

## **Appropriation Account 2016**

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### **Vote 1**

### **President's Establishment**

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## **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 2016 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 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €286,958 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

## **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

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

## **Statement on Internal Financial Control**

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

### ***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 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.

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

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

***Financial control environment***

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action

***Administrative controls and management reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines.

***Internal Audit and Audit Committee***

An Audit Committee was in place for the Vote in 2016 but did not meet as the Chairman was indisposed. No internal audit work programme was agreed for 2016 due to the fact that the Audit Committee did not meet. A new chairman will be put in place in 2017.

The President's Establishment comes under the ambit 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. Its work is informed by analysis of the financial risks to which the Office 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 the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

Once the President's Establishment Audit Committee is up and running, it is expected that an internal audit of the Office will be scheduled.

**Martin Fraser**  
Accounting Officer

14 September 2017

## **Comptroller and Auditor General**

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

#### **Vote 1 President's Establishment**

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Office and for the regularity and propriety of all transactions in the appropriation account.

#### ***Responsibility of the Comptroller and Auditor General***

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 1 President's Establishment for the year ended 31 December 2016.

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

**Seamus McCarthy**  
Comptroller and Auditor General

24 September 2017

## Vote 1 President's Establishment Appropriation Account 2016

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A President's Establishment	2,642	2,456	2,153
B Centenarians' bounty	1,275	1,152	1,145
<b>Gross expenditure</b>	<b>3,917</b>	<b>3,608</b>	<b>3,298</b>
<i>Deduct</i>			
C Appropriations-in-aid	106	84	100
<b>Net expenditure</b>	<b>3,811</b>	<b>3,524</b>	<b>3,198</b>

### Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	286,958	246,341

### Analysis of administration expenditure

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	1,726	1,677	1,664
ii Travel and subsistence	310	150	194
iii Training and development and incidental expenses	295	302	122
iv Postal and telecommunications services	86	90	81
v Office machinery and other office supplies and related services	280	293	150
	<b>2,697</b>	<b>2,512</b>	<b>2,211</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	1,096	1,087
Pay	1,677	1,664
Non pay	835	547
<b>Gross expenditure</b>	<b>3,608</b>	<b>3,298</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>84</b>	<b>100</b>
<b>Net expenditure</b>	<b>3,524</b>	<b>3,198</b>
<b>Changes in capital assets</b>		
Purchases cash	(54)	
Depreciation	33	
	(21)	(9)
<b>Changes in net current assets</b>		
Decrease in closing accruals	(2)	
Decrease in stock	4	
	2	56
<b>Direct expenditure</b>	<b>3,505</b>	<b>3,245</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	4,658	4,748
<b>Net programme cost</b>	<b>8,163</b>	<b>7,993</b>

#### 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.

	2016	2015
	€000	€000
Vote 7 Office of the Minister for Finance	20	--
Vote 12 Superannuation and Retired Allowances	484	462
Vote 13 Office of Public Works	2,411	2,071
Vote 18 National Shared Services Office	4	3
Vote 20 Garda Síochána	174	344
Vote 28 Foreign Affairs and Trade	241	482
Vote 36 Defence	431	408
Central Fund (Emoluments and allowances of President and presidential pensions).	893	978
	<b>4,658</b>	<b>4,748</b>

## 2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
<b>Capital assets</b>	2.2	<b>79</b>	<b>58</b>
<b>Current assets</b>			
Stocks	2.3	31	35
Prepayments		29	15
Accrued income		4	5
Other debit balances		--	2
Bank and cash		71	(21)
Net Exchequer funding due	2.5	4	81
<b>Total current assets</b>		<b>139</b>	<b>117</b>
<b>Less current liabilities</b>			
Accrued expenses		101	90
Other credit balances	2.4	75	62
<b>Total current liabilities</b>		<b>176</b>	<b>152</b>
<b>Net current assets</b>		<b>(37)</b>	<b>(35)</b>
<b>Net assets</b>		<b>42</b>	<b>23</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>42</b>	<b>23</b>

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		23	70
<b>Disbursements from the Vote</b>			
Estimate provision	Account	3,811	
Surplus to be surrendered	Account	(287)	
<b>Net vote</b>		<b>3,524</b>	<b>3,198</b>
Expenditure (cash) borne elsewhere	1.1	4,658	4,748
Net programme cost	1	(8,163)	(7,993)
<b>Balance at 31 December</b>		<b>42</b>	<b>23</b>



**2.2 Capital Assets**

	<b>IT equipment €000</b>	<b>Office equipment €000</b>	<b>Total €000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2016	336	93	429
Additions	54	--	54
Disposals	(18)	--	(18)
<b>Cost or valuation at 31 December 2016</b>	<b>372</b>	<b>93</b>	<b>465</b>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2016	282	89	371
Depreciation for the year	31	2	33
Depreciation on disposal	(18)	--	(18)
Cumulative depreciation at 31 December 2016	295	91	386
<b>Net assets at 31 December 2016</b>	<b>77</b>	<b>2</b>	<b>79</b>
<b>Net assets at 31 December 2015</b>	<b>54</b>	<b>4</b>	<b>58</b>

**2.3 Stocks**

	<b>2016 €000</b>	<b>2015 €000</b>
at 31 December		
Centenarian medals	7	5
IT consumables and stationery	24	30
	<b>31</b>	<b>35</b>

**2.4 Other Credit Balances**

	<b>2016 €000</b>	<b>2015 €000</b>
at 31 December		
<b>Amounts due to the State</b>		
Income Tax	33	25
Pay Related Social Insurance	14	12
Pension Levy	3	--
Universal Social Charge	8	9
Local Property Tax	--	--
Pension contributions	5	4
	<b>63</b>	<b>50</b>
Payroll deductions held in suspense	12	12
	<b>75</b>	<b>62</b>

<b>2.5 Net Exchequer funding due</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>

Surplus to be surrendered	287	246
Exchequer grant undrawn	(291)	(327)
Net Exchequer funding due	<u>(4)</u>	<u>(81)</u>

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

Debit balances: suspense	—	2
	<u>—</u>	<u>2</u>

**Creditors**

Bank and cash	71	(21)
Due to State	(63)	(50)
Credit balances: suspense	(12)	(12)
	<u>(4)</u>	<u>(83)</u>

	<u>(4)</u>	<u>(81)</u>
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<b>2.6 Commitments</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>

**a) Global Commitments**

Contracted goods and services	—	4
Total of legally enforceable commitments	<u>—</u>	<u>4</u>

**3 Programme Expenditure by Subhead**

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>President's Establishment</b>			
A.1	Administration – pay	1,686	1,636	1,621
A.2	Administration - non pay	956	820	532
		2,642	2,456	2,153
<b>B</b>	<b>Centenarians' bounty</b>			
B.1	Administration – pay	40	41	43
B.2	Administration - non pay	15	15	15
B.3	Centenarians' bounty	1,220	1,096	1,087
		1,275	1,152	1,145

## 4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from pension-related deductions on public service remuneration	95	79	96
2. Miscellaneous	11	5	4
	<u>106</u>	<u>84</u>	<u>100</u>

## 5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)	27	26
	2016	2015
	€000	€000
Pay	1,483	1,535
Higher, special or additional duties allowance	83	38
Overtime	24	17
Employer's PRSI	87	74
<b>Total pay</b>	<b><u>1,677</u></b>	<b><u>1,664</u></b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	5	4	27,154 <sup>a</sup>	19,843
Overtime	13	--	4,869	3,841
Extra remuneration in more than one category	1	--	3,322	5,828

<sup>a</sup> Includes arrears of €13,153

### 5.2 Payroll Overpayments

There was a salary overpayment outstanding at year end 2016 of €527 (1 case) (2015: €3,100, 1 case). A recovery plan is in place.