line with the Childcare Support Act 2018. This review has commenced in 2021 and is expected to be completed by the end of 2021.

At the end of 2020, Pobal's debt management process recorded a debtor balance of approximately €3.97 million against all Departmental programmes. This included programmes other than the ELC and SAC schemes that were operated in that year, with approximately €3 million relating to historical capital projects dating back to the period 2000-2010. The Department and Pobal are in the advanced stages of agreeing a process to manage this historical debt. While the agreement of this process was delayed in 2020 due to Covid-19, progress continues to be made and a process is expected to be finalised in 2021. Subject to agreement, this debtor management process will also set out a procedure for the identification and treatment of those debts which may be deemed irrecoverable.

Fergal Lynch
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

24 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children, Equality, Disability, Integration and Youth

Opinion on the appropriation account

I have audited the appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2020 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 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Children, Equality, Disability, Integration and Youth 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 together 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 *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2020.

Seamus McCarthy
Comptroller and Auditor General

24 September 2021

Vote 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and family support programme	880,174	876,045	835,876
B	Sectoral programmes for children and young people	686,333	600,685	654,520
C	Policy and legislation programme	34,687	27,621	27,379
D	An equal and inclusive society	26,770	19,530	—
E	A fair and efficient support system for international protection seekers	208,637	189,109	—
Gross expenditure		**1,836,601**	**1,712,990**	**1,517,775**
	Deduct			
F	**Appropriations-in-aid**	**36,530**	**35,646**	**27,064**
Net expenditure		**1,800,071**	**1,677,344**	**1,490,711**

Surplus

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

Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €4.1 million of unspent allocations in respect of the capital elements of subheads A.4, B.5 and B.11 was carried forward to 2021.

	2020	2019
	€	€
Surplus	122,726,899	6,964,619
Deferred surrender	(4,100,000)	—
Surplus to be surrendered	**118,626,899**	**6,964,619**

Fergal Lynch
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		1,687,215	1,500,731
Pay		21,711	14,964
Non pay		4,064	2,080
Gross expenditure		**1,712,990**	**1,517,775**
Deduct			
Appropriations-in-aid		**35,646**	**27,064**
Net expenditure		**1,677,344**	**1,490,711**
Changes in capital assets			
Purchases cash	(2,050)		
Loss on disposals	23		
Depreciation	1,781	(246)	(335)
Changes in net current assets			
Decrease in stock	1		
Increase in prepayments	(8,235)		
Increase in closing accruals	1,180	(7,054)	(3,548)
Direct expenditure		**1,670,044**	**1,486,828**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		6,050	5,728
Net programme cost		**1,676,094**	**1,492,556**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 40 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	38	30
Vote 12	Superannuation and Retired Allowances	1,825	1,443
Vote 13	Office of Public Works	3,751	4,211
Vote 18	National Shared Services Office	49	31
Vote 43	Office of the Government Chief Information Officer	355	—
Central Fund - ministerial pensions		32	13
		6,050	**5,728**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	67,440	57,237
Current assets			
Bank and cash	2.2	31,979	(4,851)
Stocks		5	6
Prepayments	2.3	15,517	7,282
Other debit balances	2.4	246	7,091
Total current assets		**47,747**	**9,528**
Less current liabilities			
Accrued expenses		1,788	608
Other credit balances	2.5	2,652	954
Asylum Migration and Integration Fund	2.6	24,314	—
Net Exchequer funding	2.7	5,259	1,286
Total current liabilities		**34,013**	**2,848**
Net current assets		13,734	6,680
Net assets		**81,174**	**63,917**
Represented by:			
State funding account	2.8	**81,174**	**63,917**

2.1 Capital assets

	Land and buildings	Office equipment	Furniture, fittings and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	60,998	533	821	62,352
Additions	196	1,854	—	2,050
Adjustments [a]	—	12,390	—	12,390
Transfer of assets	—	41	147	188
Disposals	—	—	(46)	(46)
Cost or valuation at 31 December 2020	61,194	14,818	922	76,934
Accumulated depreciation				
Opening balance at 1 January 2020	4,687	222	206	5,115
Adjustments [a]	—	2,478	—	2,478
Depreciation for the year	1,224	472	85	1,781
Cumulative depreciation on transfers	—	36	107	143
Depreciation on disposals	—	—	(23)	(23)
Cumulative depreciation at 31 December 2020	5,911	3,208	375	9,494
Net assets at 31 December 2020	**55,283**	**11,610**	**547**	**67,440**
Net assets at 31 December 2019	56,311	311	615	57,237

Note [a] Office equipment includes adjustments relating to expenditure in respect of the National Childcare Scheme IT infrastructure developed by Pobal over the period 2016 to 2019.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	31,974	(5,112)
Other bank balances	5	261
	31,979	**(4,851)**

2.3 Prepayments

at 31 December	2020	2019
	€000	€000
Pobal	4,106	7,050
Periodic licences, subscriptions, insurance, etc. [a]	11,411	232
	15,517	**7,282**

Note [a] The change in level of prepayments between 2020 and 2019 reflect the change in the structure of the Department following the transfer of functions and the inclusion of expenditure and prepayments in respect of International Protection Seekers Accommodation from 2020.

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	1	32
Recoupable salaries	121	80
Recoupable travel expenditure	—	5
Other debit suspense items	124	6,974
	246	**7,091**

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	599	415
Pay related social insurance	412	311
Professional services withholding tax	61	127
Value added tax	36	79
Local property tax	6	3
Universal social charge	114	84
Payroll deductions held in suspense	210	(17)
	1,438	1,002
Other credit suspense items	1,214	(48)
	2,652	**954**

2.6 Asylum, Migration and Integration Fund

at 31 December	2020	2019
	€000	€000
EU receipts	**24,314**	**—**

2.7 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	118,627	6,965
Deferred surrender	4,100	—
Exchequer grant undrawn	(117,468)	(5,679)
Net Exchequer funding	**5,259**	**1,286**
Represented by:		
Debtors		
Debit balances: suspense	246	7,091
	246	7,091
Creditors		
Bank and cash	31,979	(4,851)
Due to the State	(1,438)	(1,002)
Credit balances: suspense	(1,214)	48
Asylum, Migration and Integration Fund	(24,314)	—
	5,013	(5,805)
	5,259	**1,286**

2.8 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			63,917	59,949
Adjustment			9,912	85
Disbursements from the Vote				
Estimate provision	Account	1,800,071		
Deferred surrender	Account	(4,100)		
Surplus to be surrendered	Account	(118,627)		
Net vote			1,677,344	1,490,711
Expenditure (cash) borne elsewhere	1.1		6,050	5,728
Adjustment - net transfer of assets	2.1		45	—
Net programme cost	1		(1,676,094)	(1,492,556)
Balance at 31 December			**81,174**	**63,917**

2.9 Commitments

Global commitments

at 31 December	2020 €000	2019 €000
Procurement of goods and services	35,347	2,963
Non-capital grant programmes	10	724
Total of legally enforceable commitments	**35,357**	**3,687**

2.10 Matured liabilities

at 31 December	2020 €000	2019 €000
Estimates of matured liabilities not discharged at year end	**1,534**	**323**

2.11 Contingent liability

There were no contingent liabilities at the end of 2020 or at the end of 2019.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	24,071	21,711	14,964
ii	Travel and subsistence	237	102	194
iii	Training and development and incidental expenses	1,266	1,221	685
iv	Postal and telecommunications services	284	113	92
v	Office equipment and external IT services	948	1,025	562
vi	Office premises expenses	1,457	1,533	388
vii	Consultancy services and value for money and policy reviews	602	70	159
		28,865	**25,775**	**17,044**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €237,000; outturn €102,000

The variance of €135,000 was due to travel being curtailed as a result of the pandemic.

iv Postal and telecommunications services

Estimate provision €284,000; outturn €113,000

The variance of €171,000 was due to lower than expected costs as a result of remote working and an increased reliance on electronic forms of communication.

vii Consultancy services and value for money and policy reviews

Estimate provision €602,000; outturn €70,000

The variance of €532,000 relative to the estimate provision was due to impacts of the pandemic on the operations of the Department.

Programme A Children and family support

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	3,894	3,511	2,544
A.2	Administration − non pay	585	496	354
A.3	Child and Family Agency	838,872	840,080	809,216
A.4	Youth justice – including Oberstown Children Detention Campus	27,978	23,831	23,762
A.5	Guardian ad Litem Executive Office	845	127	—
A.6	Child and Family Agency Covid-19 related supports	8,000	8,000	—
		880,174	**876,045**	**835,876**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €4.1 million lower than originally provided.

A.4 Youth justice – including Oberstown Children Detention Campus

Estimate provision €27.978 million; outturn €23.831 million

The shortfall in expenditure of €4.147 million relative to the estimate provision is principally attributable to delays in relation to capital due to the pandemic with works put on hold resulting in savings of €3.1 million. Reduced levels of recruitment also contributed to savings which offset the effect on expenditure of a higher number of retirees than budgeted for. There was also some savings in non-pay expenditure with lower than expected levels of expenditure due to a number of factors including savings due to Covid-19.

A.5 Guardian ad Litem Executive Office

Estimate provision €845,000; outturn €127,000

The shortfall in expenditure of €718,000 relative to the estimate provision reflects the suspension of the setting up of the Guardian ad Litem Executive Office in response to delays in the enactment of underpinning legislation and the impact of the pandemic on the operations of the Department.

Programme B Sectoral programmes for children and young people

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	6,748	6,087	5,986
B.2	Administration − non pay	1,002	849	832
B.3	ECCE and AIM pre-school programmes	250,196	243,661	332,465
B.4	National Childcare Scheme and other childcare programmes	154,430	118,772	164,424
B.5	Childcare programmes: delivery supports and other initiatives	76,216	62,796	70,554
B.6	Youth organisations and services (part funded by the National Lottery)	65,889	64,701	62,369
B.7	Prevention and early intervention programmes	9,500	9,278	8,897
B.8	Intervention programmes for children and young people (dormant accounts funded)	10,508	9,586	7,046
B.9	Programme for Peace and Reconciliation	2,244	2,244	1,884
B.10	Creative Ireland	100	14	63
B.11	Early Learning and Care (ELC) and School Age Childcare (SAC) COVID related supports	109,500	82,697	—
		686,333	**600,685**	**654,520**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €85.7 million lower than originally provided.

B.4 National Childcare Scheme and other childcare programmes

Estimate provision €154.43 million; outturn €118.772 million

The shortfall in expenditure of €35.658 million relative to the estimate provision was mainly due to savings arising from the cessation of the schemes over April, May and June due to the pandemic. In addition the take-up following reopening was below originally planned for levels. It is noted that subhead B.11 was established to account for expenditure on Covid-19 related initiatives in respect of ELC and SAC.

B.5 Childcare programmes: delivery supports and other initiatives

Estimate provision €76.216 million; outturn €62.796 million

The shortfall in expenditure of €13.42 million relative to the estimate provision was due to the impact of the pandemic. It is noted that subhead B.11 was established to account for expenditure on Covid-19 related initiatives in respect of ELC and SAC.

B.8 Intervention programmes for children and young people

Estimate provision €10.508 million; outturn €9.586 million

The shortfall in expenditure of €922,000 relative to the estimate provision was primarily due to delays in projects and associated expenditure.

B.11 Early Learning and Care (ELC) and School Age Childcare (SAC) COVID related supports

Estimate provision €109.5 million; outturn €82.697 million

The shortfall in expenditure of €26.803 million relative to the estimate provision was due to lower than budgeted uptake of Covid-19 related initiatives.

Programme C Policy and legislation

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	8,061	7,271	6,435
C.2	Administration − non pay	1,197	1,015	894
C.3	Miscellaneous legal fees and settlements	539	2	245
C.4	National Longitudinal Study and other research programmes	3,210	2,380	2,937
C.5	Children's and young people's policy framework and other programmes	6,048	5,458	7,121
C.6	Adoption Authority of Ireland	5,667	5,151	4,462
C.7	Office of the Ombudsman for Children	2,865	2,450	2,500
C.8	Commission of Investigation	3,792	2,354	2,785
C.9	Magdalen Fund [a]	3,308	1,540	—
		34,687	**27,621**	**27,379**

Note [a] 2019 outturn amount for subhead C.9 – Magdalen Fund (€4.9 million) was accounted for in the appropriation account for Vote 24 Justice.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €7.1 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €2,000

The shortfall in expenditure of €537,000 relative to the estimate provision was due to the variable nature of expenditure in the subhead and the resultant difficulties in general in predicting the outcomes and costs associated with legal cases and matters.

C.4 National Longitudinal Study and other research programmes

Estimate provision €3.21 million; outturn €2.38 million

The shortfall in expenditure of €830,000 relative to the estimate provision was due to cost savings occurring from changes to the nature of fieldwork with more of it being conducted remotely.

C.5 Children's and young people's policy framework and other programmes

Estimate provision €6.048 million; outturn €5.458 million

The shortfall in expenditure of €590,000 relative to the estimate provision was due to underspends across a number of programmes mainly related to Covid-19 impacts resulting in delays and postponement of scheduled campaigns across all areas of the subhead. The move to remote working solutions also yielded some savings.

C.6 Adoption Authority of Ireland

Estimate provision €5.667 million; outturn €5.151 million

The shortfall in expenditure of €516,000 relative to the estimate provision was mainly due to lower staff costs which arose due to delays in filling vacancies.

C.7 Office of the Ombudsman for Children

Estimate provision €2.865 million; outturn €2.45 million

The shortfall in expenditure of €415,000 relative to the estimate provision was due to delays in filling staffing vacancies in the Office of the Ombudsman for Children and planned office expenditure offset by some additional IT costs.

C.8 Commission of Investigation

Estimate provision €3.792 million; outturn €2.354 million

The shortfall in expenditure of €1.438 million relative to the estimate provision was due to lower than anticipated costs associated with the Commission including impacts on expenditure of the pandemic.

C.9 Magdalen Fund

Estimate provision €3.308 million; outturn €1.54 million

The shortfall in expenditure of €1.768 million relative to the estimate provision was due to lower than anticipated costs with expenditure being demand led based on applications received.

Programme D An equal and inclusive society

		2020		2019 [a]
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	755	681	—
D.2	Administration − non pay	375	318	—
D.3	National Disability Authority	4,844	4,218	—
D.4	Refugee and migrant integration	7,055	4,345	—
D.5	Grants to national women's organisations	525	525	—
D.6	Traveller and Roma initiatives	3,880	3,579	—
D.7	Positive Action for Gender Equality	4,905	1,825	—
D.8	Equality and LGBTI initiatives	931	779	—
D.9	Decision Support Service	3,500	3,260	—
		26,770	**19,530**	**—**

Note [a] 2019 outturn amounts were accounted for in the appropriation account for Vote 24 Justice.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €7.2 million lower than originally provided.

D.3 National Disability Authority

Estimate provision €4.844 million; outturn €4.218 million

The shortfall in expenditure of €626,000 relative to the estimate provision was due to delays in progressing and commencing projects as a result of the impact of the pandemic and other matters.

D.4 Refugee and migrant integration

Estimate provision €7.055 million; outturn €4.345 million

The shortfall in expenditure of €2.71 million relative to the estimate provision is attributed to the pandemic with travel abroad by missions curtailed due to international travel restrictions.

D.6 Traveller and Roma initiatives

Estimate provision €3.88 million; outturn €3.579 million

The shortfall in expenditure of €301,000 relative to the estimate provision is due to underspends mainly related to Covid-19 impacts. Education and employment projects were all hit with sudden closures in March and a number of them received no further funding in 2020. Overheads, travel and subsistence and consumables were all below budget due to the pandemic.

D.7 Positive Actions for Gender Equality

Estimate provision €4.905 million; outturn €1.825 million

The shortfall in expenditure of €3.08 million relative to the estimate provision was due in the most part to the impact of the pandemic with approved projects not drawing down scheduled amounts as projects slowed down and extended their end dates.

D.8 Equality and LGBTI initiatives

Estimate provision €931,000; outturn €779,000

The shortfall in expenditure of €152,000 relative to the estimate provision was due to planned activities being curtailed by the pandemic restrictions, many of the organisations that would be supported through this funding were closed for extended parts of the year.

D.9 Decision Support Service

Estimate provision €3.5 million; outturn €3.26 million

The shortfall in expenditure of €240,000 relative to the estimate provision was due to lower than expected expenditure on an ICT system project, the commencement of which was delayed.

Programme E A fair and efficient support system for international protection seekers

		2020		2019 [a]
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration − pay	4,613	4,161	—
E.2	Administration − non pay	1,635	1,386	—
E.3	Asylum Migration and Integration Fund	1,769	355	—
E.4	International protection seekers accommodation	200,620	183,207	—
		208,637	**189,109**	**—**

Note [a] 2019 outturn amounts were accounted for in the appropriation account for Vote 24 Justice.

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €19.5 million lower than originally provided for.

E.3 Asylum Migration and Integration Fund

Estimate provision €1.769 million; outturn €355,000

The shortfall in expenditure of €1.414 million relative to the estimate provision was due in the most part to the pandemic with projects and drawdowns slowing.

E.4 International protection seekers accommodation

Estimate provision €200.62 million; outturn €183.207 million

The shortfall in expenditure of €17.413 million reflects the impacts of the Covid-19 pandemic. There were significant pressures in respect of personal protective equipment (PPE), social distancing requirements and the need for additional space where quarantining/ isolation was needed to deal with Covid-19 cases. However, demand for accommodation was also affected by the pandemic with numbers of new entrants seeking international protection accommodation stalling from March 2020. In addition, planned expenditure on upgrades to centres was delayed. The allocation reflects a prudent budgeting approach to allow for the range of expenditure at a time of uncertainly with a final outturn less than allocated.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	8,974	8,933	8,039
2	Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus	547	653	592
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	34
5	Miscellaneous	574	507	570
6	Dormant accounts receipts	10,508	9,585	7,039
7	Programme for Peace and Reconciliation	2,373	1,839	1,085
8	EU receipts	6,000	5,444	—
9	Receipts from additional superannuation contributions on public service remuneration	7,551	8,685	9,705
	Total	**36,530**	**35,646**	**27,064**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €884,000 lower than forecast.

2 Superannuation scheme – non-teaching staff of Oberstown Children Detention Campus

Estimate provision €547,000; realised €653,000

The surplus receipts are directly related to payroll costs which were greater than expected due to a number of factors such as the recruitment of additional staff in response to the pandemic, changes in roster shift structure which impacted on premium pay and back pay of annual leave accrued to serving staff and to staff who have retired.

6 Dormant accounts receipts

Estimate provision €10.508 million; realised €9.585 million

The shortfall of €923,000 reflects the lower than expected expenditure on the subhead B.8, which is dormant account funded.

7 Programme for Peace and Reconciliation

Estimate provision €2.373 million; realised €1.839 million

The shortfall of €534,000 was due to the timing of receipts from the EU being difficult to accurately predict.

8 EU receipts

Estimate provision €6 million; realised €5.444 million

The €6 million was an estimate of the EU receipts to be received in 2020. However, the outturn was €5.444 million in respect of the Asylum, Migration and Integration Fund which reflected the EU payments received in 2020. The level of activity in any individual project can be less than anticipated because of unforeseen circumstances in those projects such as delays in recruitment or lower than anticipated participation by participants. The level of appropriation-in-aid released in a particular year is based on claims submitted and payments from the EU. As a result it is difficult to accurately predict the level of appropriations-in-aid in any given year.

9 Receipts from additional superannuation contributions on public remuneration

Estimate provision: €7.551 million, realised €8.685 million

The increase of €1.134 million was primarily due to changed staffing levels and the transfer of functions as well as the impact of pay restoration in 2020.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	(158)	226
Receipts: Pobal	4,482	3,981
Bons Secours	2,500	—
ETBs	226	324
Oberstown Children Detention Campus	67	39
Child and Family Agency	25	—
Other	132	111
Transferred to the Exchequer	(6,736)	(4,839) [a]
Balance at 31 December	**538**	**(158)**

Note [a] Included in the 2019 transfer is an amount of €526,050 that was incorrectly categorised as extra Exchequer receipts for 2019. This amount was subsequently refunded to the Vote in 2020.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	365	277
Commission of Investigation	11	17
Agencies of the Department (note 5.2)	4,938	4,420
	5,314	**4,714**

5.2 Pay

Remuneration of Department staff

	2020 €000	2019 €000
Pay	21,421	15,483
Higher, special or additional duties allowances	100	103
Overtime	100	19
Employer's PRSI	1,771	1,210
Total pay [a]	**23,392**	**16,815**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1, E.1 and C.8.

Staff of agencies of the Department

	2020 €000	2019 €000
Pay	260,248	229,966
Higher, special or additional duties allowances	12,388	11,057
Other allowances	46	62
Overtime	1,126	859
Employer's PRSI	27,520	23,751
Total pay	**301,328**	**265,695**

Note The pay expenditure of agencies is not a direct financial transaction of the Department. Further information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual financial statements or directly from the agencies concerned.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Departmental staff				
Higher, special or additional duties allowances	13	3	20,614	20,614
Other allowances	3	—	2,730	2,761
Overtime	48	3	10,619	9,607
Extra remuneration in more than one category	2	—	2,564	12,347
Staff of agencies of the department				
Higher, special or additional duties allowances	983	127	23,526	22,900
Other allowances	64	—	7,218	8,668
Overtime	573	17	26,445	19,294
Extra remuneration in more than one category	441	46	33,598	29,560

5.4 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	10	17,118	7,733
Recovery plans in place	6	15,161	2,091

Note Three overpayments have been recouped in full since the end of 2020, and the Payroll Shared Services Centre (PSSC) are managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

This account includes expenditure of €116,970 (inclusive of salary, employees' superannuation and employers' PRSI) in respect of two officers who were serving outside the Department for all or part of 2020 and whose salaries were paid by the Department: one to UL and one to the HSE.

5.6 Severance/redundancy

During 2020, four staff members whose employment was terminated were paid severance payments totalling €71,536 and redundancy payments totalling €24,108.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net amount transferred to Pobal in the year of (€518.256 million) was charged to the relevant subheads as set out below.

During 2020, Pobal returned funds totalling €5.718 million to the Department. All of the funds relating to the current year were returned to the relevant subheads. The funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2).

		2020	2019
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	243,661	332,403
B.4	Affordable childcare scheme and other childcare programmes	118,772	164,424
B.5	Childcare programmes: delivery supports and other initiatives	55,213	62,864
B.6	Youth organisations and services (part funded by the National Lottery)	12,260	11,557
B.8	Intervention programmes for children and young people (dormant accounts funded)	3,898	809
B.11	Early Learning and Care and School Age Childcare Covid-19 Related Supports	82,697	—
C.5	Children's and young people's policy framework and other programmes	1,755	1,291
	Total paid to Pobal	**518,256**	**573,348**

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2020, Pobal had grant commitments totalling €4.1 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

					2020	2019
	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees						
Injury in the course of work	20	12	31	29	72	255
Other claims	3	9	210	—	219	—
Claims by members of the public						
Personal injury claim [a]	9	11	58	15	84	—
Challenge to the Children Referendum	—	—	—	—	—	245
	32	**32**	**299**	**44**	**375**	**500**

Note [a] Cases involving current/former residents of the Oberstown Children Detention Campus.

6.3 Fraud and suspected fraud

	Number of cases	2020 €000	2019 €000
Fraud	—	—	14
Suspected fraud	1	65	—

Note There were no reports of incidents of fraud within the Department. There was one reported suspected fraud incident which occurred in a service provider in receipt of voted funds in 2020. The amount is estimated at €65,000.

6.4 Committees, commissions and special inquiries

The Commission of Investigation into Mother and Baby Homes and Certain Related Matters was established on 17 February 2015 pursuant to the provisions of the Commission of Investigation (Mother and Baby Homes and Certain Related Matters) Order 2015 (SI No 57 of 2015).

Commission expenditure is accounted for in subhead C.8 and includes €1.737 million relating to pay costs.

	Year of appointment	Cumulative expenditure to the end of 2020 €000	2020 €000	2019 €000
C.8 − Commission of Investigation – Mother and Baby Homes	2015	14,789	2,354	2,785

6.5 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

	2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
Subhead			
B.6 Youth organisations and services	64,723	63,847	62,369

6.6 EU funding

The outturn shown in Subheads B.9, D.4 and E.3 include payments in respect of activities which are co-financed by the European Regional Development Fund, the European Social Fund and the Asylum, Migration and Integration Fund. Estimates of expenditure and actual outturns were as follows.

	2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
Subhead			
B.9 – Programme for Peace and Reconciliation	2,244	2,244	1,884
D.4 – Refugee and migrant integration	7,055	4,345	—
E.3 – Asylum, Migration and Integration Fund	1,769	355	—

Appendix A Accounts of bodies and funds under the aegis of the Department of Children, Equality, Disability, Integration and Youth

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Oberstown Children Detention Campus	2019	22 Dec 2020	5 Jan 2021	14 Jan 2021
Adoption Authority of Ireland	2019	9 Nov 2020	17 Nov 2020	18 Dec 2020
Office of the Ombudsman for Children	2019	30 Sep 2020	5 Nov 2020	1 Dec 2020
Child and Family Agency	2019	19 Jun 2020	19 Jun 2020	29 Jun 2020
National Disability Authority	2019	22 Sep 2020	23 Sep 2020	1 Dec 2020

Appropriation Account 2020

Vote 41

Policing Authority

Introduction

As Chief Executive of the Policing Authority, I am the Accounting Officer for Vote 41. 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 2020 for the salaries and expenses of the Policing Authority.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €615,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Authority

The Policing Authority was established on 1 January 2016 by the enactment of the Garda Síochána (Policing Authority and Miscellaneous Provisions) Act 2015. It comprises the Chairperson and eight members.

The primary role of the Authority is to oversee the performance by the Garda Síochána of its functions relating to policing services.

The Authority is additionally responsible for

- leading and directing the Authority's activities
- compliance and all applicable statutory obligations
- holding the CEO and senior management to account for the effective performance of their responsibilities
- matters relating to audit, governance and risk management
- ensuring that there are effective systems of internal control in place and implemented
- the preparation and adoption of a strategic plan, and
- the preparation of the annual report of the Authority.

The Authority has adopted the *Code of Practice for the Governance of State Bodies*, and in accordance with provision 2.6 of the code the Chairperson of the Authority will submit a comprehensive report to the Minister for Justice by 31 March 2021.

The annual report of the Authority for 2020 will be submitted to the Minister for Justice by 31 March 2021.

It was disclosed in last year's appropriation account that on foot of the report of the Commission on the Future of Policing it is proposed that a new statutory body be established, merging the Garda Inspectorate and the Policing Authority. The new legislation remains pending and therefore, the Authority's existing statutory functions and oversight role remains.

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 and Reform in Circular 22 of 2020, have been applied in the preparation of the account.

As provided for in Department of Public Expenditure and Reform Circular 21 of 2020, the Authority has applied a threshold of €1,000 for the capitalisation of capital assets in 2020.

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 Authority.

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

Shared services

Financial services are provided to the Authority under a service level agreement by Financial Shared Services in the Department of Justice. Payroll and HR services are provided to the Authority by the National Shared Services Office under a memorandum of understanding. I have fulfilled my responsibilities in relation to the requirements of these agreements.

The Accounting Officers of the Department of Justice and of the National Shared Services Office are responsible for the operation of the internal control systems in relation to financial shared services, and payroll and HR services, respectively. I rely on letters of assurance from both of the Accounting Officers that appropriate systems of governance and internal control are exercised over the services that they provide to the Authority.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Authority 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, which are complied with by the Authority.

Internal audit and Audit Committee

I confirm that the Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Due to the size of the agency, this function is outsourced to a professional service firm, whose services are subject to normal re-tendering in accordance with procurement procedures. Its work is informed by analysis of the financial risks to which the Authority 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 Authority's Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement compliance

I confirm that the Authority ensures that there is an appropriate focus on good practice in procurement, that procedures are in place to ensure compliance with all relevant guidelines, and that the Authority has complied with those guidelines.

Risk and control framework

The Authority 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 Authority and these have been identified, evaluated and graded according to their significance. The register is a living document and is reviewed and updated by Authority and the Senior Management Team on a monthly 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 the Senior Management Team, where relevant, 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

I confirm that the Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

The Senior Management Team, Audit and Risk Committee, internal auditors and the Authority have paid close attention on an ongoing basis to the impact of Covid-19 on the Authority's operations in general and on the control environment in which the Authority operates. Initially, the significant risks identified were those relating to business continuity and health and safety, in response to which the Authority took immediate and ongoing actions. These included the following

- allocation of responsibility for business continuity to the designated Business Continuity Manager
- immediate introduction of a working from home policy for all staff
- roll-out of remote network access to all staff to facilitate working from home
- development and implementation of strict infection control measures in the Authority's offices
- communication to all staff of guidelines and reminders on how to work from home safely and effectively, and with due regard to data protection and appropriate internal controls
- provision of the necessary IT equipment to enable home-working including intra-organisation communication
- implementation of a policy of frequent direct communication between managers and staff while working from home and
- an on-going focused approach on staff engagement and well-being throughout the pandemic.

With specific regard to internal controls during the Covid-19 emergency period

- the work of the Audit and Risk Committee and internal audit oversight has continued without interruption, and, in particular, the annual internal audit of controls took place as scheduled with a specific focus on the impact of the Covid-19 pandemic
- key financial controls have been maintained, with adaption of certain processes to suit remote working
- payment timelines were affected while adapted processes were being bedded down, but have since recovered
- close attention was and continues to be paid to key financial controls and payment timelines by the Chief Executive, the Audit and Risk Committee, the internal auditors and the Finance Officer and
- in mitigation of the obvious risk of personnel loss during the period, HR and personnel functions have also been maintained, with successful recruitment and on-boarding of new personnel at both Authority and staff levels.

All Authority members and staff have continued to work from home during the emergency period, with office attendance by prior arrangement, on condition of provision of an appropriate Covid-19 health form and only in exceptional circumstances. A record of any such attendance is maintained on an ongoing basis.

The Authority held 21 Authority meetings in 2020, 11 of them with the Commissioner and five of those in public. From 11 March 2020 all such meetings were held remotely, with public meetings being live-streamed.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Helen Hall
Accounting Officer
Policing Authority

16 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 41 Policing Authority

Opinion on the appropriation account

I have audited the appropriation account for Vote 41 Policing Authority for the year ended 31 December 2020 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 41 Policing Authority for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Policing Authority 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 June 2021

Vote 41 Policing Authority

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of independent oversight of the policing functions of An Garda Síochána	3,413	2,817	2,845
	Gross expenditure	**3,413**	**2,817**	**2,845**
	Deduct			
B	**Appropriations-in-aid**	**47**	**66**	**65**
	Net expenditure	**3,366**	**2,751**	**2,780**

Surplus

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

	2020	2019
	€	€
Surplus to be surrendered	**615,165**	**544,124**

Helen Hall
Accounting Officer
Policing Authority

16 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Administration pay		2,087	1,932
Administration non-pay		730	913
Gross expenditure		**2,817**	**2,845**
Deduct			
Appropriations-in-aid		**66**	**65**
Net expenditure		**2,751**	**2,780**
Changes in capital assets			
Purchases cash	(25)		
Depreciation	6	(19)	—
Changes in net current assets			
Decrease in closing accruals	(9)		
Increase in stock	(6)	(15)	12
Direct expenditure		**2,717**	**2,792**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		315	313
Net programme cost		**3,032**	**3,105**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 41 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	8	8
Vote 13	Office of Public Works	253	253
Vote 18	National Shared Services Office	5	4
Vote 24	Justice	49	48
		315	**313**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	35	16
Current assets			
Bank and cash		130	83
Stocks	2.2	13	7
Prepayments		14	15
Other debit balances		42	4
Net Exchequer funding	2.4	—	14
Total current assets		**199**	**123**
Less current liabilities			
Accrued expenses		21	31
Other credit balances	2.3	129	101
Net Exchequer funding	2.4	43	—
Total current liabilities		**193**	**132**
Net current assets		6	(9)
Net assets		**41**	**7**
Represented by:			
State funding account	2.5	**41**	**7**

2.1 Capital assets

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	24	34	58
Additions	23	2	25
Cost or valuation at 31 December 2020	47	36	83
Accumulated depreciation			
Opening balance at 1 January 2020	12	30	42
Depreciation for the year	5	1	6
Cumulative depreciation at 31 December 2020	17	31	48
Net assets at 31 December 2020	**30**	**5**	**35**
Net assets at 31 December 2019	12	4	16

2.2 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	11	5
Catering	—	1
Cleaning	2	1
IT consumables	—	—
	13	**7**

2.3 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	63	57
Pay related social insurance	24	20
Professional services withholding tax	19	15
Value added tax on foreign invoices	6	6
	112	98
Other credit suspense items	17	3
	129	**101**

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus	615	544
Exchequer grant undrawn	(572)	(558)
Net Exchequer funding	**43**	**(14)**
Represented by:		
Debtors		
Bank and cash	130	83
Debit balances: suspense	42	4
	172	87
Creditors		
Due to the State	(112)	(98)
Credit balances: suspense	(17)	(3)
	(129)	(101)
	43	**(14)**

2.5 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			7	19
Disbursements from the Vote				
Estimate provision	Account	3,366		
Surplus to be surrendered	Account	(615)		
Net vote			2,751	2,780
Expenditure (cash) borne elsewhere	1.1		315	313
Net programme cost	1		(3,032)	(3,105)
Balance at 31 December			**41**	**7**

2.6 Commitments

Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services	**37**	**85**

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 41 Policing Authority is classified as administration expenditure applied towards a single programme: Provision of independent oversight of the policing functions of An Garda Síochána.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,213	2,087	1,932
ii	Travel and subsistence	50	7	49
iii	Training and development and incidental expenses	745	525	637
iv	Postal and telecommunications services	50	12	12
v	Office equipment and external IT services	125	139	150
vi	Office premises expenses	130	45	64
vii	Consultancy services and value for money and policy reviews	100	2	1
		3,413	**2,817**	**2,845**

Significant variations

The following outlines the reasons for significant variations (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision €745,000; outturn €525,000

The disruption and dislocation in 2020 caused by the Covid-19 emergency led to delays in implementing planned work. This factor, together with staff vacancies and the delaying of certain activities led to savings of €220,000 (2019: €108,000) in this subhead.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	47	57	65
2	Miscellaneous	—	9	—
	Total	**47**	**66**	**65**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	**36**	**33**

5.2 Pay

	2020 €000	2019 €000
Pay	1,903	1,768
Higher, special or additional duties allowances	—	2
Employer's PRSI	184	162
Total pay	**2,087**	**1,932**

5.3 Authority members' fees and expenses

In 2020, there were eight members of the Authority, including the Chairperson (2019: nine). The Authority met in plenary a total of 21 times (five in public) (2019: 15 (six in public)) and a total of 27 subcommittee meetings were held (2019: 25).

Fees totalling €150,907 were paid to the Authority members during 2020 (2019: €143,681). Expenses paid to members in 2020 were €3,269 (2019: €19,768). The fees and expenses were charged to subhead A (iii) Training and development and incidental expenses.

5.4 Other remuneration arrangements

Five retired civil servants in receipt of civil service pensions were re-engaged on various duties in 2020 (2019: 11) at a total cost of €27,903 (2019: €82,543). Appropriate procedures are in place with regard to payments to retired personnel in accordance with Section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

Appropriation Account 2020

Vote 42

Rural and Community Development

Introduction

As Accounting Officer for Vote 42, 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 2020 for the salaries and expenses of the Office of the Minister for Rural and Community Development, including certain services administered by that Office and for the payment of grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020 including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €5.521 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, as set out by the Department of Public Expenditure and Reform in circular 21 of 2020, have been applied in the preparation of the account, except the following:

Valuation of capital assets

As provided for in Circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.3).

Transfer of functions

The formal transfer of responsibility for the development of the offshore Islands transferred from the Minister for Culture, Heritage and the Gaeltacht to the Minister for Rural and Community Development, under SI 379/2020 Islands (Transfer of Department Administration and Ministerial Functions) Order 2020 with effect from 23 September 2020.

This appropriation account has been prepared on a full-year basis (i.e. with effect from 1 January 2020) and follows the form and format of the Vote for Rural and Community Development as presented in the *Revised Estimates for Public Services 2020*. It reflects the Islands-related transactions on a full-year basis.

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 Department of Rural and Community Development.

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

Shared services

Payroll and human resource functions are being provided on a shared services basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services.

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

Financial shared services are provided by the Financial Shared Service Centre of the Department of Justice (Vote 24). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department and the Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer of the Justice Vote that the appropriate controls are exercised in the provision of financial shared services to my Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

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.
- There are systems in place to safeguard the assets of the Department.

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 Department
- the Office of the Government Chief Information Officer (OGCIO) has a delegated responsibility for ensuring the security of ICT under a memorandum of understanding
- there are appropriate capital investment control guidelines in place.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the financial risks to which the Department 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. As part of the continued development of the internal audit function, it will be periodically reviewed 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.

Compliance with procurement rules

I confirm that the Department 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 Department complied with these guidelines in 2020.

It is the policy of this Department to avail of all centrally available frameworks as soon as they come on stream and to engage with the Office of Government Procurement in relation to more specific requirements. Controls remain in place to ensure compliance in this area.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The risk register also details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

A Risk Committee is also in place to oversee the system of risk management and its implementation. The Committee includes all members of the Management Board and meets on a quarterly basis. The risk register is reviewed and updated at each quarterly meeting.

The outcome of these assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out in early March and on an ongoing basis throughout 2020, which included presentations to the Audit Committee. Informed by these assessments the financial administrative procedures were amended to ensure that payments processing could continue in a remote working environment, and that the effectiveness of internal financial controls was maintained in the new working environment. Under the Departments risk and control framework, management carried out risk assessment of the impact of the Covid-19 pandemic on the control environment, and I confirm that the controls, both existing and those introduced as a result of the pandemic, continue to be effective. The Department was provided with significant voted money to assist in the Government response to the pandemic, including an initial €27 million under the B.X Dormant Accounts – Covid Supports sub-head. This mainly funded the Covid-19 Stability Fund and a supplementary estimate subsequently increased this provision to €37 million. In total, the Department incurred expenditure of €64.908 million on Covid related supports in 2020.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss. The Department will continue to apply a strong focus on the operation and continuous review of internal financial controls in 2021.

Kevin McCarthy
Accounting Officer
Department of Rural and Community Development

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 42 Rural and Community Development

Opinion on the appropriation account

I have audited the appropriation account for Vote 42 Rural and Community Development for the year ended 31 December 2020 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 42 Rural and Community Development for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Rural and Community Development 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 September 2021

Vote 42 Rural and Community Development

Appropriation Account 2020

				2020	2019
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Rural Development and Regional Affairs				
	Original	171,129			
	Supplementary	(570)			
			170,559	152,735	137,080
B	Community Development				
	Original	189,096			
	Supplementary	10,571			
			199,667	202,511	149,733
C	Charities Regulatory Authority		4,606	4,172	3,870
Gross expenditure					
	Original	364,831			
	Supplementary	10,001			
			374,832	**359,418**	**290,683**
	Deduct				
D	**Appropriations-in-aid**				
	Original	71,390			
	Supplementary	10,000			
			81,390	**84,677**	**40,305**
Net expenditure					
	Original	293,441			
	Supplementary	1			
			293,442	**274,741**	**250,378**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €13.18 million of unspent allocations in respect of the capital elements of subhead A.4 rural supports and A.8 rural regeneration and development was carried forward to 2021.

	2020	2019
	€	€
Surplus	18,701,021	10,303,538
Deferred surrender	(13,180,000)	—
Surplus to be surrendered	**5,521,021**	**10,303,538**

Kevin McCarthy
Accounting Officer
Department of Rural and Community Development

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		349,096	279,929
Pay		9,318	8,755
Non pay		1,004	1,999
Gross expenditure		**359,418**	**290,683**
Deduct			
Appropriations-in-aid		**84,677**	**40,305**
Net expenditure		**274,741**	**250,378**
Changes in capital assets			
Purchases cash	(137)		
Depreciation	137	—	(48)
Changes in net current assets			
Decrease in closing accruals		(17,900)	(25,229)
Increase in stock		(5)	—
Direct expenditure		**256,836**	**225,101**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,984	1,932
Net programme cost		**258,820**	**227,033**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 42 borne elsewhere.

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	12	—
Vote 11	Department of Public Expenditure and Reform	—	131
Vote 12	Superannuation and Retired Allowances	328	363
Vote 13	Office of Public Works	1,111	1,091
Vote 18	National Shared Services Office	21	18
Vote 24	Justice	337	329
Vote 43	Office of the Government Chief Information Officer	175	—
		1,984	**1,932**

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	10,697	388
Current assets			
Bank and cash		15,825	300
Stocks		5	—
Prepayments	2.2	48,850	28,349
Other debit balances	2.3	207	309
Accrued income	2.5	9,117	11,931
Total current assets		**74,004**	**40,889**
Less current liabilities			
Accrued expenses		22	235
Net Exchequer funding	2.4	15,414	(45)
Other credit balances	2.6	618	654
Total current liabilities		**16,054**	**844**
Net current assets		57,950	40,045
Net assets		**68,647**	**40,433**
Represented by:			
State funding account	2.7	**68,647**	**40,433**

2.1 Capital assets

	Buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	—	873	211	1,084
Additions	5	133	—	138
Transfer in [a]	11,597	—	—	11,597
Disposals	—	—	(1)	(1)
Cost or valuation at 31 December 2020	11,602	1,006	210	12,818
Accumulated depreciation				
Opening balance at 1 January 2020	—	672	24	696
Depreciation for the year	39	77	21	137
Depreciation accumulated for transfer in	1,289	—	—	1,289
Depreciation on disposals	—	—	(1)	(1)
Cumulative depreciation at 31 December 2020	1,328	749	44	2,121
Net assets at 31 December 2020	**10,274**	**257**	**166**	**10,697**
Net assets at 31 December 2019	—	**201**	**187**	**388**

Note [a] Assets transferred from Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media as a result of a transfer of functions in relation to the Islands. This is reflected in the State funding account (see note 2.7).

2.2 Prepayments

at 31 December	2020	2019
	€000	€000
Rural regeneration and development	27,945	16,929
Town and village renewal	8,760	8
Library development and archive service	3,907	5,935
Regional economic development	2,449	1,946
Community Services Programme	2,420	—
Rural supports	1,494	1,642
Leader – rural economy sub programme	1,242	1,252
Dormant accounts measures	472	—
Local community development committees	85	—
Administration	76	180
Supports for community and voluntary sector	—	457
	48,850	**28,349**

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Travel pass schemes	5	62
Leader- food initiative	—	215
Salary suspense	202	22
Office of Public Works	—	10
	207	**309**

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	5,521	10,304
Deferred surrender	13,180	—
Exchequer grant undrawn	(3,287)	(10,349)
Net Exchequer funding	**15,414**	**(45)**
Represented by:		
Debtors		
Bank and cash	15,825	300
Debit balances: suspense	207	299
	16,032	599
Creditors		
Credit balances: suspense	(618)	(644)
	(618)	(644)
	15,414	**(45)**

2.5 Accrued income

at 31 December		2020	2019
		€000	€000
Subhead	**Description**		
A.5	Leader – rural economy sub programme	6,816	6,613
A.4	Rural supports (local improvement schemes)	—	20
B.8	Programme for Peace and Reconciliation	2,301	5,276
C.3	Charities Regulatory Authority	—	22
		9,117	**11,931**

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	199	171
Pay related social insurance	94	84
Professional services withholding tax	26	97
Value added tax	16	13
	335	365
Tidy towns	230	230
Other	53	59
	618	**654**

2.7 State funding account

	Note		2020	2019
		€000	€000	€000
Balance at 1 January			40,433	15,156
Disbursements from the Vote				
Estimate provision	Account	293,442		260,682
Deferred surrender		(13,180)		—
Surplus to be surrendered	Account	(5,521)		(10,304)
Net vote			274,741	250,378
Expenditure (cash) borne elsewhere	1.1		1,984	1,932
Non-cash items – capital assets transferred	2.1		10,309	—
Net programme cost	1		(258,820)	(227,033)
Balance at 31 December			**68,647**	**40,433**

2.8 Commitments

a) Global commitments

at 31 December	**2020**	**2019**
	€000	**€000**
Procurement of goods and services	61	237
Non-capital grant programmes	106,703	110,497
Capital grant programmes	191,459	232,283
Total of legally enforceable commitments	**298,223**	**343,017**

b) Non-capital grant programmes	**2020**	**2019**
	€000	**€000**
Opening balance	110,497	42,564
Grants paid in the year	(188,823)	(136,966)
New grant commitments	185,029	204,899
Closing balance	**106,703**	**110,497**

c) Capital grant programmes	**2020**	**2019**
	€000	**€000**
Opening balance	232,283	241,795
Grants paid in the year	(154,232)	(137,729)
New grant commitments	113,408	128,217
Closing balance	**191,459**	**232,283**

2.9 Contingent liabilities

The Department is involved in a pending legal proceeding which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,600	9,318	8,755
ii	Travel and subsistence	250	129	455
iii	Training and development and incidental expenses	764	325	777
iv	Postal and telecommunications services	165	146	66
v	Office equipment and external IT services	485	320	258
vi	Office premises expenses	363	64	214
vii	Consultancy and value for money and policy reviews	330	20	229
viii	Research	100	—	—
		12,057	**10,322**	**10,754**

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €250,000; outturn €129,000

The shortfall in expenditure of €121,000 on expenditure on travel and subsistence was due to reductions in the level of travel due to public health restrictions and increased use of online meeting facilities.

iii Training and development and incidental expenses

Estimate provision €764,000; outturn €325,000

The shortfall in expenditure of €439,000 relative to the estimate was due to the pandemic impacting on training and development opportunities and also on incidental expenses. The latter are variable in nature and were less than anticipated.

v Office equipment and external IT services

Estimate provision €485,000; outturn €320,000

The shortfall in expenditure of €165,000 relative to the estimate provision was due to lower than an anticipated expenditure on office equipment and IT services. While additional costs arose in response to the Covid-19 pandemic, significant savings were made due to delays in commencing work on planned new systems for grant application and management, giving rise to overall savings of €165,000.

vi Office premises expenses

Estimate provision €363,000; outturn €64,000

The shortfall in expenditure of €299,000 relative to the estimate provision was due to expenditure on office premises and facilities in both Ballina and Trinity Point sites being less than anticipated due to continuing delays in planned upgrades due to the impact of the Covid-19 public health restrictions.

vii Consultancy and value for money and policy reviews

Estimate provision €330,000; outturn €20,000

The shortfall in expenditure of €310,000 relative to the estimate provision was as a result of delays in procurement of some consultancies, the award of other consultancies late in the year and the pandemic impacting on use of consultants.

viii Research

Estimate provision €100,000; outturn €nil

The shortfall in expenditure of €100,000 relative to the estimate provision relates to changed timelines for delivery of a multi-annual research project.

Programme A Rural Development and Regional Affairs

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
A.1	Administration – pay		5,276	5,218	4,902
A.2	Administration − non pay		1,206	572	1,123
A.3	Western Development Commission		2,049	1,969	2,015
A.4	Rural supports [a]				
	Original	20,343			
	Supplementary	(570)			
			19,773	18,702	23,867
A.5	Leader – rural economy sub programme		40,000	45,439	45,188
A.6	Tidy Towns Competition		1	—	1
A.7	Regional economic development		2,670	3,374	2,071
A.8	Rural regeneration and development [b]		88,000	67,996	31,285
A.9	Islands [c]		11,584	9,465	—
	Town and village regeneration		—	—	*12,999*
	Local improvement schemes		—	—	*13,629*
			170,559	**152,735**	**137,080**

Notes [a] A4 – Rural supports – consists of the CLÁR programme and Walks Programme (both formerly part of national rural development schemes) and the local improvement schemes.

[b] A8 – Rural regeneration and development – Town and village regeneration and the Outdoor Recreational Infrastructure Scheme (ORIS) (formerly part of national rural development schemes) were integrated into rural regeneration and development, in line with commitments in the *National Development Plan*.

[c] A9 – Islands – In 2019, expenditure of €10.556 million was incurred under subhead C.9 Islands on Vote 33 Culture, Heritage and the Gaeltacht.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €18.394 million lower than (originally) provided. €692,000 of this related to administration expenditure and has already been explained and the balance of the variance of €17.702 million was mainly due to the following:

A.4 Rural supports

Estimate provision €20.343 million; outturn €18.702 million

This subhead provides funding for a number of schemes including the walks scheme and CLÁR, as well as some other initiatives supporting rural development. The shortfall in expenditure of €1.641 million relative to the estimate provision was largely due to the fact that anticipated expansion of the walks schemes was delayed and delays in the construction sector as a result of Covid-19 restrictions. €570,000 of this saving was repurposed by way of technical supplementary for use under the Community Enhancement Programme.

A.5 Leader – rural economy sub programme

Estimate provision €40 million; outturn €45.439 million

The increase in expenditure of €5.439 million relative to the estimate provision was due to Leader being a multi annual programme and delivery in 2020 exceeded anticipated levels.

A.7 Regional economic development

Estimate provision €2.67 million; outturn €3.374 million

The increase in expenditure of €704,000 relative to the estimate provision was primarily due to increased activity establishing broadband connection points under the National Broadband Plan.

A.8 Rural regeneration and development

Estimate provision €88 million; outturn €67.996 million

Significant capital funding has been approved under this multi-annual scheme to promote large-scale, integrated, rural capital projects involving a number of project partners. The design, procurement and delivery of these projects has taken longer to progress than originally anticipated. However, for 2020 the shortfall in expenditure of €20.004 million relative to the estimate provision is mainly due to the impact of Covid-19 restrictions which delayed projects under construction and also delayed new projects entering the construction phase. Prepayments were issued under the rural regeneration and development and town and village renewal schemes (see note 2.2) and a deferred surrender of €11.6 million was carried forward under these schemes to 2021.

A.9 Islands

Estimate provision €11.584 million; outturn €9.465 million

The shortfall in expenditure of €2.119 million relative to the estimate provision was largely due to delays in progressing capital projects on offshore islands to completion resulting in lower than anticipated drawdown of funding. This can be explained in part by the impact of Covid-19 restrictions which delayed projects under construction, but also by the difficultly in contracting capital projects for the islands given the level of demand within the construction sector. It has been challenging to contract islands works given the additional burden on contractors in bringing machinery to and from the islands.

Programme B Community Development

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
B.1	Administration – pay		4,177	4,007	3,765
B.2	Administration − non pay		1,172	424	857
B.3	Supports for community and voluntary sector (National Lottery)		15,995	16,246	13,241
B.4	SICAP, local/regional development supports (National Lottery)		44,065	44,065	43,165
B.5	Local community development committees (support)				
	Original	2,405			
	Supplementary	(199)			
			2,206	2,193	1,904
B.6	Supports for disadvantaged communities		6,500	6,500	7,000
B.7	Dormant account measures		12,570	12,570	12,756
B.X	Dormant accounts (Covid-19 supports)				
	Original	27,000			
	Supplementary	10,000			
			37,000	37,000	—
B.8	Programme for Peace and Reconciliation		6,967	9,862	8,345
B.9	Water Safety Ireland		1,124	1,154	1,118
B.10	Library development and archive service		7,731	7,731	7,331
B.11	Community Enhancement Programme				
	Original	9,500			
	Supplementary	770			
			10,270	11,237	4,000
B.12	Community Services Programme		46,890	46,890	43,855
B.13	Social inclusion units		550	325	546
B.14	Public participation networks		2,450	2,307	1,750
B.15	Other services		—	—	100
			199,667	**202,511**	**149,733**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The original estimate was €189.096 million. A supplementary estimate of €10.571 million was obtained. Overall, the expenditure in relation to Programme B was €13.415 million higher than originally provided. There was a shortfall of €918,000 related to administration expenditure that has already been explained. The additional €12.497 million over and above original allocations was mainly due to the following:

B.5 Local community development committees (support)

Estimate provision €2.405 million; outturn €2.193 million

The shortfall in expenditure of €212,000 relative to the estimate provision was due to the sub-head meeting actual support costs for the local community development committees and overall actual costs being slightly less than anticipated. €199,000 of this saving was repurposed by way of technical supplementary for use under the Community Enhancement Programme.

B.X Dormant accounts (Covid-19 supports)

Estimate provision €27 million; outturn €37 million

The increase in expenditure of €10 million relative to the original estimate provision was due to a technical supplementary estimate of €10 million to meet demand under the Covid-19 Stability Fund. As this was financed from the Dormant Accounts Fund it did not impact on net voted expenditure.

B.8 Programme for Peace and Reconciliation

Estimate provision €6.967 million; outturn €9.862 million

The increase in expenditure of €2.895 million relative to the estimate provision is due to the multi annual nature of the Peace Programme. The Special EU Programmes Body (SEUPB) which manages the programme notified the Department of increased costs and claimed the funding required to support these costs. These increased costs are arising as the current PEACE IV programme 2014-2020 is coming towards the end of its financial period resulting in a need to accelerate projects and the associated costs.

B.11 Community Enhancement Programme

Estimate provision €9.5 million; outturn €11.237 million

Increased expenditure of €1.737 million relative to the estimate provision was as a direct result of increased resources utilised to support community organisations to maintain services in the context of the Covid-19 pandemic. €770,000 of this increased resource was provided by way of technical supplementary estimate as no current funding provision for the community enhancement programme was made in the original estimate.

B.13 Social inclusion units

Estimate provision €550,000; outturn €325,000

The shortfall in expenditure of €225,000 relative to the estimate reflected reduced demand for funding in this area due to availability of other funding envelopes.

B.14 Public participation networks

Estimate provision €2.45 million; outturn €2.307 million

The shortfall in expenditure of €143,000 relative to the estimate reflected reduced activity due to public health restrictions in the context of the Covid-19 pandemic e.g. the public participation networks national conference did not take place in 2020.

Programme C Charities Regulatory Authority

			2020	2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	147	93	88
C.2	Administration − non pay	79	8	19
C.3	Charities Regularity Authority	4,370	4,071	3,762
C.4	Charities Appeal Tribunal	10	—	1
		4,606	**4,172**	**3,870**

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €434,000 lower than provided. €125,000 of this relates to administration expenditure and has already been explained. The balance of the variance of €309,000 was mainly due to the following.

C.3 Charities Regulatory Authority

Estimate provision €4.37 million; outturn €4.071 million

The shortfall in expenditure of €299,000 relative to the estimate provision arose due to pay related programme costs in the Charities Regulatory Authority being less than anticipated due to continued recruitment delays.

Note 4 Receipts

4.1 Appropriations-in-aid

			2020		2019
			Estimated	Realised	Realised
			€000	€000	€000
1	Miscellaneous		50	180	148
2	Leader - rural economy sub programme		25,000	27,821	24,355
3	Programme for Peace and Reconciliation		6,400	6,724	2,566
4	Dormant accounts – programme expenditure				
	Original	39,570			
	Supplementary	10,000			
			49,570	49,570	12,756
5	SICAP – Social Inclusion and Community Activation Programme		—	5	35
6	Receipts from additional superannuation contributions on public service remuneration		370	377	445
	Total		**81,390**	**84,677**	**40,305**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.287 million more than the original estimate. Explanations for variances are set out below:

1 Miscellaneous

Estimate €50,000; realised €180,000

The excess receipts of €130,000 for 2020 was due to a number of refunds received under the CLÁR and local improvement schemes which had not been anticipated.

2 Leader - rural economy sub programme

Estimate €25 million; realised €27.821 million

The excess receipts of €2.821 million was due to increased levels of payments under the EU leader programme during 2020 which resulted in a corresponding increase in the level of EU receipts received by the Department.

3 Programme for Peace and Reconciliation

Estimate €6.4 million; realised €6.724 million

The excess receipts of €324,000 was due to higher levels of expenditure under the programme which resulted in increased level of receipts from the EU during 2020.

4 Dormant accounts – programme expenditure

Estimate €39.57 million; realised €49.57 million

The increase of €10 million relative to the original estimate provision was required to meet the demand under the Covid-19 Stability Fund.

4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	15	—
Voluntary surrender of Ministerial salaries	7	15
Transferred to the Exchequer	—	—
Balance at 31 December	**22**	**15**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Department [a]	166	149
Agencies [b]	73	71
Total	**239**	**220**

Notes [a] The transfer of the islands functions increased staff numbers by ten.
[b] The agencies staff include the Charities Regulatory Authority (40), Western Development Commission (25) and Water Safety Ireland (eight).

5.2 Pay

Remuneration of Department staff

	2020 €000	2019 €000
Pay	8,557	8,018
Higher, special or additional duties allowances	106	115
Overtime	15	33
Employer's PRSI	640	589
Total pay	**9,318**	**8,755**

5.3 Allowances and overtime payments [a]

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €	Highest individual payment 2019 €
Higher, special or additional duties allowances	13	3	20,613	22,029
Overtime	2	1	15,139	26,433
Extra remuneration in more than one category	1	1	20,246	31,654

Note [a] The pay, allowance and other remuneration details above in 5.2 and 5.3 relate to the Department's staff paid directly from the Vote. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned.

5.4 Payroll overpayments

	Number of recipients	2020 €	2019 €
Overpayments	2	4,607	12,768

Recovery plans were put in place for all overpayments that occurred in 2020.

Note 6 Miscellaneous

6.1 National Lottery funding

Subhead	Description	2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	10,528	10,528	10,560
B.4	SICAP local/regional development supports (part funded by the National Lottery)	2,855	2,855	2,683
		13,383	**13,383**	**13,243**

6.2 EU funding [a]

The outturn shown in Subheads A.5 and B.8 includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development and European Regional Development Fund respectively. Estimates of EU funding and actual outturns, based on expenditure and co-financing rates were as follows:

Subhead	Description	2020 Estimate €000	2020 Outturn €000	2019 Outturn €000
A.5	Leader – rural economy sub programme	25,000	28,136	25,963
B.8	Programme for Peace and Reconciliation	6,967	9,862	7,094
		31,967	**37,998**	**33,057**

Note [a] Payments made under A.5 and B.8 are co-financed 62.8% and 85% respectively by the EU.

6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2020, the Department transferred amounts totalling €94.81 million to support these programmes as outlined below.

Subhead	Description	2020 Outturn €000	2019 Outturn €000
A.4	Rural supports	983	1,371
A.5	Leader – rural economy sub programme	916	1,874
B.3	Supports for community and voluntary sector (National Lottery)	8,208	10,421
B.4	SICAP, local regional development supports (National Lottery)	1,336	2,027
B.5	Local community development committees (support)	85	—
B.6	Supports for disadvantaged communities	1,000	1,000
B.7	Dormant account measures	3,680	1,142
B.X	Dormant accounts (Covid-19 supports) [a]	31,750	—
B.12	Community Services Programme	46,852	43,775
	Total [b]	**94,810**	**61,610**

Notes [a] Funding for the Covid-19 Stability Fund was provided from a new sub-head B.X Dormant accounts (Covid-19 supports). Under the scheme grant funding was made available to charities, community and voluntary organisations, and social enterprises to address funding shortfalls during the pandemic.

[b] Pobal has identified amounts totalling €17.14 million which remain unspent in relation to 2020 payments (€4.63 million in 2019). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal

Appendix A Accounts of bodies and funds under the aegis of the Department of Rural and Community Development

The following table lists the bodies and funds under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Department	Date presented to the Oireachtas
Pobal	2019	30 Jun 2020	18 Dec 2020	22 Dec 2020
Charities Regulatory Authority	2019	20 May 2020	26 May 2020	6 Jul 2020
Western Development Commission	2019	17 Dec 2020	5 Mar 2021	—
Irish Water Safety [a]	1 Jan 2018 to 17 Feb 2019	20 Nov 2020	4 Dec 2020	8 Mar 2021
Water Safety Ireland	18 Feb 2019 to 31 Dec 2019	24 Dec 2020	29 Jan 2021	8 Mar 2021

Note [a] Irish Water Safety was dissolved on 17 February 2019 under SI 55/2019 – Water Safety Ireland (Transfer of Assets and Liabilities) Order 2019. The financial year for Irish Water Safety was extended under the Order and covers the period from 1 January 2018 to 17 February 2019 in order to close off Irish Water Safety accounts. Under SI 55/2019, all assets and liabilities of Irish Water Safety were transferred to Water Safety Ireland on 17 February 2019.

Appropriation Account 2020

Vote 43

Office of the Government Chief Information Officer

Introduction

As Secretary General of the Department of Public Expenditure and Reform (DPER), I am the Accounting Officer for Vote 43. Accordingly, 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 2020 for the salaries and expenses of the Office of the Government Chief Information Officer.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €411,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Establishment of the Vote

A separate Vote was created for the Office of the Government Chief Information Officer (OGCIO) with effect from 1 January 2020. Prior to the creation of the Vote, the Office's assets, liabilities and expenditure were accounted for under Vote 11 Office of the Minister for Public Expenditure and Reform. All relevant assets and liabilities were transferred to this Vote.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by DPER in circular 22 of 2020, have been applied in the preparation of the account with the following exception.

Capital assets

Up to 31 December 2019, capital assets had been recorded on the DPER asset register. Since the establishment of the Vote for this Office on 1 January 2020, most IT assets on the legacy fixed asset-register transferred to the new Vote from DPER. The Office is an office of DPER and as it specilises in the delivery and development of IT services, it remains responsible for DPER's investment in IT and for its IT assets. In general, some DPER IT equipment assets are now recorded on the asset register of the OGCIO. However, DPER has retained and has purchased certain IT assets such as bespoke systems which are for its exclusive use.

Depreciation

Depreciation is charged monthly on a straight line basis.

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 Secretary 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of HR and payroll shared services.

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

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- The Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 43.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department
- 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.

Data security

The OGCIO in its role as a service provider to a number of public sector bodies implements a multi-layered defence-in-depth approach to cybersecurity and to protecting ICT systems, infrastructures, and services and have developed an Information Security Management System (ISMS) aligned with the industry security standard ISO27001. This ISMS provides an overall governance framework for information security and sets out security policies, objectives, management oversight, practices and governance and ensures continual improvement of information security management. OGCIO's defence-in-depth security strategy is achieved by utilisation of people, processes and technology to support the implementation of ICT security services**.**

Internal audit and Audit Committee

I confirm that the Department 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.

Procurement compliance

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 has complied with the guidelines. The Office has provided details of three non-competitive but compliant contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General.

Risk and control framework

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board 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 assigns 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 and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

Covid-19 pandemic

Business continuity measures were put into effect to deal with the impact of Covid-19 and this facilitated the Office in remaining fully operational during 2020.

Due to the devolved nature of budgeting within the Office itself, the outsourcing of operational accounting to the Department of Finance, payroll to the National Shared Services Office and IT systems that allowed the Office work fully remotely from late March 2020, the pandemic-related measures had little effect on the Office's financial control environment.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

24 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 43 Office of the Government Chief Information Officer

Opinion on the appropriation account

I have audited the appropriation account for Vote 43 Office of the Government Chief Information Officer for the year ended 31 December 2020 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 43 Office of the Government Chief Information Officer for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Office of the Government Chief Information Officer 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

27 August 2021

Vote 43
Office of the Government Chief Information Officer

Appropriation Account 2020

		2020	
		Estimate provision	Outturn
		€000	€000
Programme expenditure			
A	Government ICT services	21,829	21,436
Gross expenditure		**21,829**	**21,436**
	Deduct		
B	**Appropriations-in-aid**	**125**	**143**
Net expenditure		**21,704**	**21,293**

Surplus

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

	2020
	€
Surplus to be surrendered	**410,596**

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

24 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020
	€000	€000
Programme cost		14,599
Pay		4,334
Non pay		2,503
Gross expenditure		**21,436**
Deduct		
Appropriations-in-aid		**143**
Net expenditure		**21,293**
Changes in capital assets		
Purchases cash	(1,402)	
Depreciation	1,358	(44)
Changes in net current assets		
Decrease in closing accruals	(3,562)	(3,562)
Direct expenditure		**17,687**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		(2,627)
Net programme cost		**15,060**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 43 borne elsewhere, net of costs of shared services provided to other Votes.

		2020
		€000
Vote 7	Finance	70
Vote 9	Office of the Revenue Commissioners	300
Vote 13	Office of Public Works	961
Vote 18	National Shared Services Office	6
		1,337
Cost of shared services provided to other Votes		(3,964)
		(2,627)

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000
Capital assets	2.1	7,588
Current assets		
Bank and cash		445
Prepayments	2.2	3,612
Other debit balances	2.3	40
Net Exchequer funding	2.5	71
Total current assets		**4,168**
Less current liabilities		
Accrued expenses		50
Other credit balances	2.4	556
Total current liabilities		**606**
Net current assets		3,562
Net assets		**11,150**
Represented by:		
State funding account	2.6	**11,150**

2.1 Capital assets

	IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2020	—	—	—
Transfer from DPER Vote	21,472	126	21,598
Additions	1,402	—	1,402
Disposals	(2,144)	—	(2,144)
Cost or valuation at 31 December 2020	20,730	126	20,856
Accumulated depreciation			
Opening balance at 1 January 2020	—	—	—
Transfer from DPER Vote	13,997	57	14,054
Depreciation method adjustment	(2,149)	(11)	(2,160)
Depreciation for the year	3,505	13	3,518
Depreciation on disposals	(2,144)	—	(2,144)
Cumulative depreciation at 31 December 2020	13,209	59	13,268
Net assets at 31 December 2020	**7,521**	**67**	**7,588**

2.2 Prepayments

at 31 December	2020
	€000
IT services	1,099
Licences	1,721
Software maintenance	181
Telecom services	602
Warranty	9
	3,612

2.3 Other debit balances

at 31 December	2020
	€000
Government networks	38
Other debit suspense accounts	2
	40

2.4 Other credit balances

at 31 December	2020
	€000
Amounts due to the State	
Income tax	81
Pay related social insurance	41
Professional services withholding tax	206
Value added tax	157
Pension contributions	12
	497
Payroll deductions held in suspense	12
Other credit suspense items	47
	556

2.5 Net Exchequer funding

at 31 December	2020
	€000
Surplus to be surrendered	411
Exchequer grant undrawn	(482)
Net Exchequer funding	**(71)**
Represented by:	
Debtors	
Bank and cash	445
Debit balances: suspense	40
	485
Creditors	
Due to the State	(497)
Credit balances: suspense	(59)
	(556)
	(71)

2.6 State funding account

	Note		2020
		€000	€000
Balance at 1 January		—	—
Disbursements from the Vote			
Estimate provision	Account	21,704	
Surplus to be surrendered	Account	(411)	
Net vote			21,293
Expenditure (cash) borne elsewhere	1.1		(2,627)
Non-cash items – capital assets transfer			7,544
Net programme cost	1		(15,060)
Balance at 31 December			**11,150**

2.7 Commitments

at 31 December	2020
	€000
Procurement of goods and services	393
Total of legally enforceable commitments	**393**

2.8 Matured liabilities

at 31 December	2020
	€000
Estimate of matured liabilities not discharged at year end	**10**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2020	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	5,445	4,334
ii	Travel and subsistence	70	51
iii	Training and development and incidental expenses	137	53
iv	Postal and telecommunications services	292	232
v	Office equipment and external IT services	1,200	2,142
vi	Office premises expenses	30	25
		7,174	**6,837**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

v Office equipment and external IT services

Estimate provision €1.2 million; outturn €2.142 million

The excess in expenditure of €942,000 relative to the estimate provision due to OGCIO preparing the Department of Public Expenditure and Reform to work remotely during the Covid-19 public health emergency. The Department's ICT budget is held by OGCIO, and the over spend in this subhead was financed mostly from savings in the admin pay subhead.

Programme A Government ICT Services

		2020	
		Estimate provision	Outturn
		€000	€000
A.1	Administration − pay	5,445	4,334
A.2	Administration − non pay	1,729	2,503
A.3	Government ICT services	14,655	14,599
		21,829	**21,436**

Note 4 Receipts

4.1 Appropriations-in-aid

		2020	
		Estimated	Realised
		€000	€000
1	Miscellaneous	10	16
2	Receipts from additional superannuation contributions on public service remuneration	115	127
	Total	**125**	**143**

4.2 Extra receipts payable to the Exchequer

	2020
	€000
Balance at 1 January	—
Enterprise Ireland reimbursement	25
Transferred to the Exchequer	—
Balance at 31 December	**25**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020
Number of staff at year end	**68**

5.2 Pay

	2020 €000
Pay	3,902
Other allowances	50
Overtime	55
Employer's PRSI	327
Total pay	**4,334**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €
Other allowances	6	2	11,459
Overtime	17	1	15,788
Extra remuneration in more than one category	5	4	25,854

5.4 Payroll overpayments

	Number of recipients	2020 €
Overpayments	8	10,671
Recovery plans in place	5	8,576

Appropriation Account 2020

Vote 44

Data Protection Commission

Introduction

As Accounting Officer for Vote 44, 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 2020 for the salaries and expenses of the Data Protection Commission.

The expenditure outturn is compared with the sums:

(a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.623 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.

Establishment of Vote 44

A new data protection legal framework came into operation across the EU with the application of the General Data Protection Regulation (GDPR) on 25 May 2018. On that date, the Data Protection Act 2018 established a new Data Protection Commission and transferred all the functions of the Data Protection Commissioner to the new Data Protection Commission. In addition, from 25 May 2018, the GDPR conferred on the Commission a significantly expanded role as a data protection authority and the Commission is now a supervisory authority with an EU-wide remit.

The Commission is independent in the performance of its functions. The Data Protection Act 2018 made provision for the Data Protection Commission to be assigned its own Vote. In 2019, the budget of the Commission formed part of the Department of Justice Vote and the Commission accounted for its budget through the Accounting Officer of the Department of Justice. 2020 is the first year the Data Protection Commission has been a separate Vote (Vote 44) and prior year comparative figures are not included.

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 and Reform in Circular 22 of 2020, 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 Data Protection Commission.

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.

Shared services

Financial services are provided to the Data Protection Commission under a service level agreement by Financial Shared Services in the Department of Justice.

The National Shared Services Office provides human resource and payroll shared services to the Department of Justice in respect of staff working in the Data Protection Commission. The National Shared Services Office provides an annual assurance in respect of the services provided to the Department of Justice and is audited under the ISAE 3402 certification processes in respect of that assurance.

I rely on a letter of assurance from the Accounting Officers of the National Shared Services Office and the Department of Justice in respect of the appropriate controls exercised in the provision of shared services to the Data Protection Commission.

I have fulfilled my responsibilities in relation to the requirements of these agreements.

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 and Risk Committee to advise me in discharging my responsibilities for the internal control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- The Commission uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sources as appropriate.

Administrative controls and management reporting

In respect of the Data Protection Commission, I confirm that a control environment containing the following elements is in place.

- There is an appropriate budgeting system in place, with an annual budget which is kept under review by senior management.
- There are regular reviews by the senior management of periodic and annual financial reports which indicates financial performance against forecast
- A risk management system is in operation.
- There are systems aimed at ensuring the security of the information and communication technology. During 2020, the ICT division of the Department of Justice (DoJ) provided the Data Protection Commission with certain ICT services. DoJ ICT division under a service level agreement provided an assurance statement outlining the control processes in place in 2020.

Internal audit and Audit and Risk Committee

I confirm that the Data Protection Commission has an internal audit function, which is outsourced, 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 Data Protection 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 and by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The Audit and Risk Committee for the Data Protection Commission was established on 1 January 2020 and held seven meetings during the period 1 January to 31 December 2020.

Procurement compliance

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. There were no non-competitive and non-compliant contracts in excess of €25,000 ex VAT in 2020.

Risk and control framework

The Data Protection Commission 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 Data Protection Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Senior Management Committee on a quarterly basis. Risk management is a standing agenda item for the Senior Management Committee. 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

During the period covered by account, formal procedures were implemented for monitoring control processes. Control deficiencies were communicated to those responsible for taking corrective action and to management and the Senior Management Committee, where relevant, 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

I confirm that the Data Protection Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Data Protection 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 team within the Data Protection Commission responsible for the development and maintenance of the internal control framework.

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out taking into consideration the Office of the Comptroller and Auditor General Audit Insights document *The impact of Covid-19 on your control environment* and the results are that the internal controls were not negatively impacted as a result of the pandemic. I confirm that on-going monitoring of internal controls was maintained in 2020 by myself and the senior management team.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that resulted in a material loss.

Helen Dixon
Accounting Officer
Commissioner for Data Protection

30 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 44 Data Protection Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 44 Data Protection Commission for the year ended 31 December 2020 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 44 Data Protection Commission for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Data Protection 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

18 June 2021

Vote 44 Data Protection Commission

Appropriation Account 2020

		2020	
		Estimate provision	Outturn
		€000	€000
Programme expenditure			
A	Provision of Data Protection Regulation	16,916	12,218
Gross expenditure		**16,916**	**12,218**
	Deduct		
B	**Appropriations-in-aid**	**230**	**155**
		16,686	**12,063**

Surplus

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

	2020
	€
Surplus to be surrendered	**4,622,680**

Helen Dixon
Accounting Officer
Commissioner for Data Protection

30 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020
	€000	€000
Pay		7,844
Non pay		4,374
Gross expenditure		**12,218**
Deduct		
Appropriations-in-aid		**(155)**
Net expenditure		**12,063**
Changes in capital assets		
Purchases cash	(150)	
Depreciation	35	
Loss on disposal	—	(115)
Changes in net current assets		
Increase in closing accruals	73	
Increase in closing prepayments	(187)	
Increase in closing stocks	(7)	(121)
Direct expenditure		**11,827**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		125
Notional rents		—
Net programme cost		**11,952**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 44 borne elsewhere.

		2020
		€000
Vote 13	Office of Public Works	76
Vote 24	Justice	49
		125

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000
Capital assets	2.1	773
Current assets		
Bank and cash	2.2	222
Stocks		7
Prepayments		187
Net Exchequer funding	2.4	33
Total current assets		**449**
Less current liabilities		
Accrued expenses		73
Other credit balances	2.3	255
Total current liabilities		**328**
Net current assets		121
Net assets		**894**
Represented by:		
State funding account	2.5	**894**

2.1 Capital assets

	Furniture and fittings	IT and office equipment	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	—	—	—	—
Transferred from Justice vote	2	187	518	707
Additions	—	—	150	150
Cost or valuation at 31 December 2020	2	187	668	857
Accumulated depreciation				
Opening balance at 1 January 2020	—	—	—	—
Depreciation of the assets transferred	2	47	—	49
Depreciation for the year	—	35	—	35
Cumulative depreciation at 31 December 2020	2	82	—	84
Net assets at 31 December 2020	**—**	**105**	**668**	**773**

2.2 Bank and cash

at 31 December	2020
	€000
PMG balances and cash	222
Other bank account balances	—
	222

In addition to the PMG account, the Commission holds five other commercial bank accounts all of which had a nil balance at 31 December 2020.

2.3 Other credit balances

at 31 December	2020
	€000
Amounts due to the State	
Value added tax on foreign invoices	2
Professional services withholding tax	162
	164
Other credit suspense items	91
	255

2.4 Net Exchequer funding

at 31 December	2020
	€000
Surplus to be surrendered	4,623
Exchequer grant undrawn	(4,656)
Net Exchequer funding	**(33)**
Represented by:	
Bank and cash	222
	222
Creditors	
Due to the State	(164)
Credit balances: suspense	(91)
	(255)
	(33)

2.5 State funding account

	Note		2020
		€000	€000
Disbursements from the Vote			
Estimate provision		16,686	
Surplus to be surrendered		(4,623)	
Net vote			12,063
Expenditure (cash) borne elsewhere	1.1		125
Transfer in of assets			658
Net programme cost	1		(11,952)
			894

2.6 Commitments

Global commitments	2020
at 31 December	€000
Procurement of goods and services	593
Capital project	199
Total of legally enforceable commitments	**792**

2.7 Contingent liabilities

The Data Protection Commission is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The actual amount or timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 44 Data protection Commission is classified as administrative expenditure applied towards a single programme: provision of data protection regulation.

		2020	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	10,552	7,844
ii	Travel and subsistence	110	19
iii	Training and development and incidental expenses	2,782	2,582
iv	Postal and telecommunications services	45	29
v	Office equipment and external IT services	1,612	858
vi	Office premises expenses	1,140	844
vii	Consultancy services and value for money and policy reviews	625	42
viii	Research	50	—
		16,916	**12,218**

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €10.552 million; outturn €7.844 million

The shortfall in expenditure of €2.7 million relative to the estimate provision was driven by slower than anticipated recruitment due to the requirement to move recruitment completely online during 2020. This required the creation of processes for online tests and examinations and the procurement and development of this delayed recruitment campaigns by several months. It is also due to the requirement to profile staff salaries on an annualised and mid-point of the scale basis, and staff attrition.

v. Office equipment and external IT services

Estimate provision €1.612 million; outturn €858,000

The shortfall in expenditure of €754,000 relative to the estimate provision was primarily driven by slower than initially planned ICT project implementation as a result of further analysis being required on infrastructure and services following decision making on data migration, workflows and security options. The shortfall in expenditure is also driven by less than anticipated ICT charges due to lower than forecast staff headcount.

vi. Office premises expenses

Estimate provision €1.14 million; outturn €844,000

The shortfall in expenditure of €296,000 relative to the estimate provision was primarily driven by lower than anticipated operational costs due to remote working and delay in procuring new additional office space.

vii. Consultancy services and value for money and policy review

Estimate provision €625,000; outturn €42,000

The shortfall in expenditure of €583,000 relative to the estimate provision was primarily driven by less than anticipated requirement for consultancy services.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020	
		Estimated	Realised
		€000	€000
1	Miscellaneous	10	—
2	Receipts from additional superannuation contributions on public service remuneration	220	155
	Total	**230**	**155**

4.2 Extra receipts payable to the Exchequer

	2020
	€000
Balance at 1 January	—
Administrative fines receipts	75
Transferred to the Exchequer	(75)
Balance at 31 December	**—**

4.3 Fines

The DPC's statutory remit allows for the imposition of administrative fines. No fine imposed by the DPC is collectible until confirmed by Court order (whether on appeal or by confirmation application).

There were seven fines imposed by the DPC in 2020 with a total value of €785,000.

Of the seven fines imposed in 2020, one was collected in full with a value of €75,000. This was remitted to the Exchequer in full (see note 4.2).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020
Number of staff at year end	**145**

5.2 Pay

	2020 €000
Pay	7,120
Higher, special or additional duties allowances	15
Other allowances	—
Overtime	—
Employer's PRSI	709
Total pay	**7,844**

5.3 Allowances and overtime payments, 2020

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €
Higher, special or additional duties allowances	3	—	6,186
Overtime	1	—	217
Other allowances	—	—	—
Extra remuneration in more than one category	—	—	—

5.4 Payroll overpayments

	Number of recipients	2020 €
Overpayments with recovery plans in place	4	32,733
Overpayments with no recovery plans in place	3	3,738
	5 [a]	**36,471**

Note [a] Two Data Protection Commission staff appear on both lists.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by the DPC (on its own behalf)	Payments made in respect of legal costs awarded against DPC	Compensation awarded	Total 2020
		€000	€000	€000	€000
Cases taken by members of the public	34	626	85	—	711
Cases taken by employees	—	—	—	—	—
		626	**85**	**—**	**711**

In 2020, the DPC made a payment in respect of the legal costs of another party in connection with one set of proceedings. This was a judicial review action against the DPC which had been discontinued in 2018.

6.2 Legal fees

The DPC incurred total costs of €618,000 in 2020 in respect of a total of 6 sets of proceedings initiated by the DPC. These comprised a plenary action, two applications made by the DPC to the Circuit Court to confirm the imposition of administrative fines and three marketing prosecutions taken by the DPC in the District Court.

The plenary action was the case of Data Protection Commissioner v Facebook Ireland and Schrems (High Court record no. 2016/4809P). This was a High Court plenary action initiated in 2016 by the DPC seeking a reference to the Court of Justice of the European Union (CJEU) concerning the validity of an EU legal instrument relied on for conducting EU to US data transfers. The course of these complex proceedings included: a six-week trial before the High Court: a 154 page judgment delivered by the High Court resulting in the making of a reference by the High Court to the CJEU; an appeal to the Supreme Court taken by one of the other parties to that case against the making of that reference by the High Court; and a hearing before the CJEU in 2019, with the CJEU's landmark judgment delivered in July 2020. A costs hearing before the High Court then followed in October 2020 with legal costs being awarded against the DPC in respect of one other party. The final amount of that costs order is still to be determined but the DPC made an interim payment of €450,000 to the other party concerned in 2020 in respect of that costs order.

6.3 EU funding

The Data Protection Commission partnered with the Croatian Data Protection Authority and Vrije University (Brussels) on a new project co-funded by the European Union under the Rights, Equality and Citizenship Programme. EU funding of €91,000 was received in 2020 in relation to this project.

Appropriation Account 2020

Vote 45

Further and Higher Education, Research, Innovation and Science

Introduction

As Accounting Officer for Vote 45, 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 2020 for the salaries and expenses of the Office of the Minister for Further and Higher Education, Research, Innovation and Science for certain services administered by that Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €8.184 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, as set out by the Department of Public Expenditure and Reform (DPER) in circular 22 of 2020, have been applied in the preparation of the account.

Fixed assets

The costs relating to office equipment and furniture and fittings fixed assets, used by both Department of Education (Vote 26) and Department of Further and Higher Education, Research, Innovation and Science (Vote 45), are recorded in the Vote 26 appropriation account. The assets are reported in the Vote 26 statement of capital assets. A notional depreciation charge has been applied to Vote 45 under Note 1.1 net allied services to reflect the use of these shared assets by Vote 45.

Creation of Vote

The Department of Further and Higher Education, Research, Innovation and Science was established on 2 August 2020 with further and higher education functions transferred from Department of Education with an effective date of 21 October 2020. Prior to the decision to transfer those functions, the (then) Vote for Education and Skills was presented under three expenditure programmes. Two expenditure programmes transferred to the Department of Further and Higher Education, Research, Innovation and Science: programme B skills development; and programme C higher education.

The full expenditure in 2020 in relation to these two programmes has been included in this appropriation account. The 2019 expenditure values for these programmes have been replicated for comparative purposes.

Other research, innovation and science functions transferred from the Department of Enterprise, Trade and Employment with effect from 1 January 2021 and are not reflected in this appropriation account for 2020.

The transfers of functions from the Department of Education and from the Department of Enterprise, Trade and Employment are subject to continued examination in conjunction with both Departments. This may result in further transfer recommendations to Government if this is found to be appropriate.

Vote 26 Education is providing a shared service to Vote 45 for a number of corporate functions including HR, finance, accommodation and services, audit and IT. A notional charge has been applied to Vote 45 under Note 1.1 net allied services to reflect the staff costs attributable to the shared service.

The detailed arrangements governing these shared services are subject to a process of joint development and documentation and this will include the agreement of a formal memorandum of understanding.

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 Department.

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

Shared services

As a newly established Department with functions being transferred from the Department of Education during 2020 without any pre-existing core corporate functions, I relied on the appropriate controls being exercised by the Department of Education in the provision of shared service to this Department, mainly in the areas of HR, finance, accommodation and services, audit and IT.

Certain payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18) within the overall shared services provided by the Department of Education. The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

Aegis bodies

State bodies under the aegis of this Department are overseen by relevant policy divisions within the Department who are supported by other relevant divisions across the Department and on a shared services basis by the Department of Education's Sectoral Governance Unit.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each Board and the Chairperson of the respective Board.

The relationship between this Department and the bodies under its aegis is typically informed by

- the legislative underpinning of the body
- DPER's 2016 *Code of Practice for the Governance of State Bodies* and associated annexes to that code.

The Department works with its aegis bodies to ensure that the oversight conditions laid out in the *Code of Practice* are satisfied and that robust performance delivery agreements or equivalent are in place in each body. As appropriate, the Department works with its aegis bodies to ensure that time-limited or full derogations from aspects of the code have been agreed and documented in order to satisfy the code's 'comply or explain' requirements.

In line with the code requirements, corporate plans are required to be adopted by the respective bodies to cover the delivery of strategy on a multi-annual basis. These plans allow for the development of corporate strategy and annual priorities to be developed and agreed with the Department.

Within the wider sector, sectoral codes of practice aligned to the specific regulatory frameworks of universities and institutes of technology are in place.

The reform of institutional governance arrangements within the higher education sector forms part of the Government's legislation programme and the priorities set out in the *Statement of Strategy 2021-2023* of the Department.

The Department avails of membership of a Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance and aids the Department with the supply of timely advice and information supports to enhance good governance.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows.

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.
- The Department of Education's Audit Committee provision of ongoing systematic review of the control environment and governance procedures also covered the Department of Further and Higher Education, Research, Innovation and Science during the period 2020.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Department and during 2020 this was based on risk being owned by individual business units that had transferred from the Department of Education.
- 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 Department 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, European Social Fund audit (ESF) and Audit Committee

For internal audit services, I have relied on the Department of Education's internal and EU audit unit with its appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. Procedures are in place to ensure that recommendations included in internal audit reports are tracked for implementation by management. The Department of Education's Audit Committee also covered the provision of ongoing systematic review of the control environment and governance procedures for the Department of Further and Higher Education, Research, Innovation, and Science during the period 2020. A separate Audit Committee for the Department of Further and Higher Education, Research, Innovation, and Science was established in 2021.

The ESF Audit Authority, a section within the Department of Education's Internal and EU Audit Unit, is functionally independent and operates in accordance with its own written charter. It reports to the Department of Education's Audit Committee and to the European Commission on the conduct of its audit programme in respect of compliance with the regulatory requirements of the European Union in relation to the management, control and audit of ESF funds in Ireland. Once established, my Department's Audit Committee will take over responsibility for reviewing significant findings, recommendations and issues arising from the audit of the ESF, given the particular emphasis on the responsibilities within my Department of the National Certifying and Managing Authorities.

Non-compliance with procurement rules

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant procurement guidelines. The Department complied with the guidelines.

There were no instances of non-competitive procurement during 2020 and a nil return was made in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Department 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 and these have been identified, evaluated and graded according to their significance. The risks are signed off at head of business unit level and noted by the Management Board member responsible for that business area. The register details the controls and actions needed to mitigate risks and the register is used, along with other relevant processes, to ensure that risks are managed and mitigated.

The Department's Management Board oversees the risk management system and a Risk Committee has recently been set up by the Management Board. The Risk Committee is finalising a risk management policy for the Department.

As part of the shared service provided by the Department of Education, a governance framework exists that sets out the governance procedures, process and principles that underpin the work of this Department. It is kept under ongoing review.

Ongoing monitoring and review

Procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, 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

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department responsible for the development and maintenance of the internal financial control framework.

ICT security

The Department has a strong commitment to the security of its ICT systems and implements multiple cybersecurity protocols and measures including user awareness, perimeter security, anti-virus/anti-malware, email and web filtering, system patching, risk management, policies, regular vulnerability assessments/penetration testing, mobile device management, access management, incident management, security incident and event monitoring, information security governance, GDPR awareness, disaster recovery, offline backups, supplier management and encryption. The Department's cyber security protocols are supported by the work of the National Cyber Security Centre and the national computer security incident response team, CSIRT, which provides early warnings, alerts, announcements and dissemination of information about risk and incidents to the Department. The Department is also supported by security expertise from multiple third party security organisations. Relevant ICT staff members have security qualifications and ICT security arrangements are subject to review by the Internal Audit Unit.

Covid-19 pandemic

The Covid-19 pandemic coincided with the setting up of this Department and provided additional challenges in doing so.

As a result of Covid-19, the Department's staff were required to work mainly from home. Internal audit has conducted an assessment of the impact of Covid-19 on internal financial controls and mobile security and has provided me with reasonable assurance that the financial controls and mobile security are being adequately managed. Furthermore, the move to remote working has accelerated the use of electronic documentation for audit trail and work efficiency purposes. The results of these assessments were also presented to the Audit Committee on March 24 2021.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2020 that resulted in losses that require disclosure in the appropriation account.

Jim Breslin
Accounting Officer
Department of Further and Higher Education, Research, Innovation and Science

22 September 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 45 Further and Higher Education, Research, Innovation and Science

Opinion on the appropriation account

I have audited the appropriation account for Vote 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2020 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 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Further and Higher Education, Research, Innovation and Science 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 together 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 *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

23 September 2021

Vote 45 Further and Higher Education, Research, Innovation and Science

Appropriation Account 2020

				2020
		Estimate provision		Outturn
		€000	€000	€000
Programme expenditure				
A	Skills development		607,103	599,538
B	Higher education			
	Original	1,898,553		
	Supplementary	43,500		
			1,942,053	1,927,002
Gross expenditure				
	Original	2,505,656		
	Supplementary	43,500		
			2,549,156	**2,526,540**
	Deduct			
C	**Appropriations-in-aid**		**103,442**	**105,710**
Net expenditure				
	Original	2,402,214		
	Supplementary	43,500		
			2,445,714	**2,420,830**

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €16.7 million of unspent allocations in respect of capital elements were carried forward to 2021.

	2020
	€
Surplus	24,883,838
Deferred surrender	(16,700,000)
Surplus to be surrendered	**8,183,838**

Jim Breslin
Accounting Officer
Department of Further and Higher Education, Research, Innovation and Science

22 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020
	€000	€000
Programme cost		2,518,205
Pay		6,943
Non pay		1,392
Gross expenditure		**2,526,540**
Deduct		
Appropriations-in-aid		**105,710**
Net expenditure		**2,420,830**
Changes in net current assets		
Decrease in closing accruals	(8,342)	
Increase in stock	(6)	(8,348)
Direct expenditure		**2,412,482**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		5,426
Notional rents		446
Net programme cost		**2,418,354**

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 45 borne elsewhere.

		2020 [a]
		€000
Vote 9	Office of the Revenue Commissioners	19
Vote 12	Superannuation and Retired Allowances	3,397
Vote 13	Office of Public Works	70
Vote 18	National Shared Services Office	20
Vote 26	Education	1,883
Central Fund – ministerial pensions		37
		5,426

Note [a] The 2020 net allied services expenditure figures do not include figures related to aegis bodies or agencies of the Department of Further and Higher Education, Research, Innovation and Science. The net allied services expenditure has been assigned directly to the Vote and where this was not possible it was apportioned based on agreed allocation of costs between Vote 26 and Vote 45.

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000
Capital assets		—
Current assets		
Bank and cash	2.1	17,779
Stocks		6
Prepayments	2.2	8,128
Amounts due from the EU		2
Other debit balances	2.3	3,736
Accrued income		938
Total current assets		**30,589**
Less current liabilities		
Accrued expenses		703
Salary recoupment to other departments and agencies		21
EU moneys for distribution		520
Other credit balances	2.4	254
Net Exchequer funding	2.5	20,743
Total current liabilities		**22,241**
Net current assets		8,348
Net assets		**8,348**
Represented by:		
State funding account	2.6	**8,348**

2.1 Bank and cash

at 31 December	2020 €000
PMG balances	17,779
	17,779

2.2 Prepayments

at 31 December	2020 €000
Advance to Waterford Institute of Technology [a]	7,826
Other	302
	8,128

Note [a] Waterford Institute of Technology repaid €903,000 in 2020.

2.3 Other debit balances

at 31 December	2020 €000
Transfer of functions	3,684
Payroll suspense	33
Cycle to work scheme	6
Travel pass scheme	8
Shared offices' costs recoupment	5
	3,736

2.4 Other credit balances

at 31 December	2020 €000
Amounts due to the State	
Income tax	120
Pay related social insurance	69
Universal social charge	24
Local property tax	1
Professional services withholding tax	25
Value added tax	4
Pension contributions	11
	254

2.5 Net Exchequer funding

at 31 December	2020
	€000
Surplus to be surrendered	8,184
Deferred surrender	16,700
Exchequer grant undrawn	(4,141)
Net Exchequer funding	**20,743**
Represented by:	
Debtors	
Bank and cash	17,779
Other debit balances	3,736
Amounts due from the EU	2
	21,517
Creditors	
Due to the State	(254)
EU moneys for distribution	(520)
Other credit balances	—
	(774)
	20,743

2.6 State funding account

	Note		2020
		€000	€000
Balance at 1 January			—
Disbursements from the Vote			
Estimate provision	Account	2,445,714	
Surplus to be surrendered	Account	(8,184)	
Deferred surrender		(16,700)	
Net vote			2,420,830
Expenditure (cash) borne elsewhere	1		5,426
Non cash expenditure – notional rent	1		446
Net programme cost	1		(2,418,354)
Balance at 31 December			**8,348**

2.7 Commitments

a) Global commitments

at 31 December	**2020**
	€000
Procurement of goods and services	832
Non-capital grant programmes [a]	2,303,076
Capital grant programmes [b]	416,954
Capital projects	13,375
Public private partnership projects	733,966
Total of legally enforceable commitments	**3,468,203**

b) Non-capital grant programmes	**2020**
	€000
Opening balance	2,341,224
Grants paid in the year	(2,343,413)
New grant commitments per 2021 estimates volume	2,303,076
Net grant (under)/overspend	2,189
Closing balance	**2,303,076**

c) Capital grant programmes	**2020**
	€000
Opening balance	142,931
Grants paid in the year	(141,135)
New grant commitments per 2021 estimates volume	416,954
Net grant (under)/overspend	(1,796)
Closing balance	**416,954**

Notes

[a] Non-capital grant programmes include grants that will be made to aegis bodies and other organisations including universities, institutes of technology and education and training boards to fund current expenditure including pay.

[b] Capital grant programmes relate to grants that will be made to aegis bodies for all capital projects, including universities, institutes of technology and education and training boards.

d) Major capital projects

Capital projects involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2019	Expenditure in 2020	Project commitments in subsequent years	Expected total spend lifetime of project 2020	Expected total spend lifetime of project 2019
	€000	€000	€000	€000	€000
National Children's Hospital (Higher Education Facilities)	10,000	—	7,000	17,000	17,000
Maynooth University, Technology Society and Innovation Building	5,374	13,251	6,375	25,000	25,000
Total	**15,374**	**13,251**	**13,375**	**42,000**	**42,000**

Unitary payments of Public Private Partnership projects

The Department has obligations under three separate contracts to design, build, finance, maintain and operate educational accommodation under the public private partnership (PPP) model. PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge payable once construction has been completed.

Name of PPP project	Cumulative expenditure to 31 December 2019	Expenditure in 2020 [a]	Legally enforceable commitments to be met in subsequent years	Project total 2020	Project total 2019
	€000	€000	€000	€000	€000
National Maritime College of Ireland	133,784	6,849	46,782	187,415	187,640
Cork School of Music	110,228	8,292	100,675	219,195	219,989
Grangegorman Quads	—	—	586,509	586,509	588,749
	244,012	**15,141**	**733,966**	**993,119**	**996,378**

Note [a] The expenditure reflected at the end of 2020 relates specifically to capital payments i.e. unitary charges. The 2020 expenditure in the table above is included in the overall outturn of subhead B.17 of €18.257 million.

Significant variations

In addition to the summary information on each of the PPP projects below, an explanation is provided where projected total expenditure increased/decreased by more than €500,000 from 2019 to 2020.

Indexation

The Department makes monthly unitary charge payments to the relevant PPP company on all operational PPP projects. The unitary charge payment is made up of two elements, a fixed cost element and a variable (indexed) element which changes in line with the Consumer Price All Item Index (CPI). An indexation review date is specified in each contract. Once the indexation factor is determined, the annual unitary charge is calculated by adding the fixed and adjusted variable values.

National Maritime College of Ireland

The National Maritime College of Ireland (NMCI) PPP project was completed in October 2004. NMCI was the first third level PPP to be completed and operating in Ireland. The college provides state of the art education and training facilities to service the needs of the Cork Institute of Technology and the non-military needs of the Irish Naval Service.

Cork School of Music

A contract for the design, build, financing and operation of the Cork School of Music was signed with Hochtief in September 2005. The Cork School of Music was completed in July 2007. The decrease in projected costs from 2019 to 2020 of €794,000 relates to the yearly indexation review and a revision to the calculation of the projections.

Grangegorman Quads

The Grangegorman PPP project, which comprises the central and east quads, will deliver significant academic infrastructure for Technological University Dublin at Grangegorman. The contract for the design, build, financing and maintenance of the buildings was signed in March 2018. The downward variation of €2.24 million from 2019 to 2020 reflects the savings achieved in unitary charges due to the delay in completion of this project and construction VAT that was less than originally profiled.

2.8 Matured liabilities

at 31 December	**2020**
	€000
Estimate of matured liabilities not discharged at year end	**197**

2.9 Contingent liabilities

There were no contingent liabilities at the end of 2020.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2020	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	9,710	6,943
ii	Travel and subsistence	251	65
iii	Training and development and incidental expenses	232	220
iv	Postal and telecommunications services	293	59
v	Office equipment and external IT services	1,245	840
vi	Office premises expenses	214	208
vii	Consultancy and other services	18	—
		11,963	**8,335**

Significant variations

The following presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €9.71 million; outturn €6.943 million

The decrease in expenditure of €2.767 million relative to the estimate provision was mainly due to the amount of funding allocated to this subhead as part of the transfer of functions from the Department of Education. The funding transferred was a provisional estimate for 2020 until more detailed information became available on staff resources transferred and the corresponding subhead allocation for 2021 has been adjusted accordingly.

ii Travel and subsistence

Estimate provision €251,000; outturn €65,000

The decrease in expenditure of €186,000 relative to the estimate provision was mainly from reduced travel and subsistence costs due to Covid-19 and the additional amount of funding allocated to this subhead as part of the transfer.

iv Postal and telecommunications services

Estimate provision €293,000; outturn €59,000

The decrease in expenditure of €234,000 relative to the estimate provision is mainly due to the pro-rata apportionment methods applied to allocations for the transfer of function from the Department of Education to this Department.

v Office equipment and external IT services

Estimate provision €1.245 million; outturn €840,000

The decrease in expenditure of €405,000 relative to the estimate provision is mainly due to the pro-rata apportionment methods applied to allocations for the transfer of function from the Department of Education to the Department of Further and Higher Education, Research, Innovation and Science.

Programme A Skills Development

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	4,944	3,535	5,293
A.2	Administration − non pay	1,147	709	1,229
A.3	Grants to SOLAS in respect of administration and general expenses	24,600	21,029	22,373
A.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports	525	294	300
A.5	Grants to SOLAS in respect of further education and training activities	536,903	537,687	367,566
A.6	Grant to Quality and Qualifications Ireland (QQI)	5,984	4,919	4,516
A.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (ANCO)	33,000	31,365	31,271
		607,103	**599,538**	**432,548**

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €7.565 million lower than provided.

A.3 Grants to SOLAS in respect of administration and general expenses

Estimate provision €24.6 million; outturn €21.029 million

The decrease in expenditure of €3.571 million relative to the estimate provision was mainly due to funding retained by the body at the end of 2019 which was offset in the 2020 grant payments in compliance with Circular 13/2014 (€3.386 million). The remaining €185,000 can be attributed to savings achieved in a Storage Area Network (SAN) project and a further IT project not progressing as planned in 2020.

A.4 European Social Fund (ESF) and European Globalisation Fund (EGF) supports

Estimate provision €525,000; outturn €294,000

The decrease in expenditure of €231,000 relative to the estimate provision was primarily due to there being no EGF programme in operation in Ireland in 2020 (€100,000). Other savings are attributable to the transfer of eCohesion system licences from the ERDF to the ESF (€49,000) and the in-house development of an ESF website rather than going to market (€23,000). Additional savings of €43,000 in communications and publicity activities arose as a direct result of the Covid-19 pandemic.

A.6 Grant to Quality and Qualifications Ireland (QQI)

Estimate provision €5.984 million; outturn €4.919 million

The decrease in expenditure of €1.065 million relative to the estimate provision was primarily due to the implementation of the new functions assigned to Quality and Qualification Ireland (QQI) under the Qualifications and Assurance (Education and Training) (Amendment) Act 2019 not progressing as planned partly due to Covid-19 (€905,000). In addition, funding made available under the July 2020 stimulus programme to compensate QQI for loss of fee income as a direct result of Covid-19 was not drawn down as fee income reduction did not materialise at the anticipated level (€160,000).

Programme B Higher Education

		Estimate provision		2020 Outturn	2019 Outturn
		€000	€000	€000	€000
B.1	Administration − pay		4,766	3,408	5,122
B.2	Administration − non pay		1,106	683	1,186
B.3	Grant for general expenses of Higher Education Authority		9,347	8,896	7,782
B.4	General current grants to universities, institutes of technology and other designated institutions of higher education				
	Original	1,107,836			
	Supplementary	24,400			
			1,132,236	1,137,064	1,004,955
B.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		—	—	5,748
B.6	Dublin Dental Hospital (grant)		12,831	12,831	12,226
B.7	Dublin Institute for Advanced Studies (grant)		7,548	7,552	6,882
B.8	Royal Irish Academy of Music (grant)		3,394	3,394	3,216
B.9	Grants to certain third level institutions				
	Original	8,793			
	Supplementary	600			
			9,393	9,055	7,723
B.10	Superannuation etc. payable to former staff of universities and institutes of technology		159,278	162,753	116,606
B.11	Student support and related expenses				
	Original	385,564			
	Supplementary	18,500			
			404,064	401,178	383,294
B.12	Research activities		41,600	42,021	47,600
B.13	EU, international and north south activities		6,349	4,358	6,992
B.14	Grangegorman Development Agency		3,179	3,137	3,117
B.15	Miscellaneous grants and services		300	138	375
B.16	Third level infrastructure		84,000	86,500	65,000
B.17	Public private partnership costs		35,300	18,257	18,379
B.18	Shared services		27,362	25,777	—
			1,942,053	**1,927,002**	**1,696,203**

Significant variations

The following presents an analysis of the programme expenditure of the Vote and outlines the reasons for significant variations (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €15.051 million lower than provided.

B.13 EU, international and north south activities

Estimate provision €6.349 million; outturn €4.358 million

The decrease in expenditure of €1.991 million relative to the estimate provision was primarily due to

- postponement of the Academic Mobility scheme due to Covid-19 (€500,000)
- part of the €1.5 million Covid-19 funding allocated for the higher education sector to assist in the safe arrival of international students was not used (€589,000)
- postponement of some EU initiatives under European Universities funding due to Covid-19 (€492,000)
- the Department was not involved in any OECD projects in the field of higher education during 2020 (€200,000)
- lower than anticipated uptake of the Government of Ireland scholarships (€190,000).

B.15 Miscellaneous grants and services

Estimate provision €300,000; outturn €138,000

The decrease in expenditure of €162,000 relative to the estimate provision arose as funding demands were not as high as anticipated. This subhead caters for miscellaneous expenditure, the level of which can be difficult to determine in advance.

B.17 Public private partnerships costs

Estimate provision €35.3 million; outturn €18.257 million

The decrease in expenditure of €17.043 million relative to the estimate provision was primarily due to

- delays in the service delivery of the Grangegorman PPP project resulted in no unitary charges falling due in 2020 (€12.12 million)
- delays in profiled spend on the higher education PPP programme resulted in payments being lower than anticipated (€3.4 million)
- lower than anticipated inflation levels in 2020 resulting in lower than projected indexation costs being applied to unitary charges payments across two higher education projects (€400,000)
- reduced unitary charges in respect of agreed service and delivery across the two operational higher education projects (€200,000)
- lower than anticipated operational and contingency costs arising across a number of areas.

B.18 Shared services

Estimate provision €27.362 million; outturn €25.777 million

The decrease in expenditure of €1.585 million relative to the estimate provision was primarily due to the amount of funding allocated to this subhead as part of the transfer of functions from the Department of Education. The funding transferred was a provisional estimate for 2020 until more detailed information became available and the corresponding subhead allocation for 2021 has been adjusted accordingly.

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
C.1	Superannuation contributions	689	726	682
C.2	Receipts from EU funding [a]	34,700	34,895	73,826
C.3	Receipts from additional superannuation contributions on public service remuneration	68,053	69,210	74,600
C.4	Secondments/overpayments	—	—	—
C.5	Miscellaneous	—	879	2,107
	Total	**103,442**	**105,710**	**151,215**

Note [a] A breakdown of EU receipts of €34.895 million under C.2 is provided in the table under Note 6.3 EU funding.

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €2.268 million higher than the estimate forecast.

C.5 Miscellaneous

Estimate €nil; realised €879,000

The increase of €879,000 relative to the estimate primarily arose from the receipt of WIT loan repayments not estimated for as part of the transfer of funds/functions from Department of Education.

4.2 Extra receipts payable to the Exchequer

	2020
	€000
Balance at 1 January	155
Recoupment of unspent funding from HEA/IRC [a]	527
Transferred to the Exchequer [b]	(682)
Balance at 31 December	**—**

Notes [a] During 2020, a total of €527,000 was received from the HEA in respect of unspent grants to the Irish Research Council in prior years, which remained unspent.

[b] €682,242 was surrendered to the Exchequer in 2020.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020
Department	134
Third level [a]	22,250
Other agencies	391
Number of staff at year end	**22,775**

Note [a] Core-funded posts only. Other posts e.g. contract research staff are not included in the overall count of public sector numbers.

5.2 Pay

Remuneration of Department staff	2020 €000
Pay	6,388
Higher, special or additional duties allowances	48
Other allowances	1
Overtime	4
Employer's PRSI	502
Total pay [a, b]	**6,943**

Notes [a] The financial details in this table relate solely to salaries and allowances paid to employees of the Department.

[b] The total pay figure is reflected under A.1.

5.2 Pay

Third level	2020 €000
Pay	1,990,250
Higher, special or additional duties allowances	—
Other allowances	6,876
Overtime	1,632
Employer's PRSI	147,580
Total pay [a]	**2,146,338**

Note [a] The financial details in this table reflect the full salary costs of universities, colleges and institutes of technology and include the costs of third level posts under Note 5.1.

Other agencies	2020 €000
Pay	22,411
Higher, special or additional duties allowances	—
Other allowances	160
Overtime	6
Employer's PRSI	1,483
Total pay [a]	**24,060**

Note [a] The financial details in this table reflect the full salary costs of agencies and include the costs of agency staff counted under Note 5.1 (Core-funded posts only).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2020 €
Higher, special or additional duties allowances	7	1	25,074
Other allowances	1	—	952
Overtime	6	—	1,185
Extra remuneration in more than one category	—	—	—

The details of allowances and overtime payments in this table relate solely to Departmental administrative staff.

Circular 20/2020 requires that the details of allowances and overtime paid in agencies under the aegis of the Department to be disclosed. The Department has not been in a position to provide this information for the 2020 accounts. This will be reviewed for the 2021 accounts.

5.4 Other remuneration arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €18,891 which included travel and subsistence costs of €1,366. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

5.5 Payroll overpayments

	Number of recipients	2020 €
Administration staff salary overpayments		
Overpayments	—	—
Recovery plans in place	—	—

No overpayment recovery plans were transferred during 2020.

5.6 Severance/redundancy

During 2020, a total of eight individuals were paid redundancy via the Department's administrative payrolls. The total amount paid was €125,977 and included payment for redundancy and severance sums as appropriate. Seven redundancy payments exceeded €10,000. The highest value sum paid in 2020 was €24,641.
There was no early payment of pension, addition of added years of notional service or other enhancements to the accrued pension terms granted to any of the eight individuals.

Note 6 Miscellaneous

6.1 Compensation and legal costs

					2020
	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	Total
		€000	€000	€000	€000
Claims by members of the public	2	—	56	—	56
		—	**56**	**—**	**56**

In the course of the day-to-day running of the Department, the total legal costs incurred by the Department in 2020 was €287,000 which includes the legal costs and compensation awards listed above. The table above identifies legal costs and fees paid directly by the Department and does not reflect legal costs of other bodies supported by voted subheads.

6.2 Fraud and suspected fraud

	Number of cases	2020
		€000
Fraud	1	10
Suspected fraud/irregularities	—	—
		10

The Department was made aware of one new case of suspected fraud/irregularities.

6.3 EU funding

Receipts in relation to EU funding received during 2020 and lodged to appropriations-in-aid is detailed in the table below.

EU funding category	2020 €000	2019 €000
D2.1 ESF pay	23,379	50,464
D2.1 ESF non pay	11,320	23,362
PIAAC International	196	—
	34,895	**73,826**

2020 European Structural Fund (ESF) receipts

The amount of €34.699 million (€23.379 million pay and €11.320 million non pay) received in 2020 and shown as appropriations-in-aid was included in the recorded expenditure from the B.5 and C.11 subheads of the Office of the Minister for Education for the years 2014-2018.

Receipts came from the Programme for Employability, Inclusion and Learning (PEIL) 2014-2020, which is a European Social Fund (ESF) co-funded programme.

ESF Programme for Employability, Inclusion and Learning 2014-2020: position at year end 2020

	European Social Fund (ESF) €000	Youth Employment Initiative (YEI) €000	Total €000
EU allocation 2014-2020 [a]	484,516	68,145	552,661
Receipts at end of 2019	254,793	47,543	302,336
2020 annual pre-financing receipts	15,478	2,044	17,522
Balance in respect of 2018-2019	1,789	—	1,789
2020 interim payment application receipts.	21,477	3,065	24,542
Total receipts in 2020	**38,744**	**5,109**	**43,853**
Total receipts at end 2020	**293,537**	**52,652**	**346,189**
As % of 2014-2020 allocation	61%	77%	63%

Distribution of 2020 ESF programme receipts	€000
Department of Further and Higher Education, Research, Innovation and Science	35,389
Department of Education	144
Department of Justice	6,417
Department of Defence	79
National Training Fund	1,500
	43,529

Note [a] €60 million was transferred from the ESF allocation to the ERDF to aid the purchase of PPE as part of the response to Covid-19 in December 2020.

The receipts from interim payment applications account for 90% of the EU allocations due as the Commission retains 10% which is payable after acceptance of the annual accounts and is reflected in the subsequent year's balancing amount.

6.4 Direct EU funding to bodies under the Department's aegis

In addition to the funding of grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2020 was as shown below.

	2020
	€000
Aegis body	
Higher Education Authority	309
Quality and Qualifications Ireland	273
Irish Research Council	327
Léargas [a]	19,240
	20,149

Note [a] Funding for Léargas relates to education-only related programmes.

Aegis body	Purpose of funding	2020 €000
Higher Education Authority	Promotion and administration of the Erasmus+ programme	309
Quality and Qualifications Ireland	Secretariat to EQUAVET (the European Quality Assurance in Vocational Education and Training) in addition to being the national centre for both EUROPASS and NARIC	273
Irish Research Council	Humanities in the European Research Area (HERA), CHIST-ERA programme (European coordinated research on future and emerging information and communication technologies) and Marie Sklodowska-Curie Actions COFUND Collaborate Research Fellowships Programme	327
Léargas	Erasmus+, Eurodesk, ECVET, E twinning Epale and Euroguidance	19,240

6.5 Late payment interest

	2020 €000
Total net interest paid	1

Appendix A Accounts of bodies and funds under the aegis of the Department of Further and Higher Education, Research, Innovation and Science

The following table lists the bodies under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, as at September 2021, the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Universities/Colleges [a]				
University College Cork	2019	21 Dec 2020	8 Jan 2021	3 Mar 2021
University College Dublin	2019	28 Sep 2020	5 Oct 2020	3 Dec 2020
National University of Ireland Galway	2020	30 Jun 2021	6 Jul 2021	To be laid
National University of Ireland	2019	21 Dec 2020	22 Dec 2020	22 Feb 2021
Trinity College Dublin	2020	29 Mar 2021	30 Mar 2021	25 May 2021
University of Limerick	2019	25 Sep 2020	28 Sep 2020	26 Nov 2020
Dublin City University	2019	9 Apr 2021	15 Apr 2021	26 May 2021
National University of Ireland Maynooth	2020	29 Mar 2021	30 Mar 2021	28 Apr 2021
Mary Immaculate College, Limerick	2020	31 May 2021	17 Jun 2021	16 Jul 2021
Technological University Dublin	2020	27 Aug 2021	31 Aug 2021	To be laid
National College of Art and Design	2020	28 May 2021	9 Jun 2021	5 Aug 2021
St Angela's College of Education, Sligo	2019	29 Oct 2020	13 Nov 2020	17 Dec 2020
Institutes of Technology [b]				
Athlone	2020	29 Jun 2021	9 Jul 2021	To be laid
Cork	2019	5 Nov 2020	14 Nov 2020	18 Dec 2020
Dundalk	2019	22 Dec 2020	9 Jan 2021	23 Feb 2021
Dun Laoghaire Institute of Art, Design and Technology	2020	11 May 2021	13 May 2021	9 Jul 2021
Galway-Mayo	2019	5 Mar 2021	6 Apr 2021	25 May 2021
Carlow	2019	22 Dec 2020	23 Dec 2020	23 Feb 2021
Sligo	2020	29 Jun 2021	9 Jul 2021	To be laid
Tralee	2019	17 Dec 2020	6 Jan 2021	5 Mar 2021
Letterkenny	2019	11 Dec 2020	14 Dec 2020	28 Jan 2021
Limerick	2020	27 May 2021	3 Jun 2021	15 Jul 2021
Waterford	2019	23 Dec 2020	12 Jan 2021	12 Mar 2021

Body/departmental fund	Last accounting period audited	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aegis bodies				
SOLAS	2020	21 May 2021	27 May 2021	14 Jul 2021
Grangegorman Development Agency	2019	24 Dec 2020	5 Jan 2021	3 Mar 2021
Higher Education Authority	2020	28 Jun 2021	2 Jul 2021	2 Sep 2021
Quality and Qualifications Ireland	2019	17 Dec 2020	17 Dec 2020	26 Jan 2021
Dublin Institute for Advanced Studies	2020	8 Jul 2021	21 Jul 2021	To be laid
Royal Irish Academy of Music	2019	23 Dec 2020	20 Jan 2021	9 Mar 2021
Royal Irish Academy	2019	23 Dec 2020	20 Jan 2021	19 Mar 2021

Notes [a] Period of account 1 October to 30 September.

[b] Period of account 1 September to 31 August.